# EMALAHLENI LOCAL MUNICIPALITY

# INTEGRATED DEVELOPMENT PLAN - 2022/2027

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# TABLE OF CONTENTS

## ABBREVIATIONS

| | |
|---|---|
| **BESP** | Built Environment Support Program |
| **CAPEX** | Capital Expenditure |
| **CBD** | Central Business District |
| **CBP** | Community Based Planning |
| **CFO** | Chief Financial Officer |
| **CWP** | Community Works Programme |
| **DeCoGTA** | Department of Co-operative Governance & Traditional Affairs |
| **DEA** | Department of Environmental Affairs |
| **DEADP** | Department of Environmental Affairs & Development Planning |
| **DM** | District Municipality |
| **DoRA** | Division of Revenue Act |
| **DWA** | Department of Water Affairs |
| **EE** | Employment Equity |
| **EPWP** | Expanded Public Works Programme |
| **GAMAP** | Generally Accepted Municipal Accounting Practice |
| **GRAP** | Generally Recognized Accounting Practice |
| **HR** | Human Resources |
| **HSP** | Human Settlement Plan |
| **IDP** | Integrated Development Plan |
| **IFRS** | International Financial Reporting Standards |
| **IMFO** | Institute for Municipal finance officers |
| **INEP** | Integrated National Electrification Programme |
| **ISDF** | Integrated Strategic Development Framework |
| **Kl** | Kilolitre (1,000 litres) |
| **KPA** | Key Performance Area |
| **KPI** | Key Performance Indicator |
| **Kw/h** | Kilowatt-hour |
| **LED** | Local Economic Development |
| **LM** | Local Municipality |
| **LLF** | Local Labour Forum |
| **MBRR** | Municipal Budget and Reporting Regulations |
| **MFMA** | Municipal Finance Management Act (Act No. 56 of 2003) |
| **MIG** | Municipal Infrastructure Grant |
| **MEC** | Member of Executive Council |
| **MERO** | Municipal Economic Review & Outlook |
| **MGRO** | Municipal Governance Review & Outlook |
| **Ml** | Mega liter (1,000,000 litres) |
| **MM** | Municipal Manager |
| **MSA** | Municipal Systems Act No. 32 of 2000 |
| **MSCOA** | Municipal Standard Chart of Accounts |
| **MTREF** | Medium Term Revenue & Expenditure Framework |
| **NDP** | National Development Plan |
| **NDPG** | Neighborhood Development Program Grant |
| **NERSA** | National Energy Regulator of South Africa |
| **NGO** | Non-Governmental Organization |
| **NT** | National Treasury |
| **OPEX** | Operating expenditure |

| | |
|---|---|
| **PDI** | Previously Disadvantaged Individual |
| **PGEC** | Provincial Government Eastern Cape |
| **PMS** | Performance Management System |
| **PSDF** | Provincial Spatial Development Framework |
| **PSP** | Provincial Strategic Plan |
| **PPP** | Public-Private Partnership |
| **PT** | Provincial Treasury |
| **R** | Rand (Currency) |
| **RBIG** | Regional Bulk Infrastructure Grant |
| **RO** | Reverse Osmosis |
| **ROD** | Record of Decision-making |
| **SALGA** | South African Local Government Organization |
| **SAMDI** | South African Management Development Institute |
| **SCM** | Supply Chain Management |
| **SDBIP** | Service Delivery and Budget Implementation Plan |
| **SDF** | Spatial Development Framework |
| **SEA** | Strategic Environmental Assessment |
| **SONA** | State of the Nation Address |
| **SOMA** | State of the Municipality Address |
| **SOPA** | State of the Province Address |
| **STATSSA** | Statistics South Africa |
| **UISP** | Upgrading of Informal Settlements Programme |
| **VIP** | Ventilated Improved Pit (toilet) |
| **WSP** | Workplace Skills Plan |
| **WTW** | Water Treatment Works |

## FOREWORD BY THE MAYOR

The new council of Emalahleni Local Municipality is not exclusive to the broader mandate given to Local Government by the South African Constitution. The only distinctiveness we have is the different legitimate expectations of our communities. Our specific mandate is drown from the road shows we embark upon in drafting our Integrated Development Plan, which is our guiding document in our performance. This financial year is the year after Local Government election which came with fresh mandate of the new council to perform their needs forward.

As the council of Emalahleni we are committed to clean governance and administration, Infrastructure development and maintenance, Local Economic Development and its Sustainability, Financial Viability as well as community services for the betterment of the lives of our people. Working together with the people we will be able to develop the Emalahleni we want where all our needs are fulfilled with the limited resources that we have.

The Corona virus pandemic had imposed number of challenges which requires us to exposure innovative way. In the past we would have our engagements under one roof but now we are compelled to hold such using technology. The pandemic pushed us to acknowledge the advancements of technology as well as opportunities thereof. One would say COVID 19 is a healthy challenge although the reality is that it affects all what the mankind is used to do daily, from the socio-economic, political, religious and many more activities we are used to perform.

The reality is that to be able to live now, we need to adapt to a new way of doings things coupled by a behavioural change on a variety of aspects. This is not our challenge alone, but the World is affected by this pandemic. It is therefore, in our interest to improve on various alternative public consultation methods so that our communities continue to engage and understand the direction the municipality is taking on its developmental agenda. At this point in time, community radio, print media, social media and other mechanisms are alternative engagement platforms identified.

The municipality is stable as we have managed to hold council business without any fail due to the political as well as the administrative stability. There are some areas that we can improve on such as the crime in our communities and the overwhelming access to drugs in our respective communities. Gender Based Violence is so prevalent in our communities; elderly, women and children are raped and killed by community members, family members and people known to them and trusted as siblings. We appeal to men to play their part in the fight against Gender Based Violence, community structures and law enforcement to guard against this heartless behavior that is spoiling our society.

Water and sanitation are also still a huge problem which needs our intervention as the Emalahleni Municipal Council as well as Chris Hani District Municipal Council as the water authority and provider. We will continue with the Community Works Programme (CWP) and the Expanded Public Works Programme (EPWP) that are community programmes driven to employ and capacitate people in our communities. Contractors working in our projects have got a responsibility to hire subcontractors which means Small Medium Macro Enterprises (SMME’s) in the Emalahleni area to enable them to develop and grow as small businesses.

We do this to assist build the capacity of Sub-contractors to emerge as well-established businesses. For that idea to be fulfilled we need the cooperation of business community as it necessitates commitment by all in ensuring that while working as sub-contractors, they provide quality services, building their business profiles and collect all the required skills as well as capacity levels to compete for huge projects even outside the municipal area.

On youth development and other youth programmes this financial year we are hoping to accelerate the rate in which we render services to this majority of our population through engaging Seta's, government departments and all sectors relevant to the plight of young people. Our Special Programmes and Skills Development will now have to refocus looking into the new skills needs based on the advancements in technology as well as the smart way of doing things responding to the changing world.

As we respond to COVID 19 we appreciate what government departments, role players, stakeholders and community-based structures do in their respective areas. At the same time, we have identified the need to strengthen our working relation to better serve our communities. It is therefore paramount for government departments to fully participate at the Intergovernmental Relations Forum so that there is a clear uninterrupted information flow.

Working with the department of roads we hope that our roads infrastructure will improve as we have concluded the memorandum of understanding where the plant machinery of the department is given to us to construct and maintain access roads using the inhouse teams.

The Thuma Mina call is directed to everyone within our communities including community members and civil servants. Civil servants have a responsibility to serve communities as efficient as possible. At the same time people in the community who have the means to assist to the needs of others (such as employment/community development) must also do so working hand in hand with government.

Unity in development as our slogan is the central point for us all to daily look into what we can do to develop the Emalahleni, Chris Hani, Eastern Cape, South Africa, and the world we want free from all social ills, our people suffer every day. Let us join hands and build the world we want.

**COUNCILLOR NONTOMBIZANELE KONI**
**HONOURABLE MAYOR**

## EXECUTIVE SUMMARY

After 2021, Local Government Elections were held, and Emalahleni Local Municipality is in the process of developing a five-year credible strategic planning tool called Integrated Development Plan (IDP) with a cash-back budget premised on a medium-term revenue and expenditure framework. The IDP has been amended in terms of Local Government: Municipal Systems Act of 2000 (Act 32 of 2000). The needs and priorities of communities are derived from Public Participation and Mayoral Outreach Programmes, which were also conducted as per the requirements of the act. It should be noted that IDP and Budget are living documents and their implementation is assessed in terms of service delivery and budget implementation plan which confirms the relevance of programmes and projects of Council.

IDP and Budget are designed in such a way that they fulfil the constitutional mandate of Local Government that of institutional development and transformation, service delivery, local economic development, job creation, spatial planning as well as financial viability and financial management. In addition to this, Emalahleni Local Council developed and approved a business process re-engineering to inform its macro institutional organogram as an attempt to give effect to the five key priority areas.

We honestly request that Councilors, Traditional Leadership, Communities, Key Stakeholders and Sector Departments continue to support our endeavors of accelerating service delivery to all communities.

As the management our focus in the year ahead and beyond is on Local Economic Development, youth empowerment, Infrastructure Development, Financial Viability, and community services.

The executive management took a decision that the audit outcomes we have received and dashboard and drivers of internal controls to become a standing agenda. The executive management is progressively dealing with the challenges that the institution has faced in the past few years. The political leadership and administration of Emalahleni made a commitment of taking a different approach for achieving clean audit as we are on the qualified audit opinion.

“Emalahleni is indeed moving forward with the execution of Back-to-Basics mandate.

**Mr. V.C. Makedama**
**MUNICIPAL MANAGER**

# *CHAPTER 1 - Strategic Overview of the Municipality*

**INTRODUCTION**

The document represents the outcomes of the developed Integrated Development Plan (IDP), which is for the first term of Office of the Emalahleni Municipal Council.

The IDP has been developed for the 2022 to 2027 financial years in compliance with Section 34 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000 as amended). The first reviewal process has been followed for 2023/2024 financial year.

**LEGISLATIVE FRAMEWORK**

**Local Government: Municipal System Act (MSA), 2000 (Act 32 of 2000 as amended) compels municipalities to draw up the IDP's as a singular inclusive and strategic development plan. In terms of Section 26 of the MSA, a municipality produces an IDP every five years (reviwed yearly), comprising of the following components:**

A municipal council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs.

An assessment of the existing level of development in Emalahleni, which must include an identification of communities which do not have access to basic municipal service.

The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs.

The council's development strategies which must be aligned with any national, provincial sectoral plans and planning requirements binding on the municipality in terms of legislation.

A spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality.

The council's operational strategies.

Applicable disaster management plans.

A financial plan, which must include a budget projection for at least the next three years; and

The key performance indicators and performing targets.

**Regulations 2 (1) and (2) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 set out the following further requirements for the IDP:**

The institutional Framework, which must include an organogram, required for the

The implementation of the IDP; and

Addressing the municipality's internal transformation needs, as informed by the strategies and programmes set out in the IDP.

Any investment initiatives in the municipality

Any development initiatives in the municipality, including infrastructure, physical, social, and institutional development

All known projects, plans and programmes to be implemented within the municipality by any organ of state; and

The key performance indicators set by the municipality.

An integrated development plan may –

have attached to it maps, statistics and other appropriate documents; or

Refer to maps, statistics and other appropriate documents that are not attached, provided they are open for public inspection at the offices of the municipality in question.

A financial plan reflected in a municipality's integrated development plan must at least-

include the budget projection required by section 26 *(h)* of the Act.
indicate the financial resources that are available for capital project developments and operational expenditure; and
include a financial strategy that defines sound financial management and expenditure control, as well as ways and means of increasing revenues and external funding for the municipality and its development priorities and objectives, which strategy may address the following:
Revenue raising strategies.
asset management strategies.
financial management strategies.
capital financing strategies.
operational financing strategies; and
Strategies that would enhance cost-effectiveness.

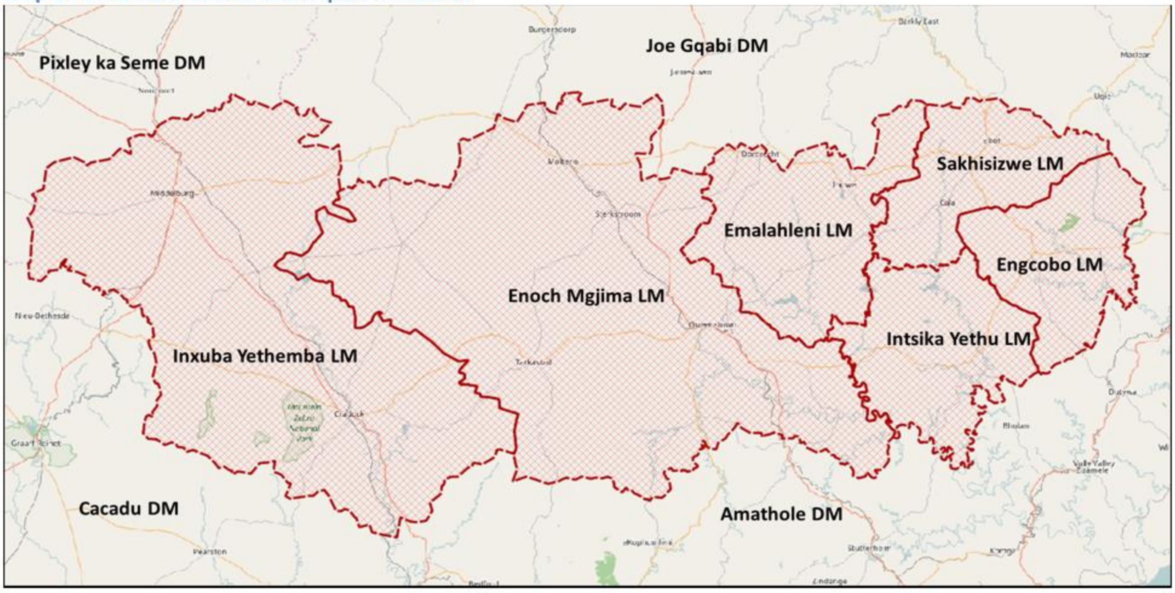
A spatial development framework reflected in a municipality's integrated development plan must-
give effect to the principles contained in Chapter 1 of the Development Facilitation Act, 1995 (Act 67 of 1995);
set out objectives that reflect the desired spatial form of the municipality.
contain strategies and policies regarding the way to achieve the objectives referred to in paragraph *(b)*, which strategies and policies must-
indicate desired patterns of land use within the municipality.
address the spatial reconstruction of the municipality; and
provide strategic guidance in respect of the location and nature of development within the municipality.
set out basic guidelines for a land use management system in the municipality.
set out a capital investment framework for the municipality's development programs.
contain a strategic assessment of the environmental impact of the spatial development framework.
identify programs and projects for the development of land within the municipality.
be aligned with the spatial development frameworks reflected in the integrated development plans of neighbouring municipalities; and
provide a visual representation of the desired spatial form of the municipality, which representation-
must indicate where public and private land development and infrastructure investment should take place.
must indicate desired or undesired utilisation of space in a particular area.
may delineate the urban edge.
must identify areas where strategic intervention is required; and
must indicate areas where priority spending is required.

**Section 21 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)** provides for closer alignment between the annual budget and the compilation of the IDP. It requires that the mayor of a municipality must co-ordinates the processes of preparing the annual budget and the IDP to ensure that both the budget and IDP are mutually consistent and credible.

**PROFILE OF THE MUNICIPALITY**

Emalahleni is a category B municipality situated within the Chris Hani District (see figure below) of the Eastern Cape Province. It consists of the three main urban nodes being the towns of Cacadu, Indwe and Dordrecht surrounded by a large rural settlement s and many surrounding villages.

Map 1 - Chris Hani District Municipal Boundaries




## PROVINCIAL ASSESSMENT OUTCOMES

The MEC for CoGTA has a legislative authority to assess the municipal IDP and provide outcomes on the assessment of each Key Priority Area; below are the outcomes the municipality has acquired in the last few years per KPA:

| KEY PERFORMANCE AREA (s) | RATING 2017/2022 IDP | RATING 2018/2019 IDP REVIEW | RATING 2019/2020 IDP REVIEW | RATING 2020/2021 IDP REVIEW | RATING 2021/2022 IDP REVIEW |
|---|---|---|---|---|---|
| Basic Service Delivery | HIGH | HIGH | HIGH | HIGH | HIGH |
| Financial Planning and Budgets | HIGH | HIGH | HIGH | HIGH | HIGH |
| Local Economic Development | HIGH | HIGH | HIGH | HIGH | HIGH |
| Good Governance and Public Participation | HIGH | HIGH | HIGH | HIGH | HIGH |
| Institutional Arrangements | HIGH | HIGH | HIGH | HIGH | HIGH |
| OVERALL RATING | HIGH | HIGH | HIGH | HIGH | HIGH |

## PRE-PLANNING

### Introduction

In line with the requirements of the local government laws and regulations, all stakeholders in the municipal are to be catered for during the development and review of the IDP to encourage community involvement and ensure maximum participation in the municipal affairs.

**Legal Context**

The Municipal Systems Act 32 of 2000 provides that a Municipal Council must, within a prescribed period after the start of its elected term, adopt a single, inclusive, and strategic plan for the development of the municipality which –

Links, integrates and co-ordinates plans and considers proposals for the development of the municipality.

Aligns the resources and capacity of the municipality with the implementation of the plan.

Forms the policy framework and general basis on which annual budgets must be based.

Complies with the provisions of this chapter; and

Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

Section 21 (1) of the Local Government: Municipal Finance Management Act 56 of 2003, provides that, the Mayor of the Municipality must coordinate the processes for preparing the annual budget and for reviewing the Municipality's IDP and Budget related policies to ensure that the tabled budget and any revisions of the IDP are mutually consistent are mutually consistent and credible.

**Objectives**

To draw up a review process plan that would engender inclusivity and transparency.
It is to encourage participation by all stakeholders and communities.
To solicit and determine priorities of the municipality.
To enhance service delivery and development.

**IDP Processes**

**Phase 1:** Preparing for new IDP Cycle.
**Phase 2:** Monitoring and Evaluation & Update Analysis
**Phase 3:** Objectives, Strategies, Projects, and Programme
**Phase 4:** Integration
**Phase 5:** Approval

**Role players**

The following role players will be involved in the development and/or review process of the Integrated Development Plan (IDP):

Council
Mayor
Executive Committee
Municipal Manager
IDP, PMS and Budget Steering Committee
IDP, PMS and Budget Technical Steering Committee
Inter-Governmental Relations Committee
Ward Councillors and ward committees
Community Development Workers
IDP, PMS and Budget Representative Forum (residents, communities and other stakeholders)
Chris Hani District Municipality
Provincial Government Departments in terms of their sector programmes

**Roles and Responsibilities of each Role Player**

| No | Role Player | Roles and Responsibilities | Composition |
|---|---|---|---|
| 1 | Municipal Council | The Municipal Council will consider and adopt the process plan and the IDP and/or Reviewed IDP. | The Municipal Council shall be composed of:<br>All PR and Ward Councillors of Emalahleni Municipality |
| 2 | The Mayor | Must ensure that the IDP is developed.<br>Must ensure that the IDP is reviewed annually.<br>Chairs the IDP/PMS and Budget Representative Forum<br>Chairs the IDP/PMS and Budget Steering Committee | |
| 3 | The Executive Committee | The Executive Committee assists the mayor to develop and review the IDP in line with the targets set in the IDP Process Plan of each financial year. | |
| 4 | The Municipal Manager | The Municipal Manager provides technical support to the IDP/PMS and Budget Steering Committee. He / She co-ordinates the IDP development and review processes through relevant technical structures and performs the following activities:<br>Preparing the process plan<br>Undertaking the overall management and co-ordination of the planning process by ensuring:<br>Participation and involvement of all different role players<br>That time frames are adhered to<br>That the planning process is aligned to the Provincial Growth and Development Strategy<br>Conditions for community participation are provided<br>That the results of the planning and IDP review process are documented.<br>Responding to comments on the draft IDP from the public and other spheres of Government to the satisfaction of the Municipal Council<br>Accommodates and considers IDP comments and proposals from the office of the MEC for Local Government and Traditional Affairs | |
| 5 | IDP/PMS and Budget Technical Steering Committee | IDP/PMS and Budget Technical Steering Committee does the technical groundwork and provides information to the IDP/PMS and Budget Steering Committee<br>Terms of Reference<br>The committee shall be responsible: | The committee shall be composed of the following members of the municipal administration:<br>Municipal Manager<br>All Directors<br>All Divisional Managers |

| No | Role Player | Roles and Responsibilities | Composition |
|---|---|---|---|
| | | Collect and collate information for IDP, PMS and Budget Steering Committee<br>Conduct research and<br>Advises the IDP, PMS and Budget Steering Committee | |
| 6 | IDP / PMS and Budget Steering Committee | The IDP / PMS and Budget Steering Committee assists the mayor in guiding the development and review process of the IDP.<br><u>Terms of reference</u><br>The terms of reference for the IDP / PMS and Budget Steering Committee shall be the following:<br>Establish sub-committees<br>Commission research studies<br>Consider and comment on:<br>Inputs from sub-committees, study teams and consultants<br>Inputs from provincial sector departments and support providers<br>Processes, summarize and document inputs<br>Make content recommendations<br>Define the terms of reference for the IDP / PMS and Budget Representative Forum<br>Inform the public about the establishment of the IDP / PMS and Budget Representative Forum<br>Identify stakeholders to be part of the Forum in such a way that the public is well represented<br>Providing relevant technical, sector and financial information for analysis and for determining priority issues<br>Provide political guidance in the consideration of financial strategies and identification of projects<br>The IDP / PMS and Budget Steering Committee may delegate some or all its responsibility to the IDP / PMS and Budget Technical Steering Committee. | It comprises of the following members:<br>Mayor (Chairing)<br>Council Speaker<br>Chief Whip<br>All Members of the Executive Committee<br>Municipal Manager<br>All Directors<br>Manager: IDP and PMS<br>Manager: Budget and Financial Reporting |
| 7 | IDP, PMS and Budget Representative Forum | The IDP / PMS and Budget Representative Forum of Emalahleni Local Municipality is the organizational mechanism for discussions, negotiations, and decision-making between stakeholders within our municipal area.<br><u>Terms of Reference</u><br>The terms of reference for the IDP / PMS and Budget Representative Forum shall be as follows: | It is envisaged that the following organizations and/or stakeholders may be involved:<br>Councillors<br>Ward Committees<br>Community Development Workers<br>Inter-Governmental Forum |

| No | Role Player | Roles and Responsibilities | Composition |
|---|---|---|---|
| | | Represent the interests of their constituents in the IDP process<br>Provide an organizational mechanism for discussion, negotiation and decision-making between stakeholders including municipal government<br>Ensure communication between all stakeholders including municipal government<br>Monitor the performance of the planning and implementation process.<br>Provide a platform for engagement, input, and feedback to stakeholders on the IDP and PMS. | Traditional Leaders<br>Faith-based Organisations<br>Stakeholder Representatives of Organized Groups<br>Government department Representatives of Political Organisations<br>Community Representatives<br>Resource Persons |
| 8 | Inter-Governmental Relations Committee | **IGR Forum e**nhances the integrated development and consider priorities in the entire municipality. Additional objectives include the following:<br>Development of a Local Programme of Action in relation to the National, Provincial and District programmes.<br>To facilitate the coordination and integration of provincial and municipal strategic planning and to put in place mechanisms and procedures that will ensure that both the district and provincial strategic planning inform and are informed by the IDP of the Emalahleni LM.<br>To consult on policy issues that materially affects Local Government.<br>To develop and provide mechanisms to engage provincial government, the Office of the Premier and DLGTA on IGR related matters and/or challenges.<br>To consider such other matters of mutual interest as either party may place on the agenda of a meeting from time to time.<br>To promote economic growth and development through trade, investment, and tourism.<br>To share knowledge and expertise in local governance generally or in agreed functional areas. | The composition of the Forum will be as follows:<br>Emalahleni Local Municipality:<br>The Honourable Mayor is the political champion of intergovernmental relations in Emalahleni LM and the Chairperson of the IGR Forum.<br>The Speaker and EXCO members.<br>The Municipal Manager and Chief Finance Officer<br>Executive Directors (Emalahleni LM)<br>Entities and other service delivery agencies<br>Provincial and National Representatives:<br>Department of Cooperative Governance<br>Office of the Premier<br>Department of Local Government and Traditional Affairs<br>Provincial Treasury.<br>South African Local Government Association Eastern Cape (SALGA-EC)<br>Heads of Sector Departments in the Emalahleni LM area.<br>Heads of National Departments in Emalahleni LM area. |

| No | Role Player | Roles and Responsibilities | Composition |
|---|---|---|---|
| | | | State owned enterprises (e.g., ESKOM, Telkom, ECDC)<br>The Chairperson may invite the District Executive Mayor, Heads of Provincial Departments, other development partners and stakeholders from time to time as and when required. |
| 9 | PMS Committee | Evaluating the annual performance of the municipal manager | Mayor (Chairing)<br>Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a performance audit committee.<br>Member of the Executive Committee or in respect of a plenary type of municipality.<br>Mayor and/or Municipal Manager from another municipality<br>Member of a ward committee as nominated by the mayor |

**ACTION PROGRAMME**

The municipality prepared and adopted its IDP framework and action program and presented it to Council for adoption on the 30 August 2022 (with the following council resolution number **SCM/45/08/2022).** In line with the legislative requirements for the review process of the IDP, taking into consideration all the five phases mentioned above. Below is a time schedule reflecting the activities and dates as adopted by Council.

**IDP, PMS AND BUDGET PROCESS PLAN (ACTIVITIES AND DATES)**

| Activity | Date | Custodian |
|---|---|---|
| **June2022** | | |
| Preparation of the SDBIP2022 and presentation to the mayor for tabling to Council | 07-10 June 2022 | Municipal Manager (MM) |
| Approval and Publication of the SDBIP 2022-2023 | 27-30 June 2022 | Mayor & MM |
| **July 2022** | | |
| Preparation of IDP/ PMS Review and Budget Process Plan | 19-July 2022 to 08- August 2022 | All Directors Municipal Manager |
| Preparation and finalization of the Annual Performance Report (Section 46) for the 2021-2022 financial year (non-Financial) | 30 July 2022 | Municipal Manager |
| Submission of Performance Information for purposes of the Annual Report (Non-Financial) | 30 July 2022 | All Directors Municipal Manager |
| Preparation and Submission of signed performance agreements for Section 57 Managers to relevant stakeholders. | 30 July 2022 | Municipal Manager |
| **August 2022** | | |
| IDP/PMS and Budget Steering Committee to consider draft IDP/PMS and Budget Process Plan, Draft Annual Report. | 18 August 2022 | Mayor |
| Submission of the draft annual report 2021-2022 with annual financial statements to the Audit / Performance Audit Committee for review | 23 August 2022 | Chief Financial Officer Municipal Manager |
| IDP Rep Forum: Presentation of Quarter 4 Performance Report and Process Plan 2023-2024 | 12 August 2022 | Mayor |
| Tabling of draft unaudited annual report with the annual financial statements to EXCO and MPAC | 18 August 2022 | Municipal Manager Chief Financial Officer and All Directors |
| Tabling of the draft IDP/PMS and Budget Process Plan 2023-2024, Draft Annual Report 2021-2022, and annual financial statements to Council for noting | 30 August 2022 | Mayor |
| **September 2022** | | |
| Circulation of the Situational Analysis under review (Situational analysis review phase commence) to all internal stakeholder for 1st review of 2022-2027 IDP | 01 September 2022 | Municipal Manager |
| **October 2022** | | |
| Submission of Performance reports and performance information of the first quarter | 12 October 2022 | All Directors |
| IDP/PMS and Budget Steering Committee: presentation of the first quarterly audited performance analysis report | 13 October 2022 | Municipal Manager |
| Presentation of the audited Performance Report of the institution to the Office of the Mayor to Council | 26 October 2022 | Mayor |
| **November 2022** | | |

| Activity | Date | Custodian |
|---|---|---|
| Public Hearings – Consultation on the draft unaudited annual report with communities and review of the ward community needs and priorities | 16-23 November 2022 | Director PEDTA<br>Office of the MM<br>Office of the Speaker<br>MPAC Chairperson<br>Mayor<br>All Ward Councillors |
| **December 2022** | | |
| IDP/PMS and Budget Steering Committee – Consider draft reviewed community needs and priorities and draft audit action plan 2021-2022 | 09 December 2022 | Mayor |
| Presentation of the oversight report on final annual report 2021-2022 to Council for approval<br>Publication of the Oversight Report for public inspection | 12 December 2022 | MPAC Chairperson<br><br>Municipal Manager |
| Imbizo to present Approved Audited Annual Report and oversight report as well as draft reviewed community needs | 12 December 2023 | Mayor<br>MPAC Chairperson |
| Oversight report with approved audited annual report is submitted to Auditor-General, Provincial Treasury and Department of Cooperative Government-EC for compliance | 13-14 December 2023 | Municipal Council |
| **January 2023** | | |
| Submission of Performance reports and performance information – mid-year performance | 12 January 2023 | All Directors |
| IDP/PMS and Budget Steering Committee - Presentation of mid-year performance to Executive Management Committee | 19 January 2023 | Municipal Manager<br>All Directors |
| SPECIAL COUNCIL MEETING: Table in a council meeting, mid-year assessment report 2022-2023 | 26 January 2023 | Municipal Manager, Mayor |
| **February 2023** | | |
| Publication and Submission of the mid-year performance reports to the external stakeholders (e.g., Treasury, CoGTA, AG) | 02 February 2023 | Municipal Manager |
| IDP/PMS and Budget Steering Committee – Presentation of progress on the adjustment budget 2022-2023 | 09 February 2023 | Mayor |
| COUNCIL MEETING: Table in a special council meeting the adjustments budget for mid-year | 26 February 2023 | Municipal Manager, Mayor |
| **March 2023** | | |
| Inter-Governmental Relations / IDP Representative Forum – Consultation on the approved mid-year performance report | 15 March 2023 | Municipal Manager |
| Submission of draft directorate SDBIPs 2023-2024 for consolidation | March 2023 | All Directors |
| IDP/PMS and Budget Steering Committee: Presentation of 1st Draft IDP 2023-2024; review progress | 16 March 2023 | Mayor |
| Special Council Meeting – Presentation of the 1st draft IDP 2023-2024 and draft SDBIP 2023-2024 | 30 March 2023 | Mayor |
| **April 2023** | | |
| Adoption of the Draft IDP advertised for public comments,<br>Public meetings and consultation schedule | 05 April 2023<br>04 April 2023 | Municipal Manager |

| Activity | Date | Custodian |
|---|---|---|
| Submission of adopted Draft IDP and budget to the Office of the Provincial and National Treasury, District Municipality and the MEC for EC-CoGTA | 07 April 2023 | Municipal Manager |
| Submission of Performance reports and performance information of the 3rd quarter | 07 April 2023 | All Directors |
| IDP/PMS and Budget Steering Committee – presentation of the draft 3rd quarter performance report for noting | 13 April 2023 | Mayor |
| Tabling of the Audited 3rd Quarterly performance report to Council for noting | 28 April 2023 | Mayor |
| **May 2023** | | |
| IDP/PMS and Budget Steering Committee to consider public comments and those from sector departments; | 11 May 2023 | Mayor |
| IGR & IDP Rep. Forum Final Submission of inputs from Sector Departments | 11 May 2023 | Municipal Manager |
| Council meeting to consider and adopt the final IDP and Budget 2023-2024 and SDBIP 2023-2024 | 30 May 2023 | Mayor |
| **June 2023** | | |
| Submission of the approved Reviewed IDP and Budget 2023-2024 to the National, Provincial Treasury department, MEC for EC-COGTA and the district municipality (CHDM) | 05 June 2023 | Municipal Manager |
| IDP/PMS and Budget Steering Committee to consider the final SDBIP for 2023-2024 Financial Year. | 14 June 2023 | Mayor |
| Mayoral Imbizo to present the approved IDP 2023-2024 and Budget 2023-2024 | 15 June 2023 | Mayor |
| Special Council Meeting to approve the final SDBIP 2023-2024 (if not approved in May) | 26 June 2023 | Mayor |

# CHAPTER 2 – Situation Analysis

**Introduction**
Local Government laws and regulations require municipalities on an annual basis to test the level of development in the municipal area to ensure that; plans and resource allocation respond directly to the needs of the communities.  Thiis done through environmental scanning in all areas in the municipality.

**Reflection on the Municipal Area**
Emalahleni Local Municipality is a category B municipality situated within the Chris Hani District Municipality of the Eastern Cape Province. It has 17 Wards which service the three main towns - Cacadu, Indwe and Dordrecht and surrounding villages.

**STATISTICAL OVERVIEW: EMALAHLENI LOCAL MUNICIPALITY**

The following Statistical Overview Report aims to quantify the economic, demographic, and socio-economic environment of Emalahleni Local Municipality in context of its neighbouring regions, the district, the province, and South Africa. A better understanding of the demographic, economic and socio-economic environment could inform stakeholders to implement and monitor plans and policies that will allow for a healthy, growing, and inclusive economy and society.

Understanding the changes in the composition of the population with respect to population group, age and gender is vital in the face of growing pressure on food, energy, water, jobs, and social support on the country's citizens. An understanding of how the total fertility rates, age-specific fertility rates, sex ratios at birth, life expectancies and international migration affect the respective population groups, ages and genders is essential for effective planning on a spatial level. The first section of the Statistical Overview Report will aim to disentangle the changes in the Emalahleni Local Municipality demographics in context of other locals of the region, the districts, the province, and South Africa.

The second section will provide insights into the economic environment of Emalahleni Local Municipality in relation to the other local municipality in the region, the district, the province, and South Africa's performance. The changing economic environment subsequently influences the ability of the economy to create jobs.  This section will therefore also include analysis on the employment and subsequent income dynamics of Emalahleni Local Municipality.

The third component of the Statistical Overview will investigate issues pertaining to the socio-economic environment of residents in Emalahleni Local Municipality. Analysis will include a review of the Human Development Index (HDI), Gini, poverty, education, population density, crime, bulk infrastructure, international trade, and tourism indicators relative to that of the other locals of the region, the districts, the province, and South Africa.

## DEMOGRAPHY

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

In this section, an overview is provided of the demography of the Emalahleni Local Municipality and all its neighbouring regions, Chris Hani District Municipality, Eastern Cape Province and South Africa as a whole.

### TOTAL POPULATION

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

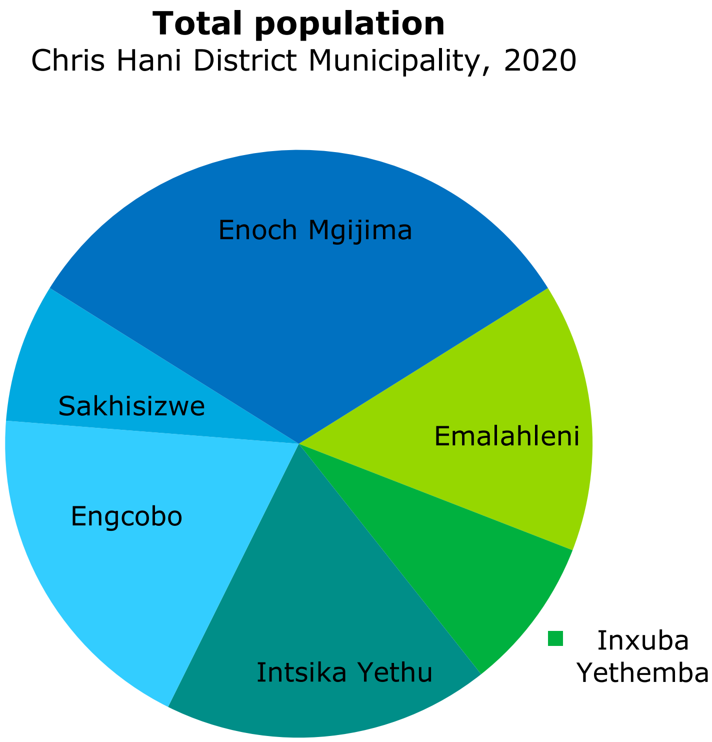
TOTAL POPULATION - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [NUMBERS PERCENTAGE]

| | Emalahleni | Chris Hani | Eastern Cape | National Total | Emalahleni as % of district municipality | Emalahleni as % of province | Emalahleni as % of national |
|---|---|---|---|---|---|---|---|
| 2010 | 122,000 | 815,000 | 6,640,000 | 51,200,000 | *15.0%* | *1.84%* | *0.24%* |
| 2011 | 122,000 | 817,000 | 6,690,000 | 52,000,000 | *15.0%* | *1.83%* | *0.24%* |
| 2012 | 122,000 | 820,000 | 6,750,000 | 52,800,000 | *14.9%* | *1.81%* | *0.23%* |
| 2013 | 123,000 | 824,000 | 6,810,000 | 53,700,000 | *14.9%* | *1.80%* | *0.23%* |
| 2014 | 123,000 | 829,000 | 6,880,000 | 54,500,000 | *14.9%* | *1.79%* | *0.23%* |
| 2015 | 124,000 | 835,000 | 6,950,000 | 55,300,000 | *14.9%* | *1.79%* | *0.22%* |
| 2016 | 125,000 | 841,000 | 7,020,000 | 56,200,000 | *14.8%* | *1.78%* | *0.22%* |
| 2017 | 126,000 | 848,000 | 7,100,000 | 57,000,000 | *14.8%* | *1.77%* | *0.22%* |
| 2018 | 127,000 | 856,000 | 7,180,000 | 57,900,000 | *14.8%* | *1.77%* | *0.22%* |
| 2019 | 128,000 | 864,000 | 7,250,000 | 58,800,000 | *14.8%* | *1.76%* | *0.22%* |
| 2020 | 129,000 | 872,000 | 7,330,000 | 59,600,000 | *14.8%* | *1.76%* | *0.22%* |
| **Average Annual growth** | | | | | | | |
| 2010-2020 | ***0.57***% | ***0.69***% | ***1.00***% | ***1.55***% | | | |

*Source: IHS Markit Regional eXplorer version 2175*

With 129 000 people, the Emalahleni Local Municipality housed 0.2% of South Africa's total population in 2020. Between 2010 and 2020 the population growth averaged 0.57% per annum which is more than half than the growth rate of South Africa as a whole (1.55%). Compared to Chris Hani's average annual growth rate (0.69%), the growth rate in Emalahleni's population at 0.57% was very similar than that of the district municipality.

TOTAL POPULATION - EMALAHLENI AND THE REST OF CHRIS HANI, 2020 [PERCENTAGE]




Source: IHS Markit Regional eXplorer version 2175

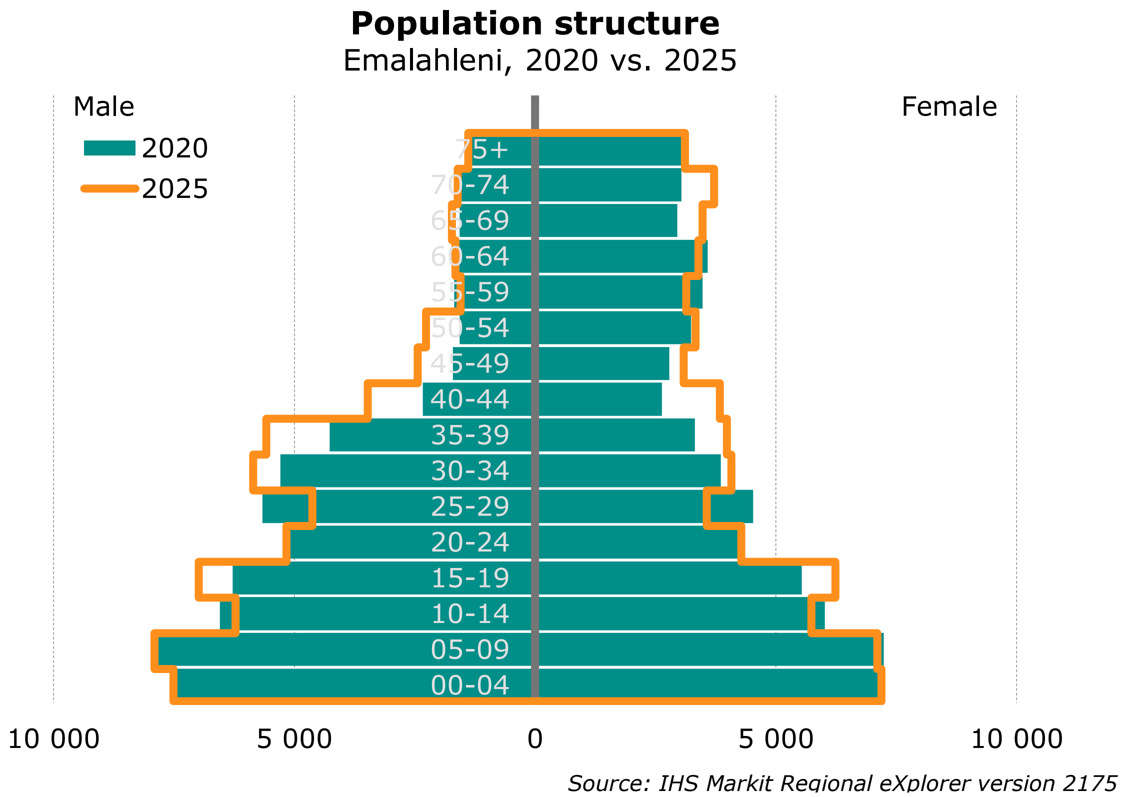
POPULATION PROJECTIONS - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2020-2025 [NUMBERS PERCENTAGE]

| | Emalahleni | Chris Hani | Eastern Cape | National Total | Emalahleni as % of district municipality | Emalahleni as % of province | Emalahleni as % of national |
|---|---|---|---|---|---|---|---|
| 2020 | 129,000 | 872,000 | 7,330,000 | 59,600,000 | *14.8%* | *1.76%* | *0.22%* |
| 2021 | 130,000 | 879,000 | 7,400,000 | 60,300,000 | *14.8%* | *1.76%* | *0.22%* |
| 2022 | 131,000 | 887,000 | 7,470,000 | 61,100,000 | *14.8%* | *1.76%* | *0.21%* |
| 2023 | 132,000 | 896,000 | 7,550,000 | 61,900,000 | *14.8%* | *1.76%* | *0.21%* |
| 2024 | 134,000 | 905,000 | 7,630,000 | 62,700,000 | *14.8%* | *1.75%* | *0.21%* |
| 2025 | 135,000 | 914,000 | 7,710,000 | 63,500,000 | *14.8%* | *1.76%* | *0.21%* |
| **Average Annual growth** | | | | | | | |
| 2020-2025 | ***0.94***% | ***0.94***% | ***0.99***% | ***1.27***% | | | |

*Source: IHS Markit Regional eXplorer version 2175*

The population projection of Emalahleni Local Municipality shows an estimated average annual growth rate of 0.9% between 2020 and 2025. 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 1.3% respectively. The Eastern Cape Province is estimated to have an average growth rate of 1.0% which is very similar than that of the Emalahleni Local Municipality. The South Africa as a whole is estimated to have an average annual growth rate of 1.3% which is very similar than that of Emalahleni's projected growth rate.

POPULATION PYRAMID - EMALAHLENI LOCAL MUNICIPALITY, 2020 VS. 2025 [PERCENTAGE]




The population pyramid reflects a projected change in the structure of the population from 2020 and 2025. The differences can be explained as follows:

In 2020, there is a significantly larger share of young working age people between 20 and 34 (22.4%), compared to what is estimated in 2025 (20.4%). This age category of young working age population will decrease over time.

The fertility rate in 2025 is estimated to be slightly higher compared to that experienced in 2020.

The share of children between the ages of 0 to 14 years is projected to be significant smaller (30.8%) in 2025 when compared to 2020 (32.9%).

In 2020, the female population for the 20 to 34 years age group amounts to 9.8% of the total female population while the male population group for the same age amounts to 12.5% of the total male population. In 2025, the male working age population at 11.6% still exceeds that of the female population working age population at 8.8%, although both are at a lower level compared to 2020.

### Population by population group, Gender, and Age

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

POPULATION BY GENDER - EMALAHLENI AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2020 [NUMBER].

| | Male | Female | Total |
|---|---|---|---|
| Emalahleni | 62,223 | 66,794 | 129,017 |
| Inxuba Yethemba | 35,735 | 37,939 | 73,674 |
| Intsika Yethu | 76,358 | 80,706 | 157,064 |
| Engcobo | 76,876 | 88,059 | 164,934 |
| Sakhisizwe | 32,741 | 33,933 | 66,674 |
| Enoch Mgijima | 135,752 | 145,350 | 281,101 |
| **Chris Hani** | **419,685** | **452,780** | **872,465** |

*Source: IHS Markit Regional eXplorer version 2175*

Emalahleni Local Municipality's male/female split in population was 93.2 males per 100 females in 2020. The Emalahleni Local Municipality appears to be a stable population with the share of female population (51.77%) being very similar to the national average of (51.12%). In total there were 66 800 (51.77%) females and 62 200 (48.23%) males. This is different from the Chris Hani District Municipality where the female population counted 453 000 which constitutes 51.90% of the total population of 872 000.

POPULATION BY POPULATION GROUP, GENDER, AND AGE - EMALAHLENI LOCAL MUNICIPALITY, 2020 [NUMBER].

| | African | | White | | Coloured | |
|---|---|---|---|---|---|---|
| | Female | Male | Female | Male | Female | Male |
| 00-04 | 7,160 | 7,440 | 29 | 21 | 39 | 54 |
| 05-09 | 7,140 | 7,830 | 41 | 29 | 48 | 54 |
| 10-14 | 5,950 | 6,480 | 10 | 4 | 55 | 49 |
| 15-19 | 5,480 | 6,200 | 16 | 16 | 35 | 51 |
| 20-24 | 4,260 | 5,140 | 9 | 17 | 12 | 24 |
| 25-29 | 4,480 | 5,560 | 18 | 18 | 21 | 24 |
| 30-34 | 3,800 | 5,220 | 35 | 15 | 24 | 13 |
| 35-39 | 3,250 | 4,160 | 33 | 32 | 30 | 38 |
| 40-44 | 2,580 | 2,270 | 27 | 33 | 23 | 20 |
| 45-49 | 2,750 | 1,670 | 17 | 16 | 15 | 19 |
| 50-54 | 3,210 | 1,540 | 21 | 14 | 2 | 8 |
| 55-59 | 3,440 | 1,640 | 22 | 20 | 12 | 21 |
| 60-64 | 3,510 | 1,650 | 30 | 45 | 32 | 11 |
| 65-69 | 2,930 | 1,520 | 14 | 26 | 6 | 14 |
| 70-74 | 3,030 | 1,600 | 11 | 27 | 2 | 5 |
| 75+ | 3,010 | 1,310 | 18 | 0 | 26 | 12 |
| **Total** | **66,000** | **61,200** | **351** | **333** | **382** | **417** |

*Source: IHS Markit Regional eXplorer version 2175*

In 2020, the Emalahleni Local Municipality's population consisted of 98.61% African (127 000), 0.53% White (684), 0.62% Coloured (799) and 0.24% Asian (314) people.

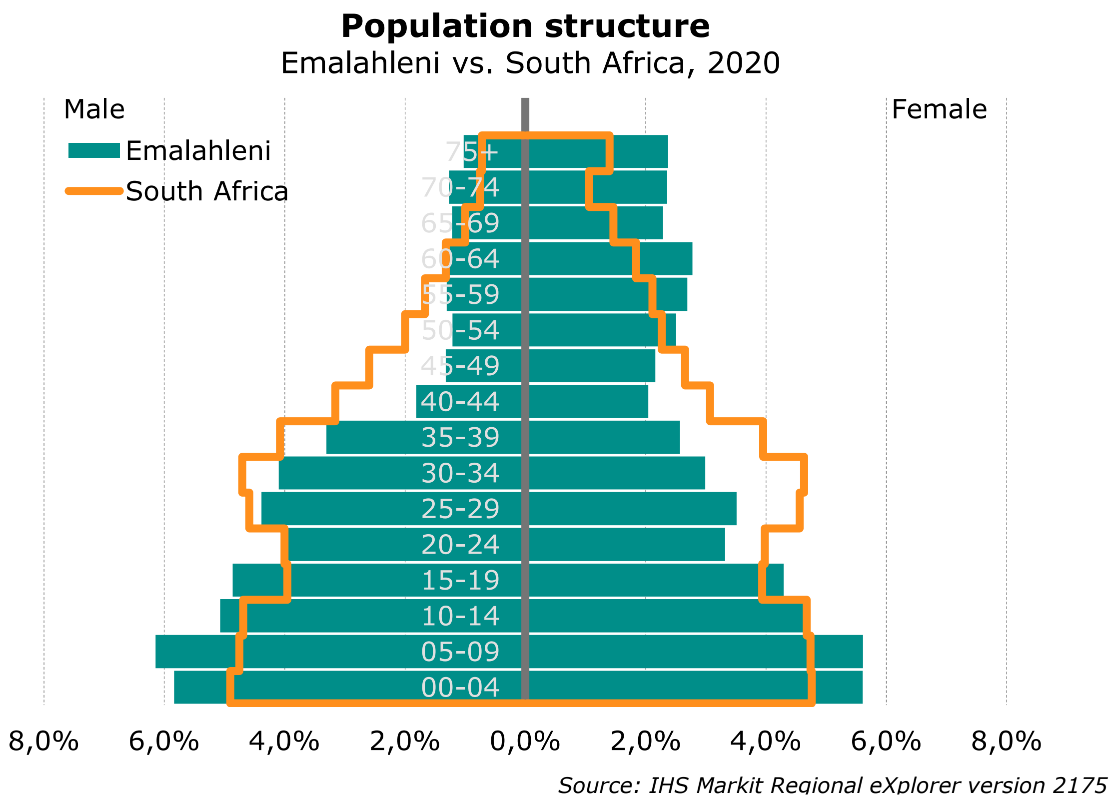
The largest share of population is within the babies and kids (0-14 years) age category with a total number of 42 500 or 32.9% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with a total share of 24.7%, followed by the teenagers and youth (15-24 years) age category with 21 300 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 13 600 people, as reflected in the population pyramids below.

### POPULATION PYRAMIDS

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

With the African population group representing 98.6%of the Emalahleni Local Municipality's total population, the overall population pyramid for the region will mostly reflect that of the African population group. The chart below compares Emalahleni's population structure of 2020 to that of South Africa.

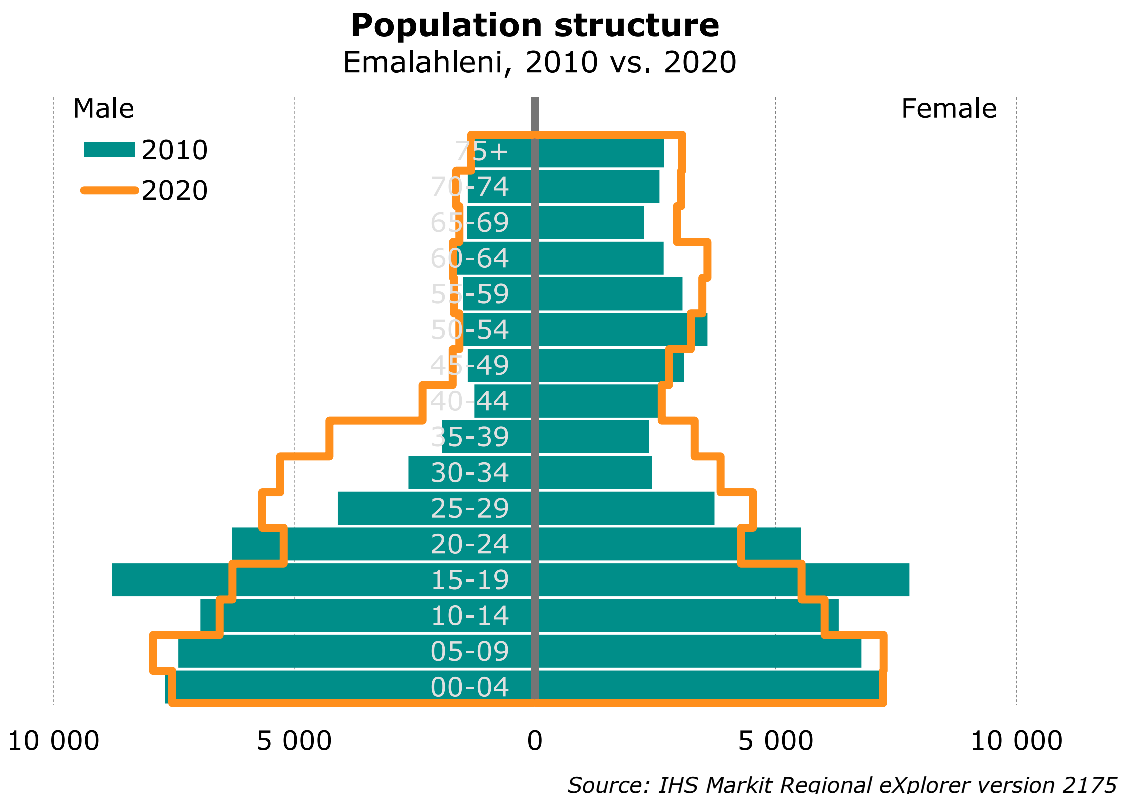
POPULATION PYRAMID - EMALAHLENI LOCAL MUNICIPALITY VS. SOUTH AFRICA, 2020 [PERCENTAGE]




By comparing the population pyramid of the Emalahleni 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 (22.4%) - in Emalahleni, compared to the national picture (26.5%). The area seems to be a migrant sending area, with many people leaving the area to find work in the bigger cities. Fertility in Emalahleni is significantly 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 significantly larger (32.9%) in Emalahleni compared to South Africa (28.5%). Demand for expenditure on schooling as percentage of total budget within Emalahleni Local Municipality will therefore be higher than that of South Africa.

POPULATION PYRAMID - EMALAHLENI LOCAL MUNICIPALITY, 2010 VS. 2020 [PERCENTAGE]




When comparing the 2010 population pyramid with the 2020 pyramid for the Emalahleni Local Municipality, some interesting differences are visible:

In 2010, there were a significant smaller share of young working age people - aged 20 to 34 (20.3%) - compared to 2020 (22.4%). Fertility in 2010 was very similar compared to that of 2020. The share of children between the ages of 0 to 14 years is significantly larger in 2010 (34.7%) compared to 2020 (32.9%). Life expectancy is increasing. In 2020, the female population for the 20 to 34 years age group amounted to 9.6% of the total female population while the male population group for the same age amounted to 10.7% of the total male population. In 2010 the male working age population at 12.5% still exceeds that of the female population working age population at 9.8%.

### NUMBER OF HOUSEHOLDS BY POPULATION GROUP

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 2020, the Emalahleni Local Municipality comprised of 33 800 households. This equates to an average annual growth rate of 0.67% in the number of households from 2010 to 2020. With an average annual growth rate of 0.57% in the total population, the average household size in the Emalahleni Local Municipality is by implication decreasing. This is confirmed by the data where the average household size in 2010 decreased from approximately 3.9 individuals per household to 3.8 persons per household in 2020.

NUMBER OF HOUSEHOLDS - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2010 2020 [NUMBER PERCENTAGE]

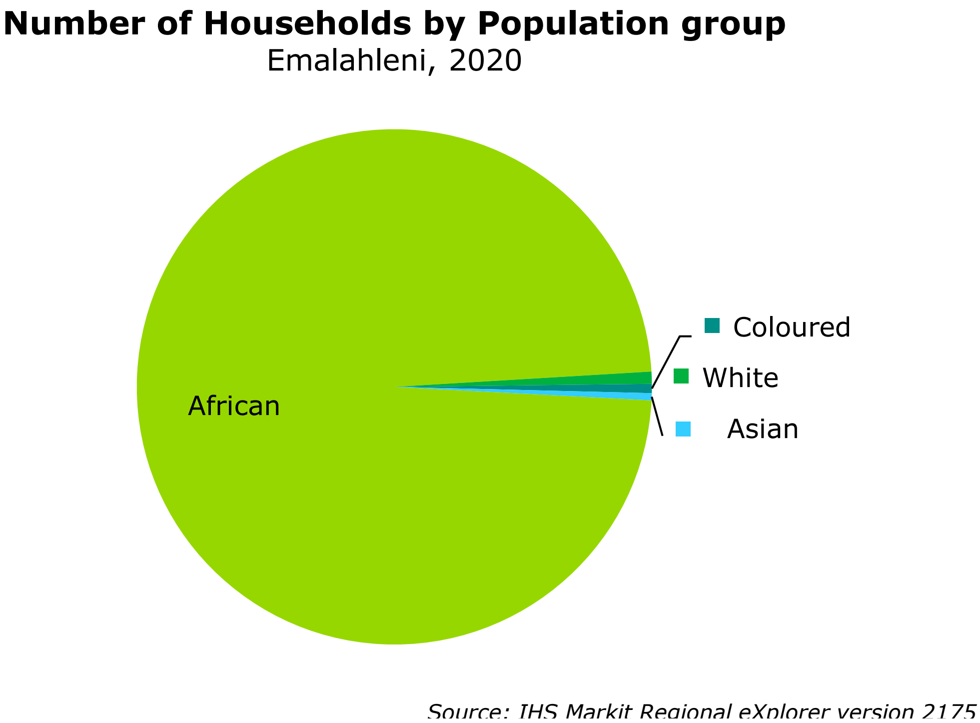
| | Emalahleni | Chris Hani | Eastern Cape | National Total | Emalahleni as % of district municipality | Emalahleni as % of province | Emalahleni as % of national |
|---|---|---|---|---|---|---|---|
| 2010 | 31,600 | 213,000 | 1,690,000 | 14,000,000 | *14.8%* | *1.86%* | *0.22%* |
| 2011 | 31,900 | 215,000 | 1,710,000 | 14,300,000 | *14.9%* | *1.87%* | *0.22%* |
| 2012 | 32,300 | 217,000 | 1,730,000 | 14,600,000 | *14.9%* | *1.86%* | *0.22%* |
| 2013 | 32,400 | 218,000 | 1,750,000 | 14,900,000 | *14.9%* | *1.86%* | *0.22%* |
| 2014 | 32,500 | 219,000 | 1,760,000 | 15,200,000 | *14.9%* | *1.85%* | *0.21%* |
| 2015 | 33,000 | 222,000 | 1,790,000 | 15,600,000 | *14.9%* | *1.84%* | *0.21%* |
| 2016 | 33,700 | 227,000 | 1,830,000 | 16,000,000 | *14.9%* | *1.84%* | *0.21%* |
| 2017 | 34,400 | 232,000 | 1,880,000 | 16,300,000 | *14.9%* | *1.83%* | *0.21%* |
| 2018 | 35,000 | 236,000 | 1,910,000 | 16,500,000 | *14.8%* | *1.83%* | *0.21%* |
| 2019 | 34,600 | 233,000 | 1,900,000 | 16,700,000 | *14.8%* | *1.82%* | *0.21%* |
| 2020 | 33,800 | 228,000 | 1,860,000 | 16,800,000 | *14.8%* | *1.81%* | *0.20%* |
| **Average Annual growth** | | | | | | | |
| 2010-2020 | ***0.67***% | ***0.71***% | ***0.95***% | ***1.82***% | | | |

*Source: IHS Markit Regional eXplorer version 2175*

Relative to the district municipality, the Emalahleni Local Municipality had a lower average annual growth rate of 0.67% from 2010 to 2020. In contrast, the province had an average annual growth rate of 0.95% from 2010. The South Africa had a total of 16.8 million households, with a growth rate of 1.82%, thus growing at a higher rate than the Emalahleni.

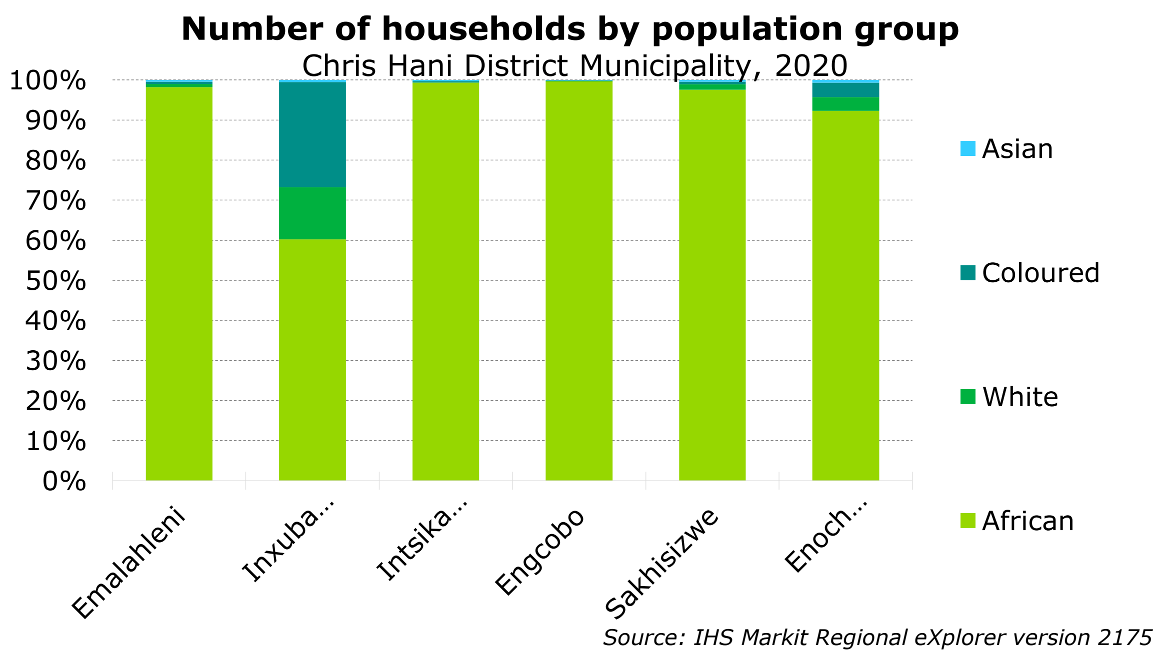
The composition of the households by population group consists of 98.2% which is ascribed to the African population group with the largest number of households by population group. The White population group had a total composition of 0.8% (ranking second). The Coloured population group had a total composition of 0.6% of the total households. The smallest population group by households is the Asian population group with only 0.4% in 2020.

NUMBER OF HOUSEHOLDS BY POPULATION GROUP - EMALAHLENI LOCAL MUNICIPALITY, 2020 [PERCENTAGE]




The growth in the number of African headed households was on average 0.66% per annum between 2010 and 2020, which translates in the number of households increasing by 2 100 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2010 and 2020 at 8.53%. The average annual growth rate in the number of households for all the other population groups has increased with 0.65%.

NUMBER OF HOUSEHOLDS BY POPULATION GROUP - EMALAHLENI LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2020 [PERCENTAGE]



### HIV+ AND AIDS ESTIMATES

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

HIV+ and AIDS estimates are defined as follows:

The HIV+ estimates are calculated by using the prevalence rates from the HIV/AIDS model built by the Actuarial Society of Southern Africa (ASSA-2008). These rates are used as base rates on a provincial level. IHS slightly adjusted the provincial ASSA-2008 data to reflect the national HIV Prevalence rate more accurately 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.

NUMBER OF HIV+ PEOPLE - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [NUMBER AND PERCENTAGE]

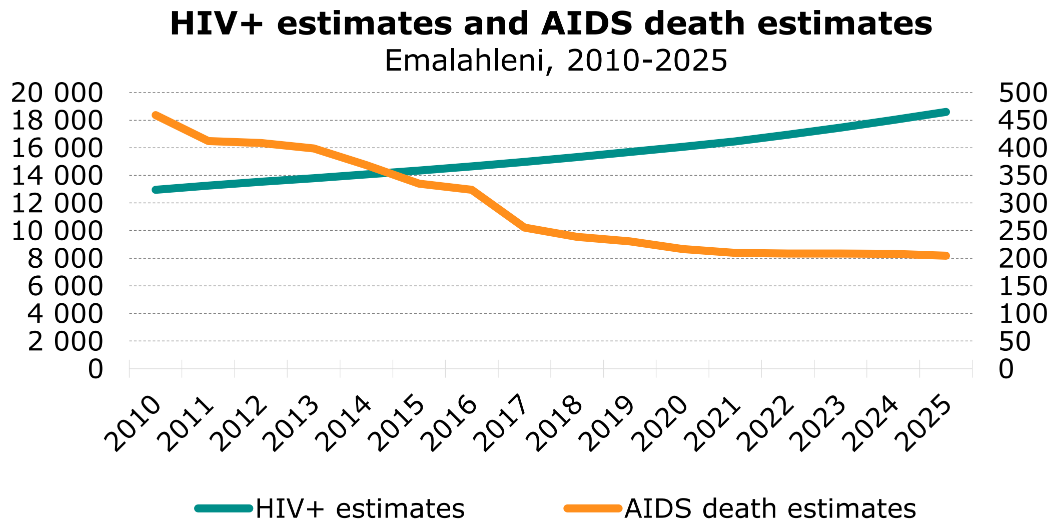
| | Emalahleni | Chris Hani | Eastern Cape | National Total | Emalahleni as % of district municipality | Emalahleni as % of province | Emalahleni as % of national |
|---|---|---|---|---|---|---|---|
| 2010 | 13,000 | 88,800 | 717,000 | 6,310,000 | *14.6%* | *1.81%* | *0.21%* |
| 2011 | 13,300 | 90,700 | 732,000 | 6,480,000 | *14.6%* | *1.81%* | *0.20%* |
| 2012 | 13,500 | 92,400 | 746,000 | 6,630,000 | *14.6%* | *1.81%* | *0.20%* |
| 2013 | 13,800 | 94,000 | 759,000 | 6,770,000 | *14.7%* | *1.82%* | *0.20%* |
| 2014 | 14,100 | 95,700 | 772,000 | 6,910,000 | *14.7%* | *1.82%* | *0.20%* |
| 2015 | 14,400 | 97,500 | 786,000 | 7,050,000 | *14.7%* | *1.83%* | *0.20%* |
| 2016 | 14,600 | 99,300 | 799,000 | 7,200,000 | *14.7%* | *1.83%* | *0.20%* |
| 2017 | 15,000 | 101,000 | 815,000 | 7,360,000 | *14.8%* | *1.84%* | *0.20%* |
| 2018 | 15,300 | 104,000 | 830,000 | 7,530,000 | *14.8%* | *1.85%* | *0.20%* |
| 2019 | 15,700 | 106,000 | 847,000 | 7,710,000 | *14.8%* | *1.85%* | *0.20%* |
| 2020 | 16,100 | 108,000 | 863,000 | 7,900,000 | *14.9%* | *1.86%* | *0.20%* |
| **Average Annual growth** | | | | | | | |
| 2010-2020 | ***2.18***% | ***1.99***% | ***1.88***% | ***2.28***% | | | |

*Source: IHS Markit Regional eXplorer version 2175*

In 2020, 16 100 people in the Emalahleni Local Municipality were infected with HIV. This reflects an increase at an average annual rate of 2.18% since 2010, and in 2020 represented 12.45% of the local municipality's total population. The Chris Hani District Municipality had an average annual growth rate of 1.99% from 2010 to 2020 in the number of people infected with HIV, which is lower than that of the Emalahleni Local Municipality. The number of infections in the Eastern Cape Province increased from 716,000 in 2010 to 863,000 in 2020. When looking at the South Africa as a whole it can be seen that the number of people that are infected increased from 2010 to 2020 with an average annual growth rate of 2.28%.

*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.*

AIDS PROFILE AND FORECAST - EMALAHLENI LOCAL MUNICIPALITY, 2010-2025 [NUMBERS]




*Source: IHS Markit Regional eXplorer version 2175*

Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 459 in 2010 and 217 for 2020. This number denotes an decrease from 2010 to 2020 with a high average annual rate of -7.22% (or -242 people). For the year 2020, they represented 0.17% of the total population of the entire local municipality.

## ECONOMY

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

The Emalahleni 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.

## 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.

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 measure 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.

GROSS DOMESTIC PRODUCT (GDP) - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [R BILLIONS, CURRENT PRICES]

| | Emalahleni | Chris Hani | Eastern Cape | National Total | Emalahleni as % of district municipality | Emalahleni as % of province | Emalahleni as % of national |
|---|---|---|---|---|---|---|---|
| 2010 | 1.3 | 18.8 | 241.1 | 3,055.6 | *6.7%* | *0.53%* | *0.04%* |
| 2011 | 1.4 | 20.2 | 255.4 | 3,327.0 | *6.8%* | *0.53%* | *0.04%* |
| 2012 | 1.5 | 22.6 | 283.4 | 3,566.4 | *6.7%* | *0.54%* | *0.04%* |
| 2013 | 1.6 | 24.4 | 305.7 | 3,868.6 | *6.7%* | *0.53%* | *0.04%* |
| 2014 | 1.8 | 26.2 | 326.3 | 4,133.9 | *6.7%* | *0.54%* | *0.04%* |
| 2015 | 1.9 | 28.5 | 352.9 | 4,420.8 | *6.7%* | *0.54%* | *0.04%* |
| 2016 | 2.0 | 30.2 | 373.2 | 4,759.6 | *6.7%* | *0.54%* | *0.04%* |
| 2017 | 2.2 | 32.5 | 400.4 | 5,078.2 | *6.6%* | *0.54%* | *0.04%* |
| 2018 | 2.3 | 34.1 | 421.2 | 5,357.6 | *6.6%* | *0.54%* | *0.04%* |
| 2019 | 2.3 | 35.3 | 435.6 | 5,605.0 | *6.6%* | *0.54%* | *0.04%* |
| 2020 | 2.3 | 34.6 | 423.4 | 5,521.1 | *6.6%* | *0.54%* | *0.04%* |

*Source: IHS Markit Regional eXplorer version 2175*

With a GDP of R 2.28 billion in 2020 (up from R 1.27 billion in 2010), the Emalahleni Local Municipality contributed 6.60% to the Chris Hani District Municipality GDP of R 34.6 billion in 2020 increasing in the share of the Chris Hani from 6.75% in 2010. The Emalahleni Local Municipality contributes 0.54% to the GDP of Eastern Cape Province and 0.04% the GDP of South Africa which had a total GDP of R 5.52 trillion in 2020 (as measured in nominal or current prices) It's contribution to the national economy stayed similar in importance from 2010 when it contributed 0.04% to South Africa, but it is lower than the peak of 0.04% in 2015.

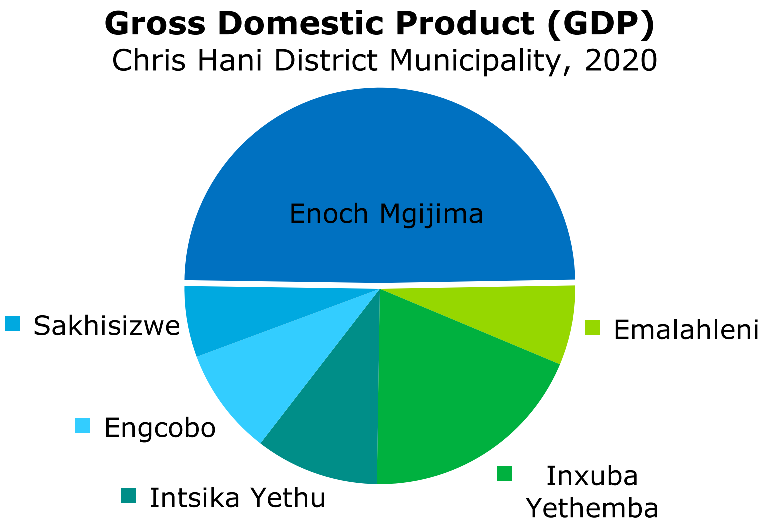
GROSS DOMESTIC PRODUCT (GDP) - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2010 PRICES]

| | Emalahleni | Chris Hani | Eastern Cape | National Total |
|---|---|---|---|---|
| 2010 | -0.8% | 1.0% | 1.9% | 2.6% |
| 2011 | 2.4% | 3.1% | 3.3% | 3.2% |
| 2012 | 2.1% | 2.0% | 2.0% | 2.4% |
| 2013 | 0.3% | 1.3% | 1.4% | 2.5% |
| 2014 | 1.7% | 1.6% | 0.7% | 1.4% |
| 2015 | 1.7% | 1.7% | 1.0% | 1.3% |
| 2016 | 0.7% | 1.0% | 0.8% | 0.7% |
| 2017 | 1.1% | 1.2% | 0.5% | 1.2% |
| 2018 | 0.2% | 1.1% | 1.0% | 1.5% |
| 2019 | 0.1% | 0.2% | -0.1% | 0.1% |
| 2020 | -5.7% | -5.5% | -6.5% | -6.4% |
| **Average Annual growth 2010-2020** | ***0.43*%** | ***0.75*%** | ***0.40*%** | ***0.74*%** |

*Source: IHS Markit Regional eXplorer version 2175*

In 2020, the Emalahleni Local Municipality achieved an annual growth rate of -5.65% which is a significantly higher GDP growth than the Eastern Cape Province's -6.54%, but is higher than that of South Africa, where the 2020 GDP growth rate was -6.43%. Contrary to the short-term growth rate of 2020, the longer-term average growth rate for Emalahleni (0.43%) is slightly lower than that of South Africa (0.74%). The economic growth in Emalahleni peaked in 2011 at 2.37%.

GROSS DOMESTIC PRODUCT (GDP) - EMALAHLENI LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2020 [PERCENTAGE]




Source: IHS Markit Regional eXplorer version 2175

The Emalahleni Local Municipality had a total GDP of R 2.28 billion and in terms of total contribution towards Chris Hani District Municipality the Emalahleni Local Municipality ranked fifth relative to all the regional economies to total Chris Hani District Municipality GDP. This ranking in terms of size compared to other regions of Emalahleni remained the same since 2010. In terms of its share, it was in 2020 (6.6%) slightly smaller compared to what it was in 2010 (6.7%). For the period 2010 to 2020, the average annual growth rate of 0.4% of Emalahleni was the fifth relative to its peers in terms of growth in constant 2010 prices.

GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN CHRIS HANI DISTRICT MUNICIPALITY, 2010 TO 2020, SHARE AND GROWTH

| | 2020 (Current prices) | Share of district municipality | 2010 (Constant prices) | 2020 (Constant prices) | Average Annual growth |
|---|---|---|---|---|---|
| Emalahleni | 2.28 | *6.60%* | 1.70 | 1.77 | ***0.43***% |
| Inxuba Yethemba | 6.54 | *18.92%* | 4.54 | 5.19 | ***1.35***% |
| Intsika Yethu | 3.54 | *10.23%* | 2.50 | 2.72 | ***0.85***% |
| Engcobo | 3.07 | *8.88%* | 2.29 | 2.38 | ***0.39***% |
| Sakhisizwe | 2.04 | *5.89%* | 1.46 | 1.58 | ***0.80***% |
| Enoch Mgijima | 17.12 | *49.49%* | 12.51 | 13.27 | ***0.60***% |

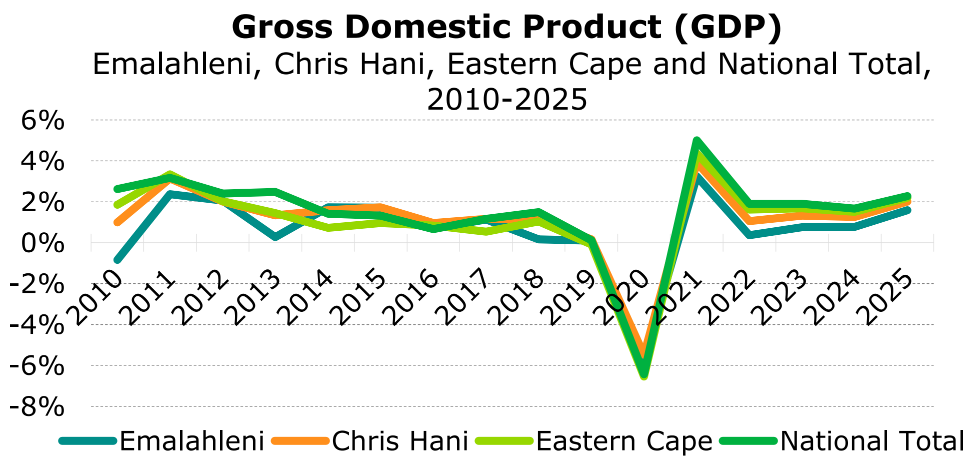
*Source: IHS Markit Regional eXplorer version 2175*

Inxuba Yethemba had the highest average annual economic growth, averaging 1.35% between 2010 and 2020, when compared to the rest of the regions within Chris Hani District Municipality. The Intsika Yethu Local Municipality had the second highest average annual growth rate of 0.85%. Engcobo Local Municipality had the lowest average annual growth rate of 0.39% between 2010 and 2020.

### Economic Growth Forecast

It is expected that Emalahleni Local Municipality will grow at an average annual rate of 1.34% from 2020 to 2025. The average annual growth rate in the GDP of Chris Hani District Municipality and Eastern Cape Province is expected to be 1.90% and 2.27% respectively. South Africa is forecasted to grow at an average annual growth rate of 2.54%, which is higher than that of the Emalahleni Local Municipality.

GROSS DOMESTIC PRODUCT (GDP) - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2025 [AVERAGE ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]




*Source: IHS Markit Regional eXplorer version 2175*

In 2025, Emalahleni's forecasted GDP will be an estimated R 1.89 billion (constant 2010 prices) or 6.4% of the total GDP of Chris Hani District Municipality. The ranking in terms of size of the Emalahleni Local Municipality will remain the same between 2020 and 2025, with a contribution to the Chris Hani District Municipality GDP of 6.4% in 2025 compared to the 6.6% in 2020. At a 1.34% average annual GDP growth rate between 2020 and 2025, Emalahleni ranked the lowest compared to the other regional economies.

GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN CHRIS HANI DISTRICT MUNICIPALITY, 2010 TO 2025, SHARE AND GROWTH

| | 2025 (Current prices) | Share of district municipality | 2010 (Constant prices) | 2025 (Constant prices) | Average Annual growth |
|---|---|---|---|---|---|
| Emalahleni | 3.08 | *6.49%* | 1.70 | 1.89 | ***0.73***% |
| Inxuba Yethemba | 9.00 | *18.95%* | 4.54 | 5.69 | ***1.51***% |
| Intsika Yethu | 5.02 | *10.57%* | 2.50 | 3.09 | ***1.42***% |
| Engcobo | 4.22 | *8.89%* | 2.29 | 2.61 | ***0.89***% |
| Sakhisizwe | 2.83 | *5.95%* | 1.46 | 1.74 | ***1.18***% |
| Enoch Mgijima | 23.34 | *49.14%* | 12.51 | 14.56 | ***1.02***% |

*Source: IHS Markit Regional eXplorer version 2175*

## Gross Value Added by Region (GVA-R)

The Emalahleni 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.

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 Emalahleni Local Municipality.

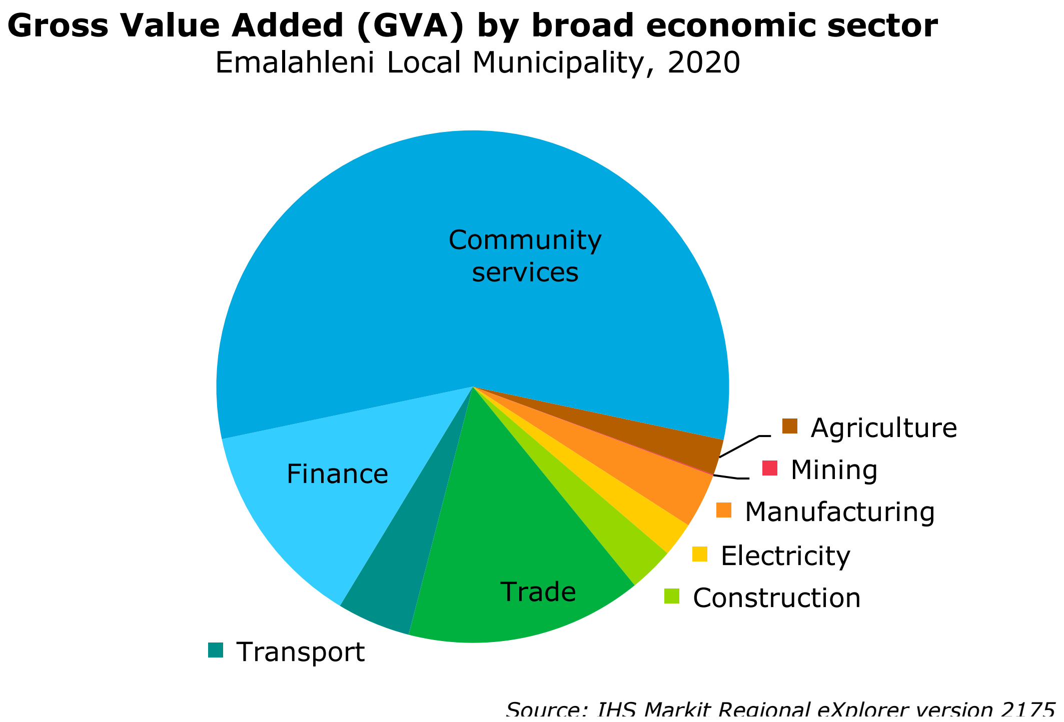
GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - EMALAHLENI LOCAL MUNICIPALITY, 2020 [R BILLIONS, CURRENT PRICES]

| | Emalahleni | Chris Hani | Eastern Cape | National Total | Emalahleni as % of district municipality | Emalahleni as % of province | Emalahleni as % of national |
|---|---|---|---|---|---|---|---|
| Agriculture | 0.0 | 0.9 | 7.4 | 139.5 | *5.0%* | *0.63%* | *0.03%* |
| Mining | 0.0 | 0.0 | 0.5 | 353.2 | *5.0%* | *0.29%* | *0.00%* |
| Manufacturing | 0.1 | 1.7 | 49.1 | 648.4 | *4.2%* | *0.15%* | *0.01%* |
| Electricity | 0.0 | 0.7 | 8.6 | 157.3 | *6.3%* | *0.52%* | *0.03%* |
| Construction | 0.1 | 0.9 | 10.4 | 134.3 | *6.6%* | *0.57%* | *0.04%* |
| Trade | 0.3 | 5.8 | 66.1 | 659.5 | *5.3%* | *0.47%* | *0.05%* |
| Transport | 0.1 | 1.7 | 25.1 | 368.8 | *5.5%* | *0.38%* | *0.03%* |
| Finance | 0.3 | 5.8 | 85.7 | 1,216.0 | *4.6%* | *0.31%* | *0.02%* |
| Community services | 1.2 | 14.4 | 130.1 | 1,320.8 | *8.1%* | *0.90%* | *0.09%* |
| **Total Industries** | **2.1** | **32.0** | **383.0** | **4,997.9** | ***6.5%*** | ***0.54%*** | ***0.04%*** |

*Source: IHS Markit Regional eXplorer version 2175*

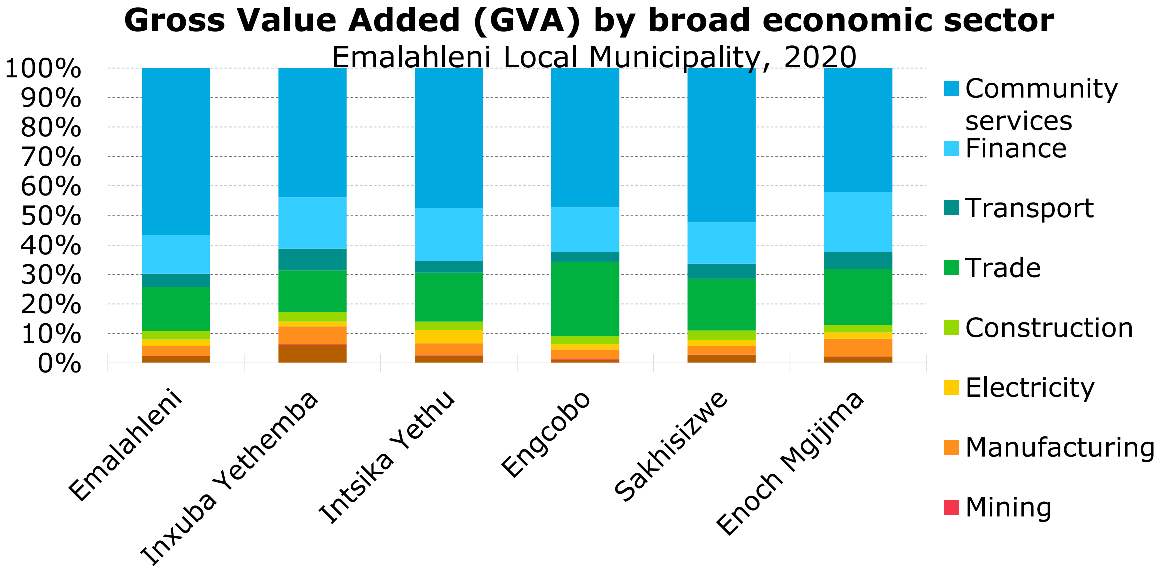
In 2020, the community services sector is the largest within Emalahleni Local Municipality accounting for R 1.17 billion or 56.6% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Emalahleni Local Municipality is the trade sector at 14.9%, followed by the finance sector with 13.0%. The sector that contributes the least to the economy of Emalahleni Local Municipality is the mining sector with a contribution of R 1.37 million or 0.07% of the total GVA.

GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - EMALAHLENI LOCAL MUNICIPALITY, 2020 [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 46.60%, relative to the other regions within Chris Hani District Municipality. The Enoch Mgijima contributed R 15.9 billion or 49.73% to the GVA of Chris Hani District Municipality.The Enoch Mgijima also contributes the most the overall GVA of Chris Hani District Municipality.

GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - EMALAHLENI, INXUBA YETHEMBA, INTSIKA YETHU, ENGCOBO, SAKHISIZWE AND ENOCH MGIJIMA, 2020 [PERCENTAGE COMPOSITION]




*Source: IHS Markit Regional eXplorer version 2175*

## Historical Economic Growth

For the period 2020 and 2010, the GVA in the finance sector had the highest average annual growth rate in Emalahleni at 2.87%. The industry with the second highest average annual growth rate is the agriculture sector averaging at 1.55% per year. The electricity sector had an average annual growth rate of -1.59%, while the construction sector had the lowest average annual growth of -2.48%. Overall a negative growth existed for all the industries in 2020 with an annual growth rate of -4.61% since 2019.

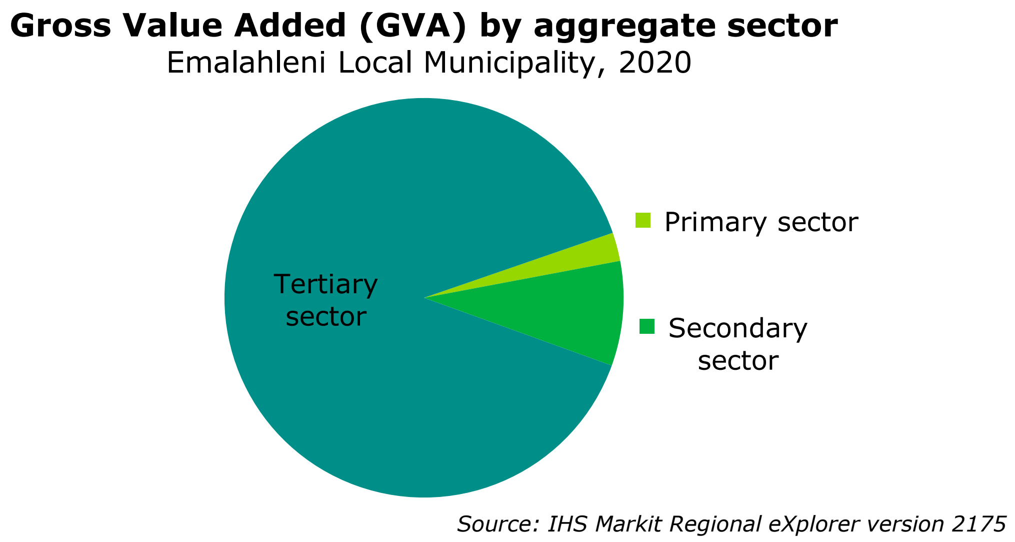
GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - EMALAHLENI LOCAL MUNICIPALITY, 2010, 2015 AND 2020 [R MILLIONS, 2010 CONSTANT PRICES]

| | 2010 | 2015 | 2020 | Average Annual growth |
|---|---|---|---|---|
| Agriculture | 26.4 | 32.6 | 30.8 | ***1.55%*** |
| Mining | 2.0 | 1.9 | 1.9 | ***-0.58%*** |
| Manufacturing | 61.0 | 61.6 | 54.6 | ***-1.11%*** |
| Electricity | 21.2 | 20.1 | 18.0 | ***-1.59%*** |
| Construction | 63.1 | 67.8 | 49.1 | ***-2.48%*** |
| Trade | 233.5 | 263.5 | 236.4 | ***0.12%*** |
| Transport | 87.2 | 98.6 | 86.5 | ***-0.08%*** |
| Finance | 162.2 | 195.6 | 215.3 | ***2.87%*** |
| Community services | 859.8 | 908.4 | 911.5 | ***0.58%*** |
| **Total Industries** | **1,516.3** | **1,650.1** | **1,604.1** | ***0.56%*** |

*Source: IHS Markit Regional eXplorer version 2175*

The tertiary sector contributes the most to the Gross Value Added within the Emalahleni Local Municipality at 89.2%. This is significantly higher than the national economy (71.3%). The secondary sector contributed a total of 8.5% (ranking second), while the primary sector contributed the least at 2.3%.

GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - EMALAHLENI LOCAL MUNICIPALITY, 2020 [PERCENTAGE]

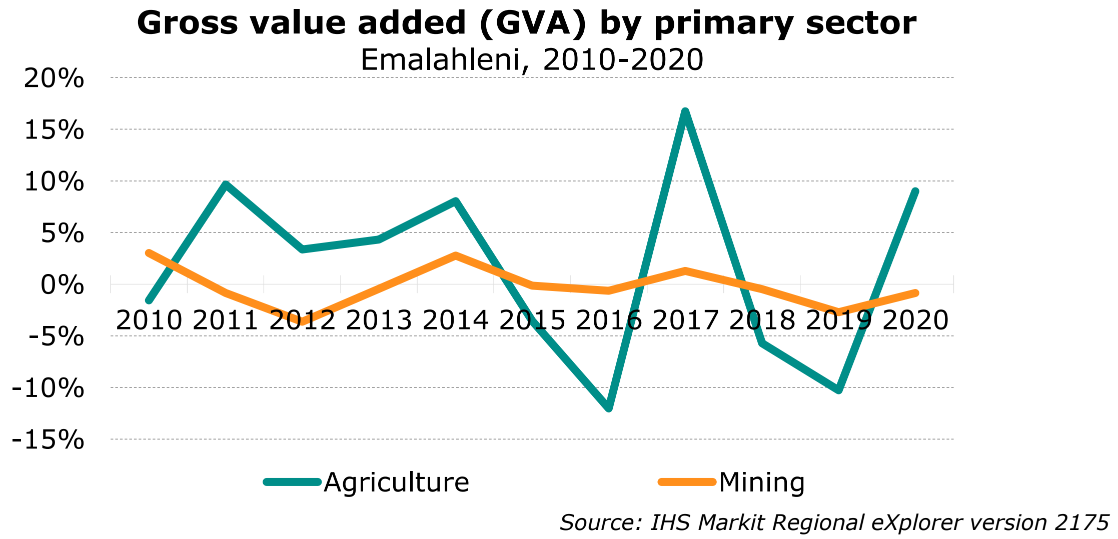



The following is a breakdown of the Gross Value Added (GVA) by aggregated sector:

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 Emalahleni Local Municipality from 2010 to 2020.

GROSS VALUE ADDED (GVA) BY PRIMARY SECTOR - EMALAHLENI, 2010-2020 [ANNUAL PERCENTAGE CHANGE]

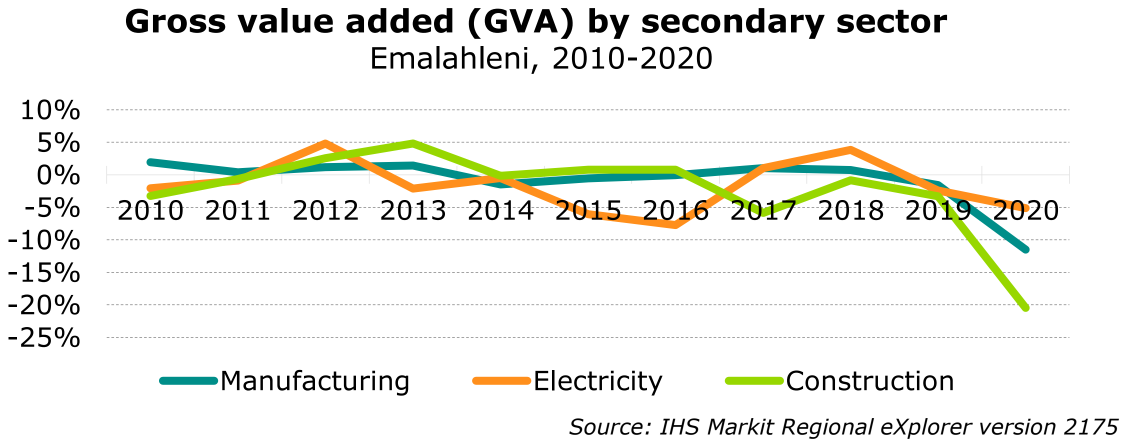



Between 2010 and 2020, the agriculture sector experienced the highest positive growth in 2017 with an average growth rate of 16.7%. The mining sector reached its highest point of growth of 3.0% in 2010. The agricultural sector experienced the lowest growth for the period during 2016 at -12.0%, while the mining sector reaching its lowest point of growth in 2012 at -3.6%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

## 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 Emalahleni Local Municipality from 2010 to 2020.

GROSS VALUE ADDED (GVA) BY SECONDARY SECTOR - EMALAHLENI, 2010-2020 [ANNUAL PERCENTAGE CHANGE]

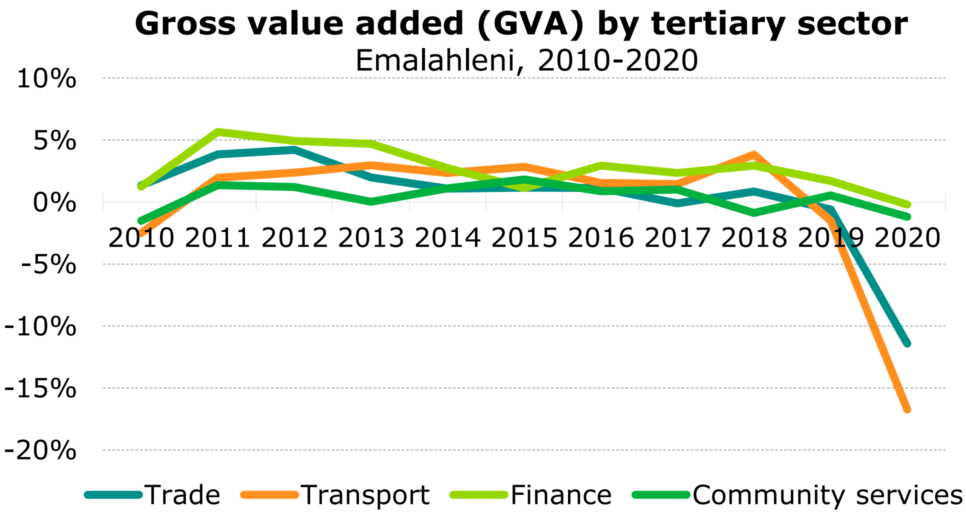



Between 2010 and 2020, the manufacturing sector experienced the highest growth in 2010 with a growth rate of 1.9%. The construction sector reached its highest growth in 2013 at 4.8%. The manufacturing sector experienced its lowest growth in 2020 of -11.5%, while construction sector also had the lowest growth rate in 2020 and it experiences a negative growth rate of -20.5% which is higher growth rate than that of the manufacturing sector. The electricity sector experienced the highest growth in 2012 at 4.8%, while it recorded the lowest growth of -7.7% in 2016.

## 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 Emalahleni Local Municipality from 2010 to 2020.

GROSS VALUE ADDED (GVA) BY TERTIARY SECTOR - EMALAHLENI, 2010-2020 [ANNUAL PERCENTAGE CHANGE]




*Source: IHS Markit Regional eXplorer version 2175*

The trade sector experienced the highest growth in 2012 with a growth rate of 4.2%. The transport sector reached its highest point of growth in 2018 at 3.8%. The finance sector experienced the highest growth rate in 2011 when it grew by 5.7% and recorded the lowest growth rate in 2020 at -0.2%. The Trade sector also had the lowest growth rate in 2020 at -11.4%. The community services sector, which largely consists of government, experienced its highest growth in 2015 with 1.8% and the lowest growth rate in 2010 with -1.5%.

## 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.

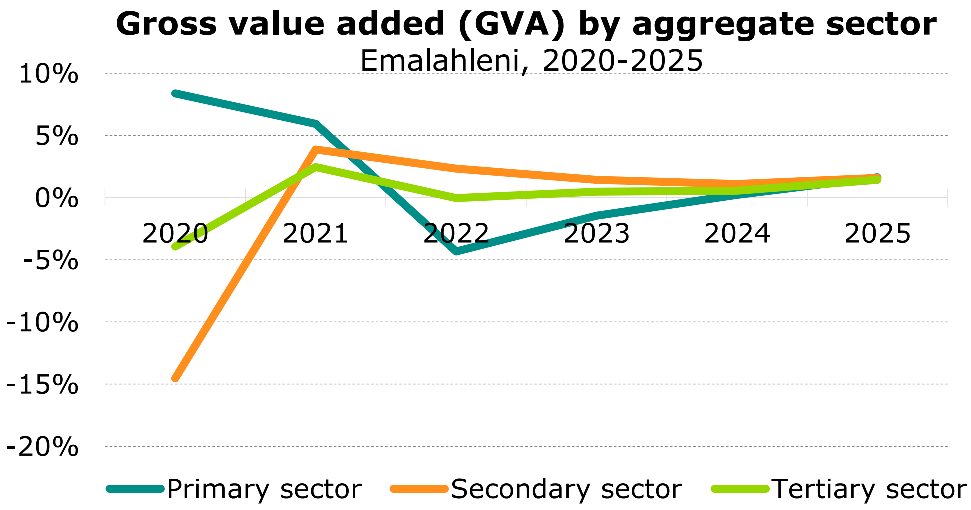
GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - EMALAHLENI LOCAL MUNICIPALITY, 2020-2025 [R MILLIONS, CONSTANT 2010 PRICES]

| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Average Annual growth |
|---|---|---|---|---|---|---|---|
| Agriculture | 30.8 | 32.8 | 31.3 | 30.9 | 31.1 | 31.6 | ***0.52**%* |
| Mining | 1.9 | 1.9 | 1.8 | 1.7 | 1.7 | 1.6 | ***-2.86**%* |
| Manufacturing | 54.6 | 58.7 | 59.8 | 60.3 | 60.5 | 61.0 | ***2.23**%* |
| Electricity | 18.0 | 19.1 | 19.6 | 19.9 | 20.2 | 20.7 | ***2.79**%* |
| Construction | 49.1 | 48.7 | 50.0 | 51.0 | 51.9 | 53.1 | ***1.58**%* |
| Trade | 236.4 | 250.0 | 253.8 | 256.9 | 258.7 | 261.6 | ***2.05**%* |
| Transport | 86.5 | 90.1 | 91.2 | 92.7 | 94.0 | 96.1 | ***2.13**%* |
| Finance | 215.3 | 226.9 | 233.7 | 239.1 | 244.2 | 250.9 | ***3.11**%* |
| Community services | 911.5 | 918.2 | 906.2 | 903.1 | 903.1 | 912.6 | ***0.03**%* |
| **Total Industries** | **1,604.1** | **1,646.3** | **1,647.4** | **1,655.7** | **1,665.4** | **1,689.2** | ***1.04%*** |

*Source: IHS Markit Regional eXplorer version 2175*

The finance sector is expected to grow fastest at an average of 3.11% annually from R 215 million in Emalahleni Local Municipality to R 251 million in 2025. The community services sector is estimated to be the largest sector within the Emalahleni Local Municipality in 2025, with a total share of 54.0% of the total GVA (as measured in current prices), growing at an average annual rate of 0.0%. The sector that is estimated to grow the slowest is the mining sector with an average annual growth rate of -2.86%.

GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - EMALAHLENI LOCAL MUNICIPALITY, 2020-2025 [ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]




*Source: IHS Markit Regional eXplorer version 2175*

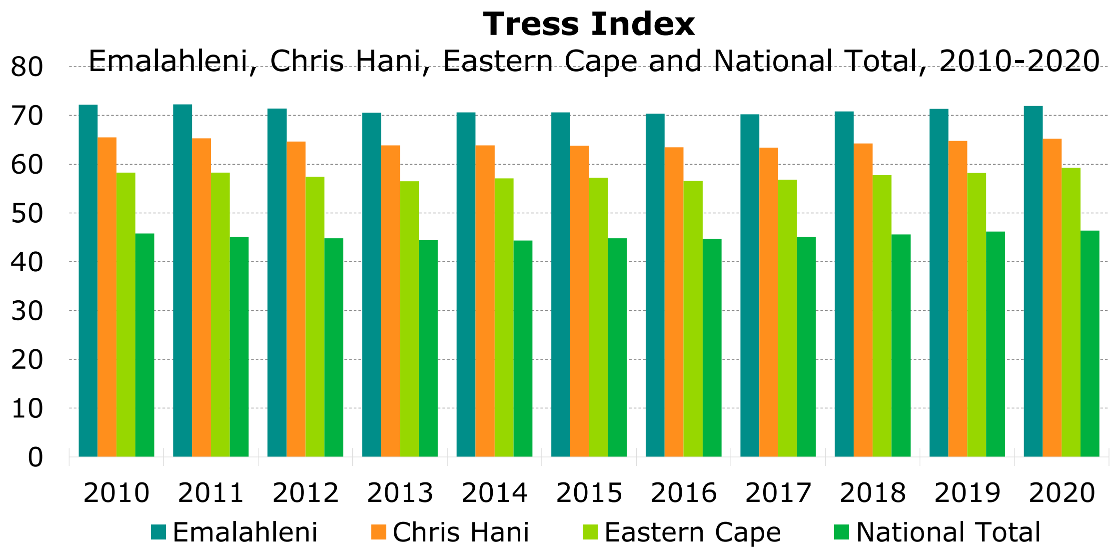
The Primary sector is expected to grow at an average annual rate of 0.34% between 2020 and 2025, with the Secondary sector growing at 2.05% on average annually. The Tertiary sector is expected to grow at an average annual rate of 0.97% for the same period.

*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 because of uncertain weather conditions, pests and other natural causes - and the forecasts presented here is merely a long-term trend rather than trying to forecast the unpredictable weather conditions.*

### Tress Index

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.

TRESS INDEX - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [NUMBER]




*Source: IHS Markit Regional eXplorer version 2175*

In 2020, Emalahleni's Tress Index was estimated at 71.9 which are higher than the 65.2 of the district municipality and higher than the 65.2 of the provinces. This implies that - on average - Emalahleni Local Municipality is less diversified in terms of its economic activity spread than the province's economy.

The Emalahleni Local Municipality has a concentrated community services sector.

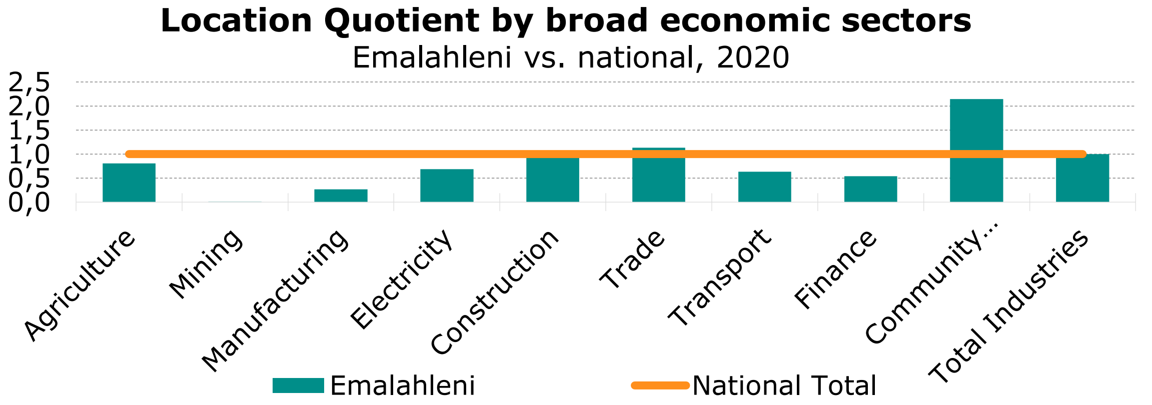
*The more diverse an economy is, the more likely it is to create employment opportunities across all skills levels (and not only - for instance - employment opportunities that cater for highly skilled labourers), and maintain a healthy balance between labour-intensive and capital-intensive industries.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

### Location Quotient

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.

LOCATION QUOTIENT BY BROAD ECONOMIC SECTORS - EMALAHLENI LOCAL MUNICIPALITY AND SOUTH AFRICA, 2020 [NUMBER]



*Source: IHS Markit Regional eXplorer version 2175*

For 2020 Emalahleni Local Municipality has a very large comparative advantage in the community services sector. The trade sector has a comparative advantage. The construction also has a comparative advantage when comparing it to the South Africa economy as a whole, although less prominent. The Emalahleni 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 Emalahleni Local Municipality area currently does not have a lot of mining activity, with an LQ of only 0.00936.

### 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.

WORKING AGE POPULATION IN EMALAHLENI, CHRIS HANI, EASTERN CAPE, AND NATIONAL TOTAL, 2010 AND 2020 [NUMBER]

| | Emalahleni | | Chris Hani | | Eastern Cape | | National Total | |
|---|---|---|---|---|---|---|---|---|
| | 2010 | 2020 | 2010 | 2020 | 2010 | 2020 | 2010 | 2020 |
| 15-19 | 16,600 | 11,800 | 103,000 | 74,900 | 809,000 | 651,000 | 5,220,000 | 4,700,000 |
| 20-24 | 11,800 | 9,500 | 81,800 | 67,500 | 737,000 | 620,000 | 5,360,000 | 4,760,000 |
| 25-29 | 7,820 | 10,200 | 62,000 | 79,000 | 578,000 | 726,000 | 4,800,000 | 5,460,000 |
| 30-34 | 5,060 | 9,150 | 40,400 | 68,600 | 389,000 | 655,000 | 3,890,000 | 5,570,000 |
| 35-39 | 4,300 | 7,580 | 33,800 | 58,100 | 313,000 | 514,000 | 3,390,000 | 4,790,000 |
| 40-44 | 3,850 | 4,970 | 29,600 | 39,400 | 265,000 | 349,000 | 2,790,000 | 3,710,000 |
| 45-49 | 4,490 | 4,490 | 32,700 | 33,200 | 274,000 | 283,000 | 2,510,000 | 3,130,000 |
| 50-54 | 5,220 | 4,800 | 34,300 | 29,900 | 267,000 | 240,000 | 2,150,000 | 2,540,000 |
| 55-59 | 4,560 | 5,160 | 29,600 | 32,800 | 222,000 | 247,000 | 1,740,000 | 2,250,000 |
| 60-64 | 4,320 | 5,280 | 26,400 | 32,500 | 188,000 | 235,000 | 1,400,000 | 1,890,000 |
| **Total** | **68,000** | **72,900** | **473,000** | **516,000** | **4,040,000** | **4,520,000** | **33,300,000** | **38,800,000** |

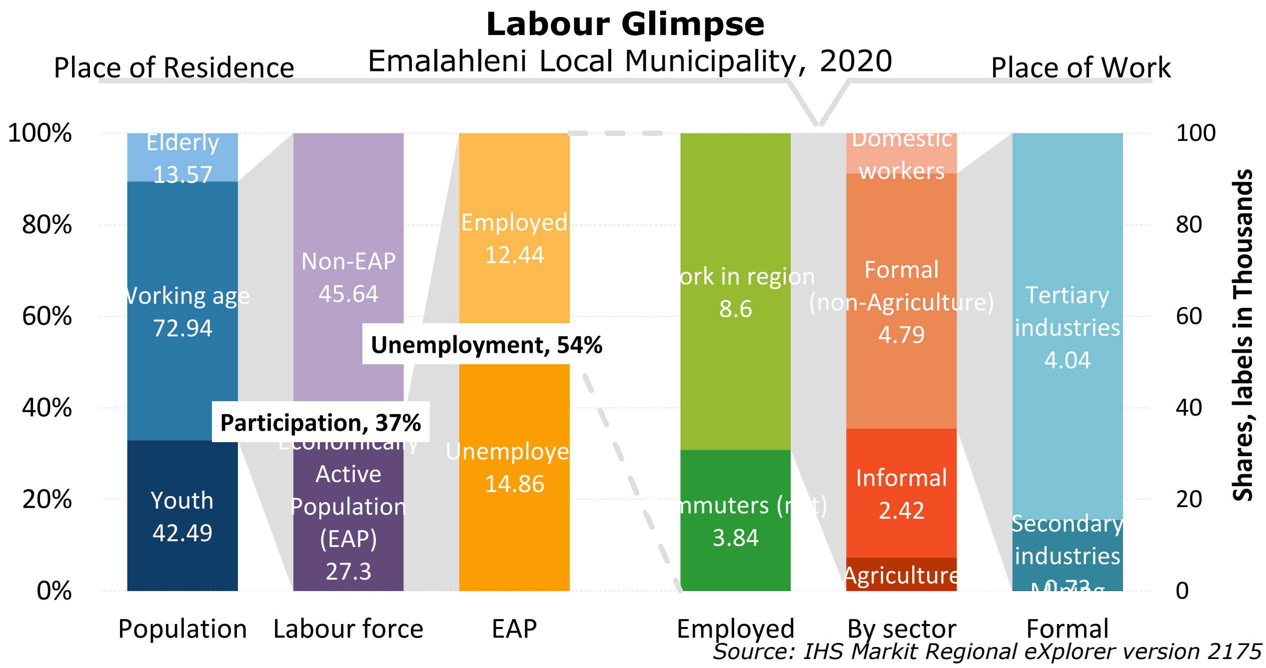
*Source: IHS Markit Regional eXplorer version 2175*

The working age population in Emalahleni in 2020 was 73 000, increasing at an average annual rate of 0.71% since 2010. For the same period the working age population for Chris Hani District

Municipality increased at 0.86% annually, while that of Eastern Cape Province increased at 1.12% annually. South Africa's working age population has increased annually by 1.56% from 33.3 million in 2010 to 38.8 million in 2020.

The graph below combines all the facets of the labour force in the Emalahleni Local Municipality into one compact view. The chart is divided into "place of residence" on the left, which is measured from the population side, and "place of work" on the right, which is measured from the business side.

LABOUR GLIMPSE - EMALAHLENI LOCAL MUNICIPALITY, 2020




*Source: IHS Markit Regional eXplorer version 2175*

Reading the chart from the left-most bar, breaking down the total population of the Emalahleni Local Municipality (129 000) into working age and non-working age, the number of people that are of working age is about 73 000. As per definition, those that are of age 0 - 19 (youth) or age 65 and up (pensioners) are part of the non-working age population. Out of the working age group, 37.4% are participating in the labour force, meaning 27 300 residents of the local municipality forms currently part of the economically active population (EAP). Comparing this with the non-economically active population (NEAP) of the local municipality: fulltime students at tertiary institutions, disabled people, and those choosing not to work, sum to 45 600 people. Out of the economically active population, there are 14 900 that are unemployed, or when expressed as a percentage, an unemployment rate of 54.4%. Up to here, all the statistics are measured at the place of residence.

On the far right we have the formal non-Agriculture jobs in Emalahleni, broken down by the primary (mining), secondary and tertiary industries. Most of the formal employment lies in the Tertiary industry, with 4 050 jobs. When including the informal, agricultural, and domestic workers, we have a total number of 8 600 jobs in the area. Formal jobs make up 55.7% of all jobs in the Emalahleni Local Municipality. The difference between the employment measured at the place of work, and the people employed living in the area can be explained by the net commuters that work outside of the local municipality.

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

## 2.15 Economically Active Population (EAP)

The economically active population (EAP) is a good indicator of how many of the total working agepopulation 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.

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.

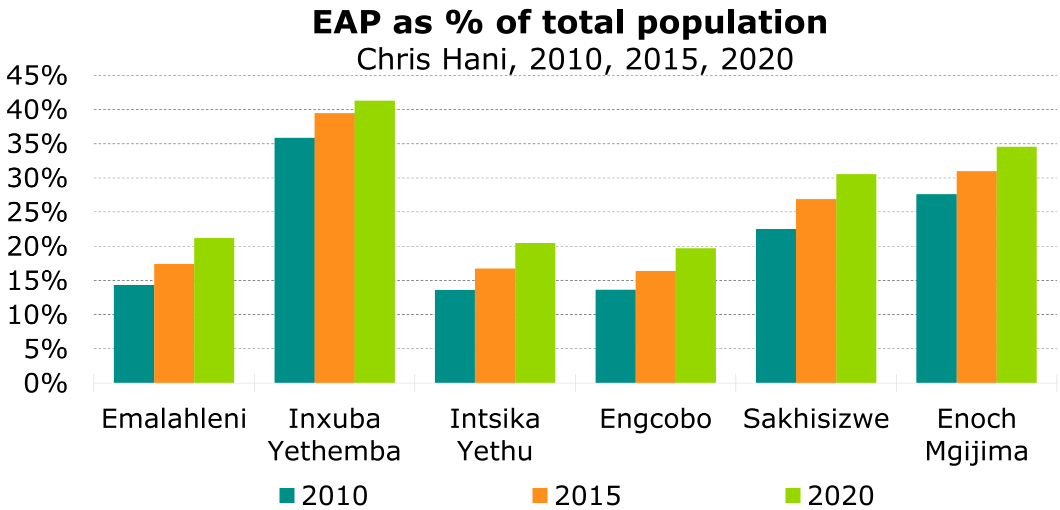
ECONOMICALLY ACTIVE POPULATION (EAP) - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [NUMBER, PERCENTAGE ]

| | Emalahleni | Chris Hani | Eastern Cape | National Total | Emalahleni as % of district municipality | Emalahleni as % of province | Emalahleni as % of national |
|---|---|---|---|---|---|---|---|
| 2010 | 17,500 | 167,000 | 1,720,000 | 18,000,000 | *10.5%* | *1.02%* | *0.10%* |
| 2011 | 17,600 | 167,000 | 1,730,000 | 18,300,000 | *10.5%* | *1.02%* | *0.10%* |
| 2012 | 18,000 | 170,000 | 1,760,000 | 18,700,000 | *10.6%* | *1.02%* | *0.10%* |
| 2013 | 19,000 | 178,000 | 1,830,000 | 19,300,000 | *10.7%* | *1.04%* | *0.10%* |
| 2014 | 20,500 | 191,000 | 1,920,000 | 20,100,000 | *10.8%* | *1.07%* | *0.10%* |
| 2015 | 21,700 | 200,000 | 2,000,000 | 20,800,000 | *10.8%* | *1.09%* | *0.10%* |
| 2016 | 23,100 | 211,000 | 2,090,000 | 21,500,000 | *10.9%* | *1.11%* | *0.11%* |
| 2017 | 24,800 | 223,000 | 2,180,000 | 22,000,000 | *11.1%* | *1.14%* | *0.11%* |
| 2018 | 25,700 | 229,000 | 2,230,000 | 22,300,000 | *11.2%* | *1.15%* | *0.12%* |
| 2019 | 27,100 | 239,000 | 2,310,000 | 22,700,000 | *11.3%* | *1.17%* | *0.12%* |
| 2020 | 27,300 | 240,000 | 2,320,000 | 22,100,000 | *11.4%* | *1.18%* | *0.12%* |
| **Average Annual growth** | | | | | | | |
| 2010-2020 | ***4.53***% | ***3.67***% | ***3.06***% | ***2.09***% | | | |

*Source: IHS Markit Regional eXplorer version 2175*

Emalahleni Local Municipality's EAP was 27 300 in 2020, which is 21.17% of its total population of 129 000, and roughly 11.38% of the total EAP of the Chris Hani District Municipality. From 2010 to 2020, the average annual increase in the EAP in the Emalahleni Local Municipality was 4.53%, which is 0.865 percentage points higher than the growth in the EAP of Chris Hani's for the same period.

EAP AS % OF TOTAL POPULATION - EMALAHLENI AND THE REST OF CHRIS HANI, 2010, 2015, 2020 [PERCENTAGE]



*Source: IHS Markit Regional eXplorer version 2175*

In 2010, 14.4% of the total population in Emalahleni Local Municipality were classified as economically active which increased to 21.2% in 2020. 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, Engcobo Local Municipality had the lowest EAP with 19.7% people classified as economically active population in 2020.

### Labour Force participation rate

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

The following is the labour participation rate of the Emalahleni, Chris Hani, Eastern Cape and National Total as a whole.

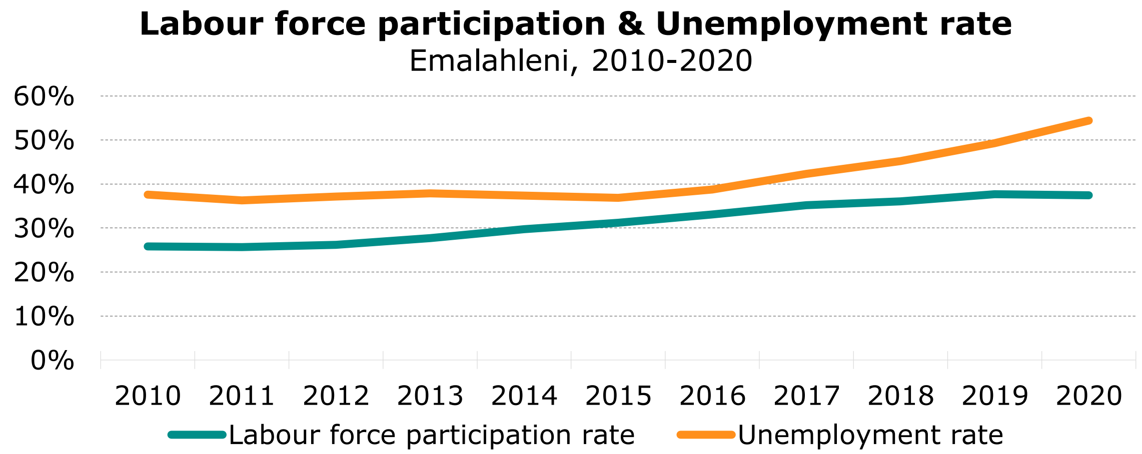
THE LABOUR FORCE PARTICIPATION RATE - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [PERCENTAGE]

| | Emalahleni | Chris Hani | Eastern Cape | National Total |
|---|---|---|---|---|
| 2010 | 25.8% | 35.4% | 42.5% | 54.1% |
| 2011 | 25.7% | 34.9% | 42.2% | 53.9% |
| 2012 | 26.2% | 35.5% | 42.5% | 54.3% |
| 2013 | 27.7% | 37.1% | 43.8% | 55.2% |
| 2014 | 29.7% | 39.3% | 45.6% | 56.6% |
| 2015 | 31.2% | 41.0% | 47.0% | 57.7% |
| 2016 | 33.1% | 42.9% | 48.5% | 58.8% |
| 2017 | 35.2% | 44.9% | 50.2% | 59.5% |
| 2018 | 36.1% | 45.7% | 50.8% | 59.4% |
| 2019 | 37.7% | 47.1% | 51.9% | 59.4% |
| 2020 | 37.4% | 46.5% | 51.4% | 57.0% |

*Source: IHS Markit Regional eXplorer version 2175*

The Emalahleni Local Municipality's labour force participation rate increased from 25.79% to 37.43% which is an increase of 12 percentage points. The Chris Hani District Municipality increased from 35.37% to 46.52%, Eastern Cape Province increased from 42.52% to 51.38% and South Africa increased from 54.14% to 57.03% from 2010 to 2020.The Emalahleni Local Municipality labour force participation rate exhibited a higher percentage point change compared to the Eastern Cape Province from 2010 to 2020. The Emalahleni Local Municipality had a lower labour force participation rate when compared to South Africa in 2020.

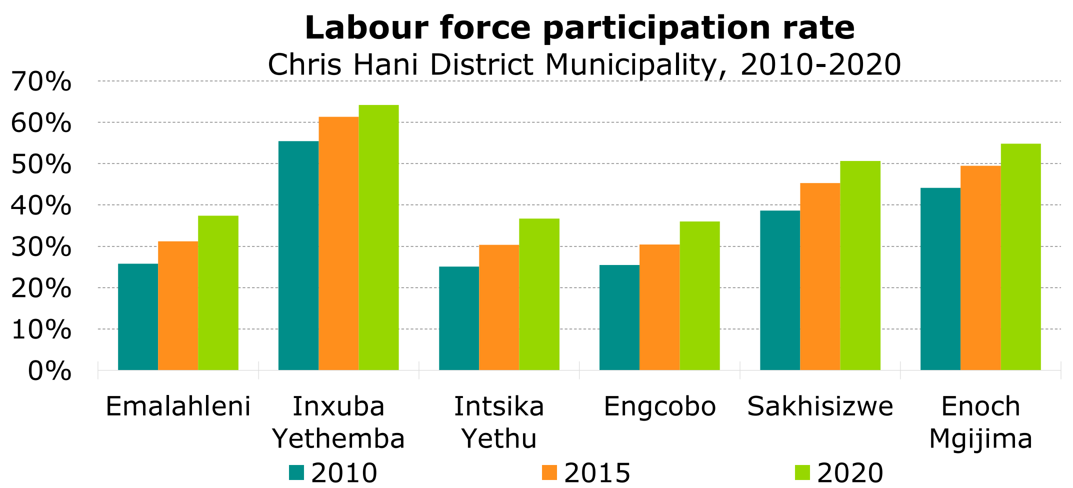
THE LABOUR FORCE PARTICIPATION AND UNEMPLOYMENT RATES - EMALAHLENI LOCAL MUNICIPALITY, 2010-2020 [PERCENTAGE]




*Source: IHS Markit Regional eXplorer version 2175*

In 2020 the labour force participation rate for Emalahleni was at 37.4% which is significantly higher when compared to the 25.8% in 2010. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2010, the unemployment rate for Emalahleni was 37.6% and increased overtime to 54.4% in 2020. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within Emalahleni Local Municipality.

THE LABOUR FORCE PARTICIPATION RATE - EMALAHLENI AND THE REST OF CHRIS HANI, 2015 AND 2020 [PERCENTAGE]




*Source: IHS Markit Regional eXplorer version 2175*

Inxuba Yethemba Local Municipality had the highest labour force participation rate with 64.2% in 2020 increasing from 55.4% in 2010. Engcobo Local Municipality had the lowest labour force participation rate of 36.0% in 2020, this increased from 25.4% in 2010.

## 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.

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

TOTAL EMPLOYMENT - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [NUMBERS]

| | Emalahleni | Chris Hani | Eastern Cape | National Total |
|---|---|---|---|---|
| 2010 | 7,620 | 111,000 | 1,230,000 | 13,500,000 |
| 2011 | 7,740 | 112,000 | 1,230,000 | 13,700,000 |
| 2012 | 7,820 | 113,000 | 1,240,000 | 14,000,000 |
| 2013 | 8,150 | 117,000 | 1,270,000 | 14,400,000 |
| 2014 | 8,820 | 126,000 | 1,340,000 | 15,000,000 |
| 2015 | 9,360 | 133,000 | 1,400,000 | 15,500,000 |
| 2016 | 9,670 | 137,000 | 1,430,000 | 15,800,000 |
| 2017 | 9,750 | 138,000 | 1,440,000 | 16,000,000 |
| 2018 | 9,610 | 136,000 | 1,440,000 | 16,200,000 |
| 2019 | 9,420 | 134,000 | 1,420,000 | 16,200,000 |
| 2020 | 8,600 | 123,000 | 1,350,000 | 15,500,000 |
| **Average Annual growth** | | | | |
| 2010-2020 | ***1.22%*** | ***1.04%*** | ***0.95%*** | ***1.39%*** |

*Source: IHS Markit Regional eXplorer version 2175*

In 2020, Emalahleni employed 8 600 people which is 6.98% of the total employment in Chris Hani District Municipality (123 000), 0.64% of total employment in Eastern Cape Province (1.35 million), and 0.06% of the total employment of 15.5 million in South Africa. Employment within Emalahleni increased annually at an average rate of 1.22% from 2010 to 2020.

TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - EMALAHLENI AND THE REST OF CHRIS HANI, 2020 [NUMBERS]

| | Emalahleni | Inxuba Yethemba | Intsika Yethu | Engcobo | Sakhisizwe | Enoch Mgijima | Total Chris Hani |
|---|---|---|---|---|---|---|---|
| Agriculture | 630 | 3,000 | 853 | 342 | 1,190 | 4,090 | 10,107 |
| Mining | 10 | 8 | 5 | 13 | 11 | 92 | 140 |
| Manufacturing | 313 | 977 | 565 | 468 | 191 | 2,450 | 4,965 |
| Electricity | 43 | 60 | 43 | 40 | 77 | 218 | 480 |
| Construction | 1,230 | 2,280 | 1,900 | 1,630 | 1,670 | 5,360 | 14,077 |
| Trade | 1,750 | 3,380 | 2,720 | 2,890 | 1,970 | 11,800 | 24,476 |
| Transport | 275 | 1,180 | 523 | 431 | 215 | 2,020 | 4,653 |
| Finance | 656 | 1,900 | 1,060 | 1,130 | 737 | 5,620 | 11,105 |
| Community services | 2,940 | 6,640 | 4,900 | 5,140 | 3,320 | 19,200 | 42,113 |
| Households | 757 | 1,880 | 1,050 | 720 | 805 | 5,980 | 11,188 |
| **Total** | **8,600** | **21,300** | **13,600** | **12,800** | **10,200** | **56,800** | **123,304** |

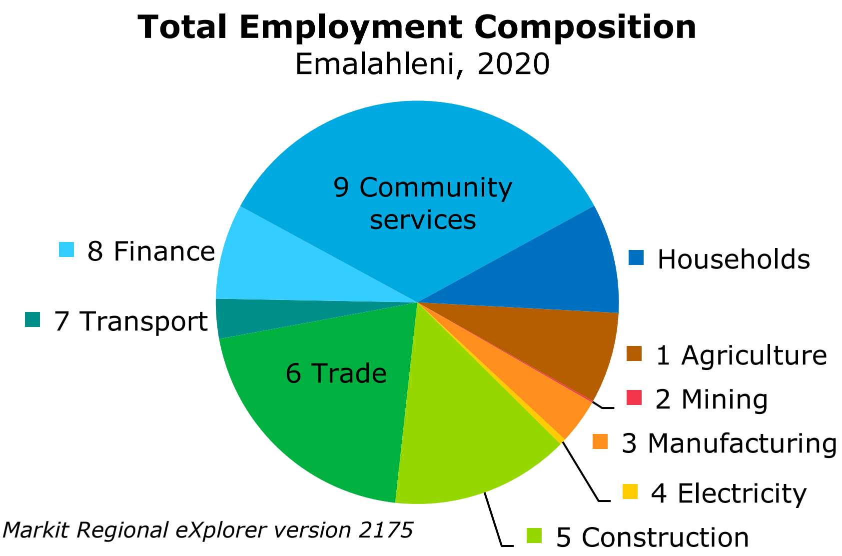
*Source: IHS Markit Regional eXplorer version 2175*

Emalahleni Local Municipality employs a total number of 8 600 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 56 800. Emalahleni Local Municipality also employed the lowest number of people within Chris Hani District Municipality.

In Emalahleni Local Municipality the economic sectors that recorded the largest number of employments in 2020 were the community services sector with a total of 2 940 employed people or 34.1% of total employment in the local municipality. The trade sector with a total of 1 750 (20.3%)

employs the second highest number of people relative to the rest of the sectors. The mining sector with 10.4 (0.1%) is the sector that employs the least number of people in Emalahleni Local Municipality, followed by the electricity sector with 42.7 (0.5%) people employed.

TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - EMALAHLENI LOCAL MUNICIPALITY, 2020 [PERCENTAGE]



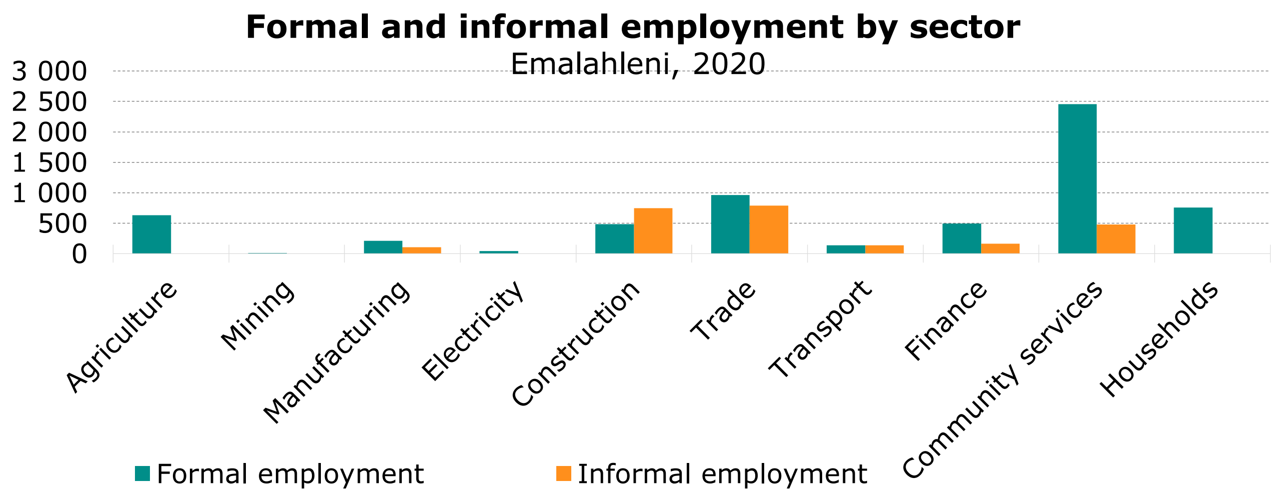

*Source: IHS Markit Regional eXplorer version 2175*

## 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 Emalahleni Local Municipality counted 6 180 in 2020, which is about 71.86% of total employment, while the number of people employed in the informal sector counted 2 420 or 28.14% of the total employment. Informal employment in Emalahleni increased from 1 990 in 2010 to an estimated 2 420 in 2020.

FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - EMALAHLENI LOCAL MUNICIPALITY, 2020 [NUMBERS]




*Source: IHS Markit Regional eXplorer version 2175*

*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 2020 the Trade sector recorded the highest number of informally employed, with a total of 788 employees or 32.55% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 105 and only contributes 4.34% to total informal employment.

FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - EMALAHLENI LOCAL MUNICIPALITY, 2020 [NUMBERS]

| | Formal employment | Informal employment |
|---|---|---|
| Agriculture | 630 | N/A |
| Mining | 10 | N/A |
| Manufacturing | 208 | 105 |
| Electricity | 43 | N/A |
| Construction | 486 | 748 |
| Trade | 962 | 788 |
| Transport | 137 | 138 |
| Finance | 492 | 164 |
| Community services | 2,460 | 479 |
| Households | 757 | N/A |

*Source: IHS Markit Regional eXplorer version 2175*

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

### UNEMPLOYMENT

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.

UNEMPLOYMENT (OFFICIAL DEFINITION) - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [NUMBER PERCENTAGE]

| | Emalahleni | Chris Hani | Eastern Cape | National Total | Emalahleni as % of district municipality | Emalahleni as % of province | Emalahleni as % of national |
|---|---|---|---|---|---|---|---|
| 2010 | 6,590 | 50,400 | 480,000 | 4,490,000 | *13.1%* | *1.37%* | *0.15%* |
| 2011 | 6,370 | 48,700 | 487,000 | 4,580,000 | *13.1%* | *1.31%* | *0.14%* |
| 2012 | 6,680 | 51,000 | 509,000 | 4,700,000 | *13.1%* | *1.31%* | *0.14%* |
| 2013 | 7,210 | 54,700 | 540,000 | 4,850,000 | *13.2%* | *1.33%* | *0.15%* |
| 2014 | 7,670 | 57,600 | 565,000 | 5,060,000 | *13.3%* | *1.36%* | *0.15%* |
| 2015 | 7,990 | 59,600 | 583,000 | 5,300,000 | *13.4%* | *1.37%* | *0.15%* |
| 2016 | 8,960 | 66,300 | 636,000 | 5,670,000 | *13.5%* | *1.41%* | *0.16%* |
| 2017 | 10,500 | 77,100 | 718,000 | 5,990,000 | *13.6%* | *1.46%* | *0.18%* |
| 2018 | 11,600 | 85,100 | 777,000 | 6,100,000 | *13.6%* | *1.49%* | *0.19%* |
| 2019 | 13,400 | 97,900 | 872,000 | 6,450,000 | *13.7%* | *1.53%* | *0.21%* |
| 2020 | 14,900 | 110,000 | 960,000 | 6,630,000 | *13.6%* | *1.55%* | *0.22%* |
| **Average Annual growth** | | | | | | | |
| 2010-2020 | ***8.47***% | ***8.08***% | ***7.18***% | ***3.97***% | | | |

*Source: IHS Markit Regional eXplorer version 2175*

In 2020, there were a total number of 14 900 people unemployed in Emalahleni, which is an increase of 8 270 from 6 590 in 2010. The total number of unemployed people within Emalahleni constitutes 13.56% of the total number of unemployed people in Chris Hani District Municipality. The Emalahleni Local Municipality experienced an average annual increase of 8.47% in the number of unemployed people, which is worse than that of the Chris Hani District Municipality which had an average annual increase in unemployment of 8.08%.

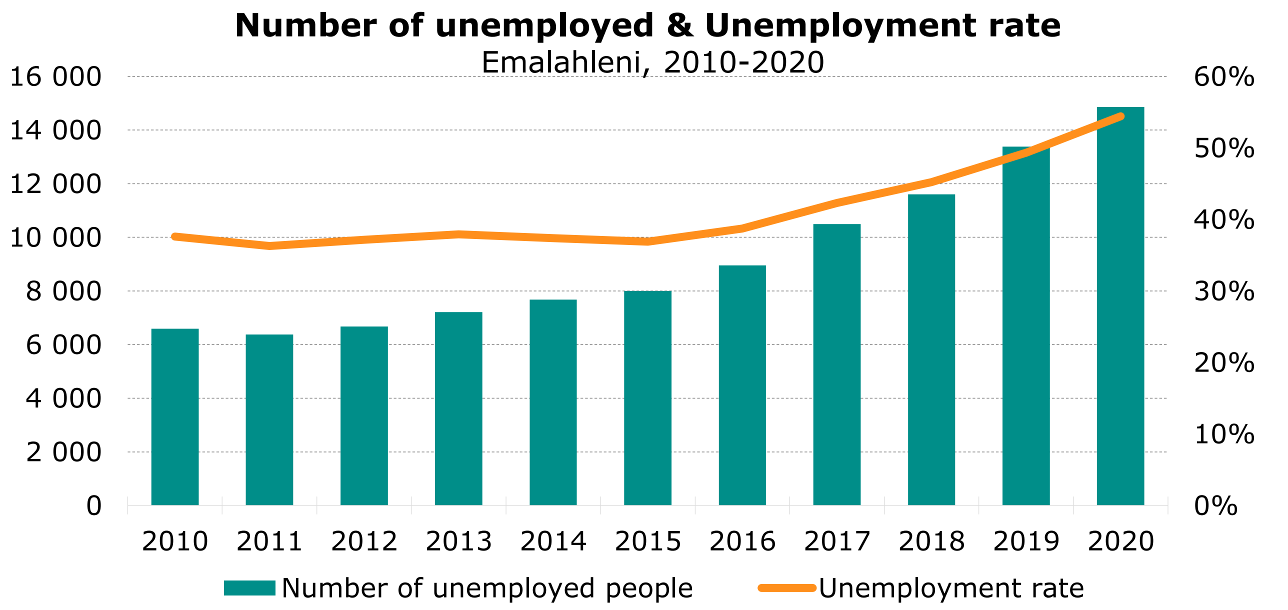
UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [PERCENTAGE]

| | Emalahleni | Chris Hani | Eastern Cape | National Total |
|---|---|---|---|---|
| 2010 | 37.6% | 30.1% | 27.9% | 24.9% |
| 2011 | 36.3% | 29.2% | 28.2% | 25.1% |
| 2012 | 37.1% | 30.0% | 28.9% | 25.1% |
| 2013 | 37.9% | 30.6% | 29.6% | 25.2% |
| 2014 | 37.4% | 30.2% | 29.4% | 25.2% |
| 2015 | 36.9% | 29.7% | 29.2% | 25.5% |
| 2016 | 38.7% | 31.4% | 30.5% | 26.4% |
| 2017 | 42.3% | 34.6% | 32.9% | 27.2% |
| 2018 | 45.2% | 37.1% | 34.8% | 27.4% |
| 2019 | 49.3% | 40.9% | 37.7% | 28.4% |
| 2020 | 54.4% | 45.7% | 41.3% | 29.9% |

*Source: IHS Markit Regional eXplorer version 2175*

In 2020, the unemployment rate in Emalahleni Local Municipality (based on the official definition of unemployment) was 54.42%, which is an increase of 16.8 percentage points. The unemployment rate in Emalahleni Local Municipality is higher than that of Chris Hani. Comparing to the Eastern Cape Province it can be seen that the unemployment rate for Emalahleni Local Municipality was higher than that of Eastern Cape which was 41.33%. The unemployment rate for South Africa was 29.93% in 2020, which is a increase of -5 percentage points from 24.93% in 2010.

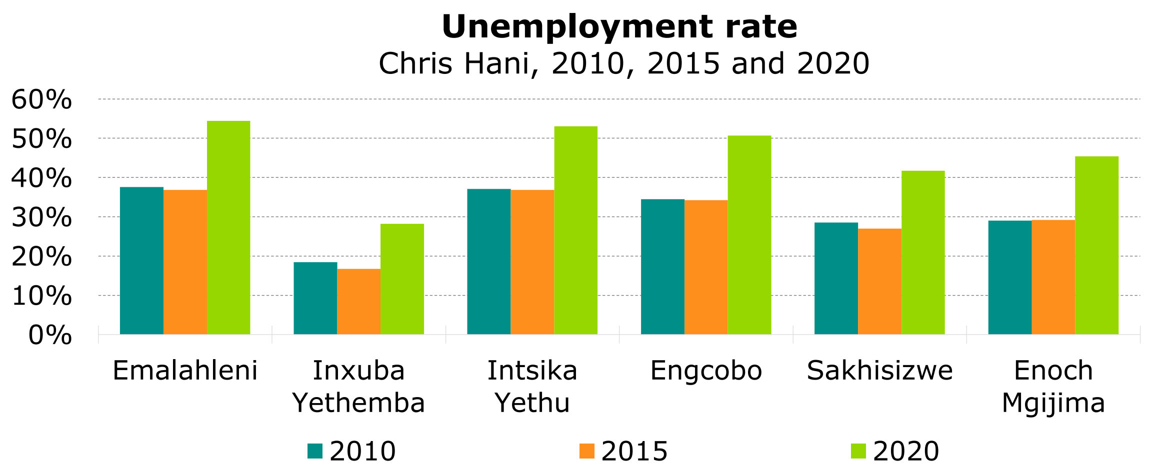
UNEMPLOYMENT AND UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - EMALAHLENI LOCAL MUNICIPALITY, 2010-2020 [NUMBER PERCENTAGE]




*Source: IHS Markit Regional eXplorer version 2175*

When comparing unemployment rates among regions within Chris Hani District Municipality, Emalahleni Local Municipality has indicated the highest unemployment rate of 54.4%, which has increased from 37.6% in 2010. It can be seen that the Inxuba Yethemba Local Municipality had the lowest unemployment rate of 28.2% in 2020, this increased from 18.5% in 2010.

UNEMPLOYMENT RATE - EMALAHLENI AND THE REST OF CHRIS HANI, 2010, 2015 AND 2020 [PERCENTAGE]




*Source: IHS Markit Regional eXplorer version 2175*

## INCOME AND EXPENDITURE

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

### NUMBER OF HOUSEHOLDS BY INCOME CATEGORY

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

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

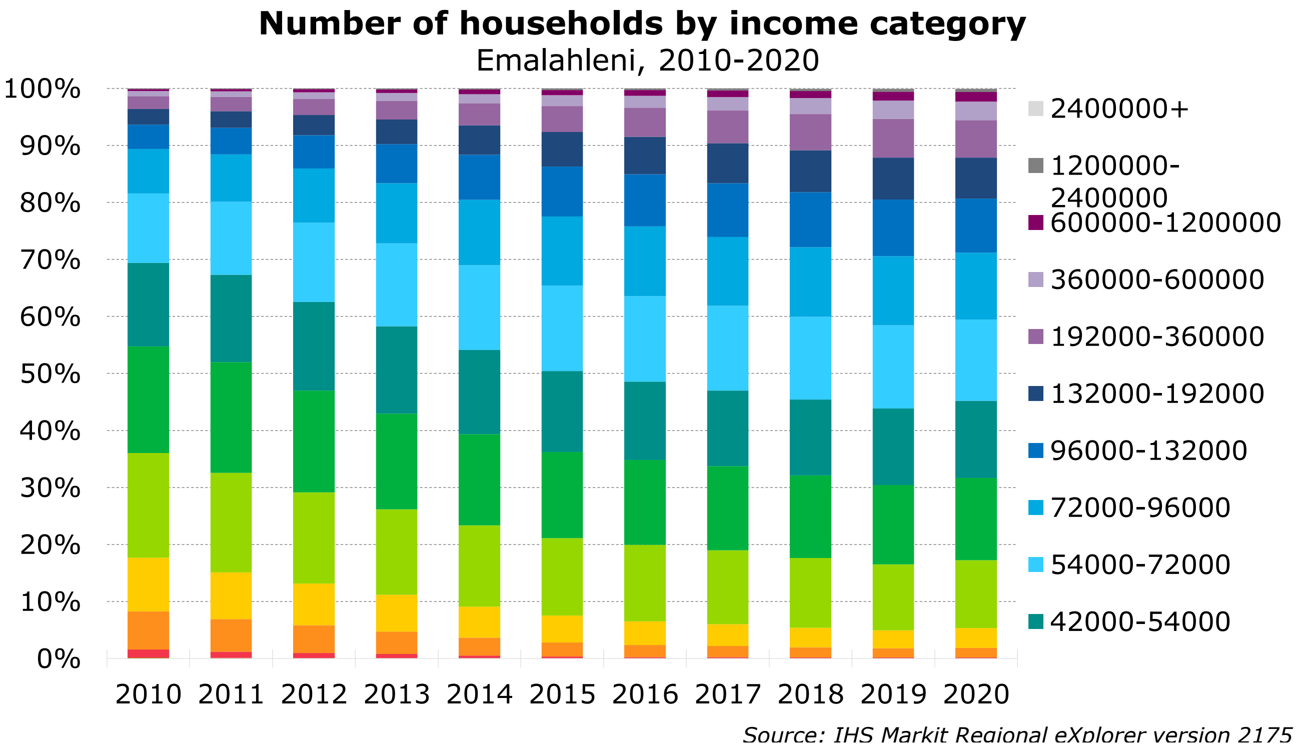
HOUSEHOLDS BY INCOME CATEGORY - EMALAHLENI, CHRIS HANI, EASTERN CAPE, AND NATIONAL TOTAL, 2020 [NUMBER PERCENTAGE]

| | Emalahleni | Chris Hani | Eastern Cape | National Total | Emalahleni as % of district municipality | Emalahleni as % of province | Emalahleni as % of national |
|---|---|---|---|---|---|---|---|
| 0-2400 | 3 | 18 | 152 | 1,550 | *15.5%* | *1.84%* | *0.18%* |
| 2400-6000 | 53 | 347 | 2,980 | 28,100 | *15.3%* | *1.78%* | *0.19%* |
| 6000-12000 | 574 | 3,660 | 30,600 | 264,000 | *15.7%* | *1.88%* | *0.22%* |
| 12000-18000 | 1,170 | 7,370 | 60,100 | 499,000 | *15.9%* | *1.95%* | *0.23%* |
| 18000-30000 | 4,010 | 25,200 | 199,000 | 1,550,000 | *15.9%* | *2.01%* | *0.26%* |
| 30000-42000 | 4,880 | 30,000 | 227,000 | 1,660,000 | *16.2%* | *2.15%* | *0.29%* |
| 42000-54000 | 4,570 | 27,900 | 208,000 | 1,570,000 | *16.4%* | *2.20%* | *0.29%* |
| 54000-72000 | 4,810 | 30,100 | 227,000 | 1,800,000 | *16.0%* | *2.12%* | *0.27%* |
| 72000-96000 | 3,950 | 25,400 | 193,000 | 1,630,000 | *15.6%* | *2.05%* | *0.24%* |
| 96000-132000 | 3,200 | 22,000 | 172,000 | 1,570,000 | *14.6%* | *1.86%* | *0.20%* |
| 132000-192000 | 2,430 | 18,300 | 152,000 | 1,490,000 | *13.3%* | *1.60%* | *0.16%* |
| 192000-360000 | 2,220 | 18,800 | 170,000 | 1,880,000 | *11.8%* | *1.30%* | *0.12%* |
| 360000-600000 | 1,100 | 10,200 | 103,000 | 1,280,000 | *10.8%* | *1.06%* | *0.09%* |
| 600000-1200000 | 573 | 6,380 | 76,600 | 1,060,000 | *9.0%* | *0.75%* | *0.05%* |
| 1200000-2400000 | 184 | 2,460 | 32,400 | 450,000 | *7.5%* | *0.57%* | *0.04%* |
| 2400000+ | 22 | 357 | 5,440 | 76,800 | *6.0%* | *0.40%* | *0.03%* |
| **Total** | **33,700** | **229,000** | **1,860,000** | **16,800,000** | ***14.8%*** | ***1.81%*** | ***0.20%*** |

*Source: IHS Markit Regional eXplorer version 2175*

It was estimated that in 2020 17.21% of all the households in the Emalahleni Local Municipality, were living on R30,000 or less per annum. In comparison with 2010's 36.02%, the number is about half. The 30000-42000 income category has the highest number of households with a total number of 4 880, followed by the 54000-72000 income category with 4 810 households. Only 2.8 households fall within the 0-2400 income category.

HOUSEHOLDS BY INCOME BRACKET - EMALAHLENI LOCAL MUNICIPALITY, 2010-2020 [PERCENTAGE]




For the period 2010 to 2020 the number of households earning more than R30,000 per annum has increased from 63.98% to 82.79%. The number of households with income equal to or lower than R6,000 per year has decreased by a significant amount.

### 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.

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 considered.

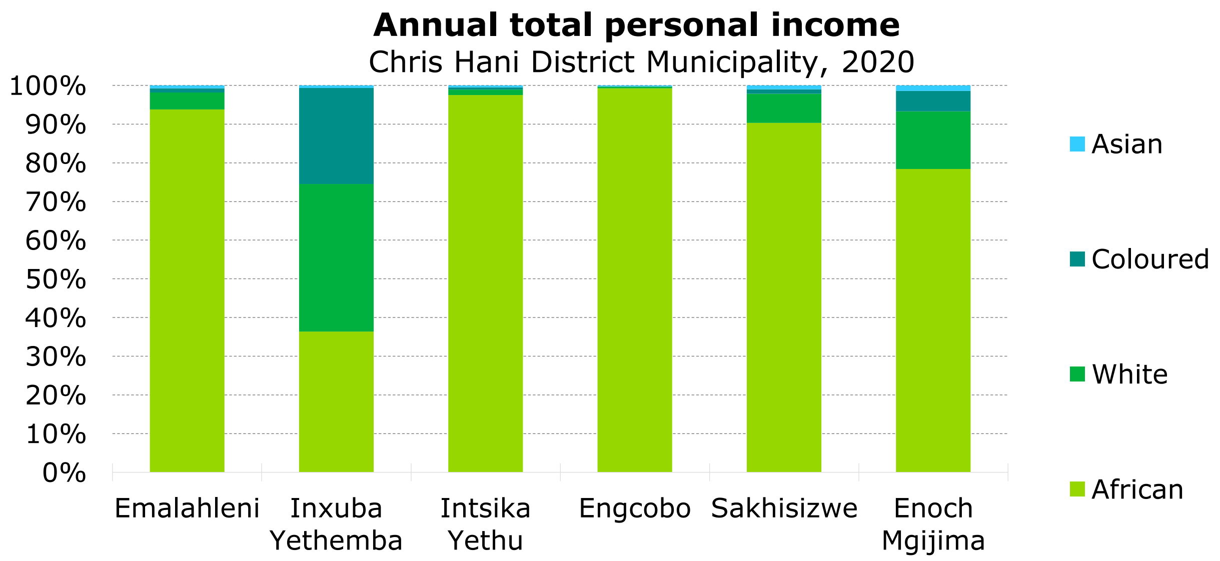
ANNUAL TOTAL PERSONAL INCOME - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL[CURRENT PRICES, R BILLIONS]

| | Emalahleni | Chris Hani | Eastern Cape | National Total |
|---|---|---|---|---|
| 2010 | 1.8 | 16.8 | 174.5 | 2,121.9 |
| 2011 | 2.0 | 18.3 | 189.2 | 2,322.5 |
| 2012 | 2.2 | 20.4 | 211.1 | 2,531.7 |
| 2013 | 2.4 | 22.2 | 229.5 | 2,735.2 |
| 2014 | 2.6 | 24.1 | 247.3 | 2,944.2 |
| 2015 | 2.9 | 26.4 | 269.7 | 3,186.1 |
| 2016 | 3.1 | 28.3 | 288.2 | 3,419.9 |
| 2017 | 3.5 | 30.8 | 311.8 | 3,668.6 |
| 2018 | 3.8 | 33.1 | 332.8 | 3,906.1 |
| 2019 | 4.0 | 34.8 | 349.1 | 4,098.9 |
| 2020 | 3.9 | 33.8 | 338.1 | 3,977.1 |
| **Average Annual growth** | | | | |
| 2010-2020 | ***7.87***% | ***7.23***% | ***6.84***% | ***6.48***% |

*Source: IHS Markit Regional eXplorer version 2175*

Emalahleni Local Municipality recorded an average annual growth rate of 7.87% (from R 1.84 billion to R 3.92 billion) from 2010 to 2020, which is more than both Chris Hani's (7.23%) as well as Eastern Cape Province's (6.84%) average annual growth rates. South Africa had an average annual growth rate of 6.48% (from R 2.12 trillion to R 3.98 trillion) which is less than the growth rate in Emalahleni Local Municipality.

ANNUAL TOTAL PERSONAL INCOME BY POPULATION GROUP - EMALAHLENI AND THE REST OF CHRIS HANI [CURRENT PRICES, R BILLIONS]




*Source: IHS Markit Regional eXplorer version 2175*

The total personal income of Emalahleni Local Municipality amounted to approximately R 3.92 billion in 2020. The African population group earned R 3.67 billion, or 93.78% of total personal income, while the White population group earned R 172 million, or 4.38% of the total personal income. The Coloured and the Asian population groups only had a share of 1.09% and 0.74% of total personal income respectively.

ANNUAL TOTAL PERSONAL INCOME - EMALAHLENI AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY [CURRENT PRICES, R BILLIONS]

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Emalahleni | 1.84 | 1.99 | 2.21 | 2.42 | 2.64 | 2.91 | 3.15 | 3.46 | 3.77 | 3.99 | 3.92 |
| Inxuba Yethemba | 2.44 | 2.66 | 3.02 | 3.34 | 3.66 | 4.03 | 4.34 | 4.76 | 5.13 | 5.42 | 5.28 |
| Intsika Yethu | 2.39 | 2.58 | 2.85 | 3.09 | 3.35 | 3.69 | 3.98 | 4.37 | 4.75 | 5.01 | 4.91 |
| Engcobo | 2.34 | 2.53 | 2.78 | 3.00 | 3.22 | 3.52 | 3.75 | 4.08 | 4.41 | 4.63 | 4.50 |
| Sakhisizwe | 1.28 | 1.38 | 1.51 | 1.62 | 1.73 | 1.87 | 1.96 | 2.12 | 2.27 | 2.37 | 2.29 |
| Enoch Mgijima | 6.52 | 7.12 | 7.99 | 8.73 | 9.47 | 10.38 | 11.12 | 12.00 | 12.78 | 13.36 | 12.88 |

*Source: IHS Markit Regional eXplorer version 2175*

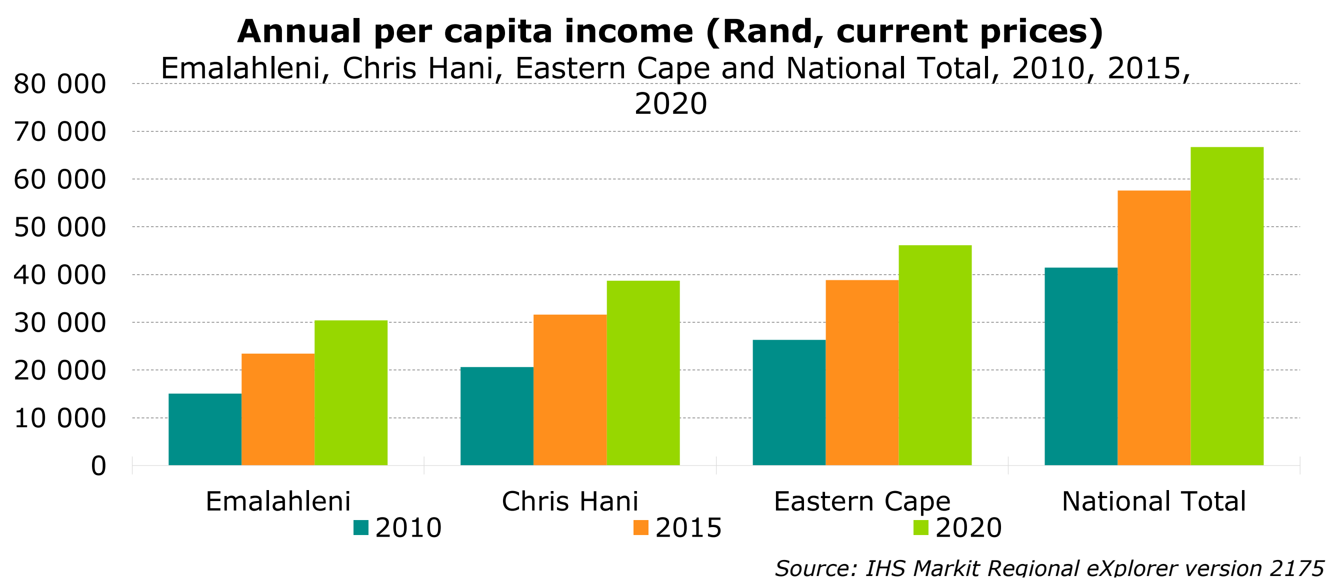
When looking at the annual total personal income for the regions within Chris Hani District Municipality it can be seen that the Enoch Mgijima Local Municipality had the highest total personal income with R 12.9 billion which increased from R 6.52 billion recorded in 2010. It can be seen that the Sakhisizwe Local Municipality had the lowest total personal income of R 2.29 billion in 2020, this increased from R 1.28 billion in 2010.

## 2.3 Annual per Capita Income

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.

PER CAPITA INCOME - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2020 [RAND, CURRENT PRICES]



The per capita income in Emalahleni Local Municipality is R 30,400 and is lower than both the Eastern Cape (R 46,100) and of the Chris Hani District Municipality (R 38,700) per capita income. The per capita income for Emalahleni Local Municipality (R 30,400) is lower than that of the South Africa as a whole which is R 66,700.

PER CAPITA INCOME BY POPULATION GROUP - EMALAHLENI AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2020 [RAND, CURRENT PRICES]

| | African |
|---|---|
| Emalahleni | 28,900 |
| Inxuba Yethemba | 43,900 |
| Intsika Yethu | 30,700 |
| Engcobo | 27,100 |
| Sakhisizwe | 31,700 |
| Enoch Mgijima | 38,700 |

*Source: IHS Markit Regional eXplorer version 2175*

Inxuba Yethemba Local Municipality has the highest per capita income with a total of R 71,700. Enoch Mgijima Local Municipality had the second highest per capita income at R 45,800, whereas Engcobo Local Municipality had the lowest per capita income at R 27,300. In Emalahleni Local Municipality, the African population group has the highest per capita income, with R 28,900, relative to the other population groups. . Some of the population groups - where there are less than 1,000 people living in the area were excluded from the analysis.

### 2.3.1 Index of Buying Power

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).

INDEX OF BUYING POWER - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2020 [NUMBER]

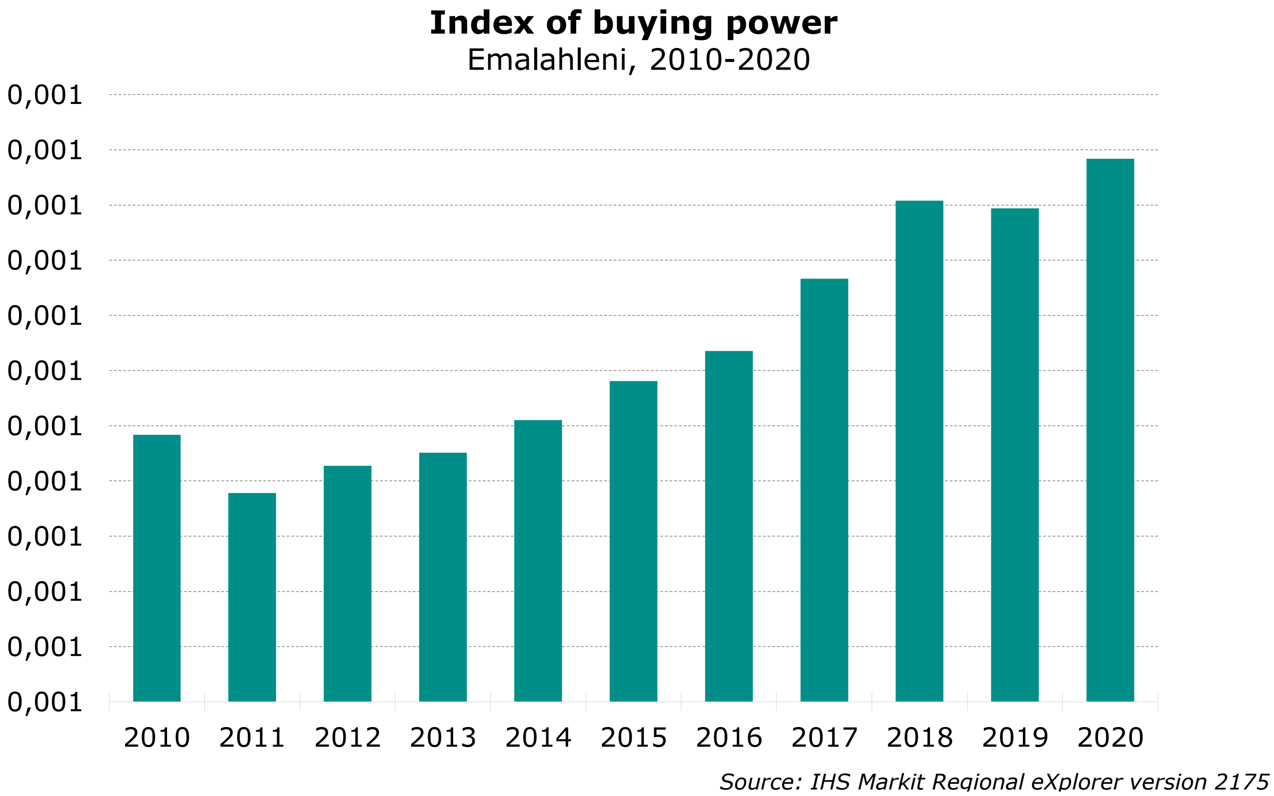
| | Emalahleni | Chris Hani | Eastern Cape | National Total |
|---|---|---|---|---|
| Population | 129,017 | 872,465 | 7,333,763 | 59,646,053 |
| Population - share of national total | 0.2% | 1.5% | 12.3% | 100.0% |
| Income | 3,919 | 33,780 | 338,121 | 3,977,123 |
| Income - share of national total | 0.1% | 0.8% | 8.5% | 100.0% |
| Retail | 747,452 | 9,184,500 | 88,228,481 | 1,063,415,000 |
| Retail - share of national total | 0.1% | 0.9% | 8.3% | 100.0% |
| Index | 0.00 | 0.01 | 0.09 | 1.00 |

*Source: IHS Markit Regional eXplorer version 2175*

Emalahleni Local Municipality has a 0.2% 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 0.001 relative to South Africa as a whole. Chris Hani has an IBP of 0.0091, were Eastern Cape Province has and IBP index value of 0.088 and South Africa a value of 1 relative to South Africa as a whole.  .

The considerable low index of buying power of the Emalahleni 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 neighbouring areas.

INDEX OF BUYING POWER EMALAHLENI LOCAL MUNICIPALITY, 2010-2020 [INDEX VALUE]




Between 2010 and 2020, the index of buying power within Emalahleni Local Municipality increased to its highest level in 2020 (0.001018) from its lowest in 2011 (0.0009579). Although the buying power within Emalahleni Local Municipality is relatively small compared to other regions, the IBP increased at an average annual growth rate of 0.50%.

## 2.4 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.

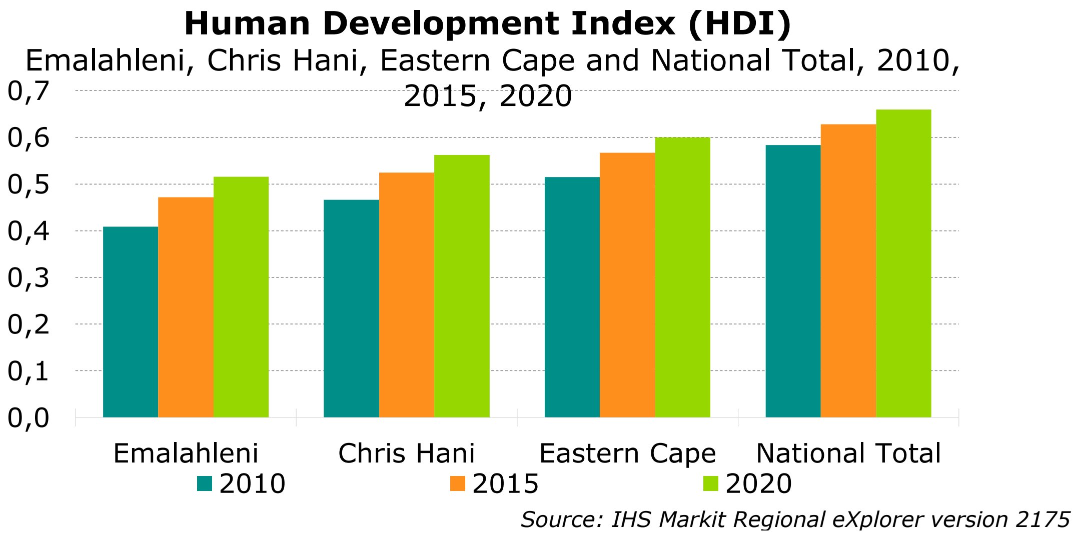
Another indicator that is widely used is the number (or percentage) of people living in poverty. Poverty is defined as the deprivation of those things that determine the quality of life, including food, clothing, shelter and safe drinking water. More than that, other "intangibles" is also included such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

## 2.5 Human Development Index (HDI)

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

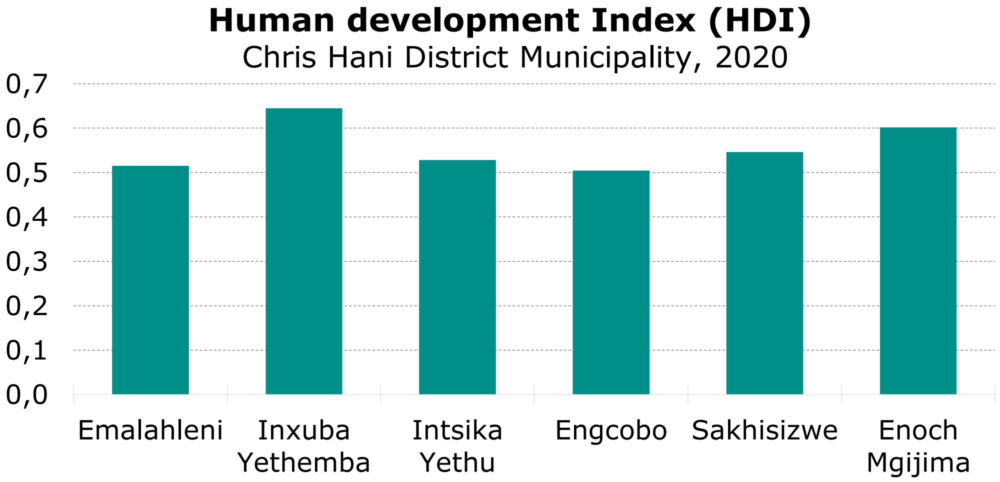
HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge, and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools.  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.

HUMAN DEVELOPMENT INDEX (HDI) - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2010, 2015, 2020 [NUMBER]




In 2020 Emalahleni Local Municipality had an HDI of 0.515 compared to the Chris Hani with a HDI of 0.562, 0.6 of Eastern Cape and 0.659 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2020 when compared to Emalahleni Local Municipality which translates to worse human development for Emalahleni Local Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.23% and this increase is lower than that of Emalahleni Local Municipality (2.34%).

HUMAN DEVELOPMENT INDEX (HDI) - EMALAHLENI AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2020 [NUMBER]




*Source: IHS Markit Regional eXplorer version 2175*

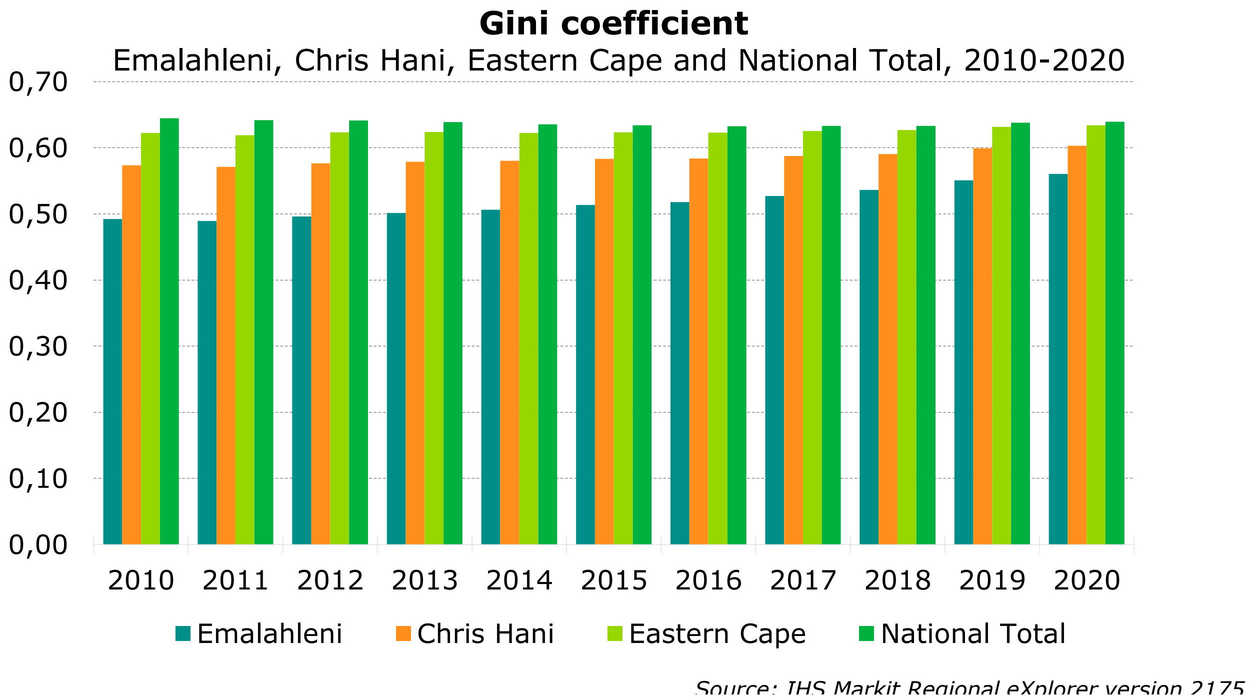
In terms of the HDI for each the regions within the Chris Hani District Municipality, Inxuba Yethemba Local Municipality has the highest HDI, with an index value of 0.645. The lowest can be observed in the Engcobo Local Municipality with an index value of 0.505.

## 2.6 Gini Coefficient

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

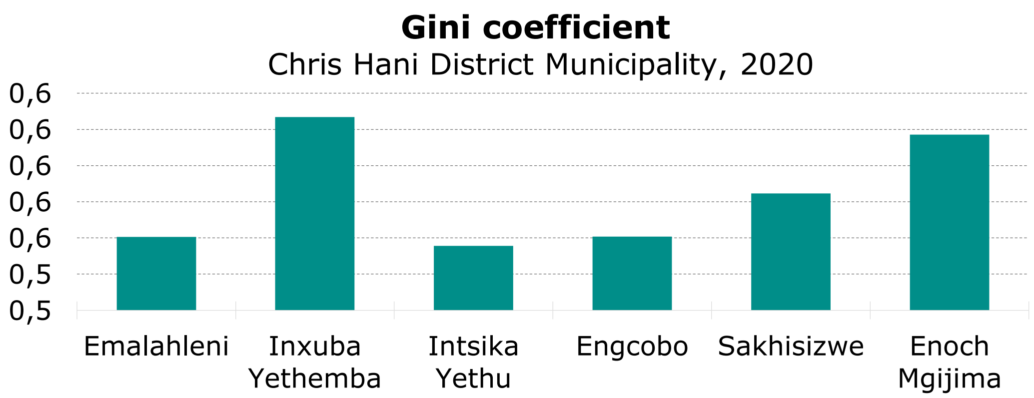
If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no variance between the high- and low-income earners within the population. In contrast, if the Gini coefficient equals 1, income is completely inequitable, i.e., one individual in the 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.

GINI COEFFICIENT - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [NUMBER]




In 2020, the Gini coefficient in Emalahleni Local Municipality was at 0.56, which reflects a sharp increase in the number over the ten-year period from 2010 to 2020. The Chris Hani District Municipality and the Eastern Cape Province, both had a more unequal spread of income amongst their residents (at 0.603 and 0.634 respectively) when compared to Emalahleni Local Municipality.

GINI COEFFICIENT - EMALAHLENI AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2020 [NUMBER]



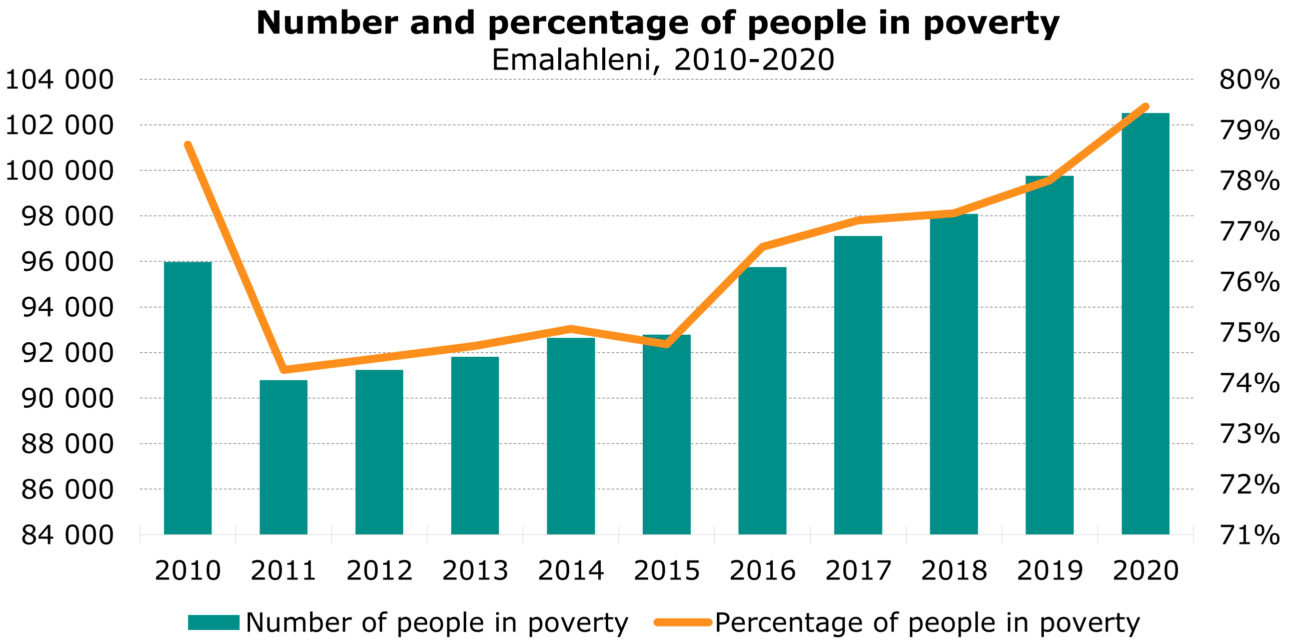

Source: IHS Markit Regional eXplorer version 2175

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 0.627. The lowest Gini coefficient can be observed in the Intsika Yethu Local Municipality with an index value of 0.556.

## 2.7 Poverty

The upper poverty line is defined by StatsSA as the level of consumption at which individuals can puchase 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.

NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - EMALAHLENI LOCAL MUNICIPALITY, 2010-2020 [NUMBER PERCENTAGE]




*Source: IHS Markit Regional eXplorer version 2175*

In 2020, there were 102 000 people living in poverty, using the upper poverty line definition, across Emalahleni Local Municipality - this is 6.82% higher than the 96 000 in 2010. The percentage of people living in poverty has increased from 78.71% in 2010 to 79.46% in 2020, which indicates a increase of -0.757 percentage points.

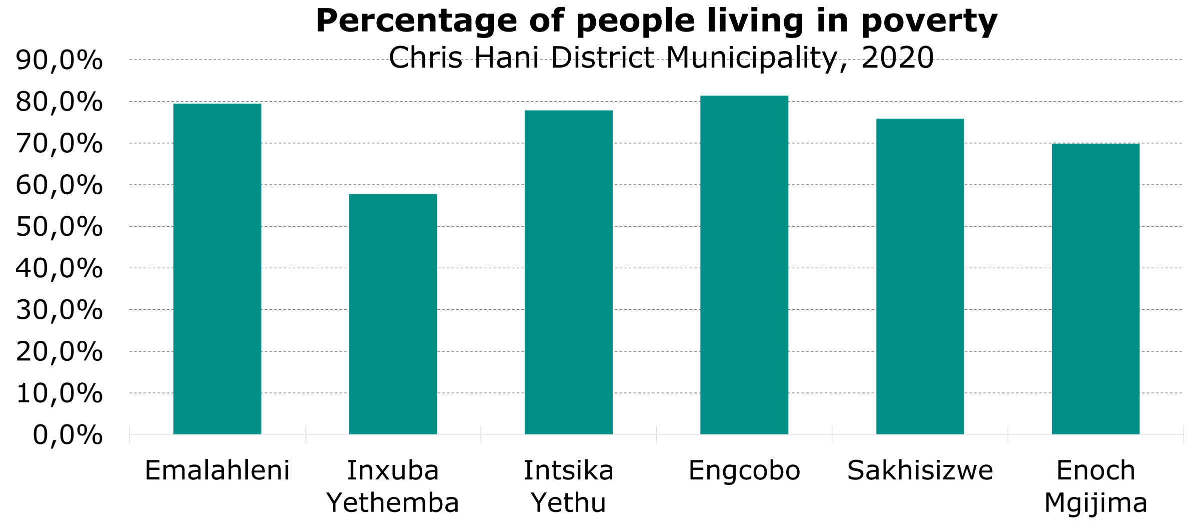
PERCENTAGE OF PEOPLE LIVING IN POVERTY BY POPULATION GROUP - EMALAHLENI, 2010-2020 [PERCENTAGE]

| | African |
|---|---|
| 2010 | 79.4% |
| 2011 | 74.9% |
| 2012 | 75.2% |
| 2013 | 75.4% |
| 2014 | 75.8% |
| 2015 | 75.5% |
| 2016 | 77.4% |
| 2017 | 77.9% |
| 2018 | 78.1% |
| 2019 | 78.7% |
| 2020 | 80.2% |

*Source: IHS Markit Regional eXplorer version 2175*

In 2020, the population group with the highest percentage of people living in poverty was the African population group with a total of 80.2% people living in poverty, using the upper poverty line definition. The proportion of the African population group, living in poverty, decreased by -0.797 percentage points, as can be seen by the change from 79.38% in 2010 to 80.18% in 2020.

PERCENTAGE OF PEOPLE LIVING IN POVERTY - EMALAHLENI AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY,2020 [PERCENTAGE]




*Source: IHS Markit Regional eXplorer version 2175*

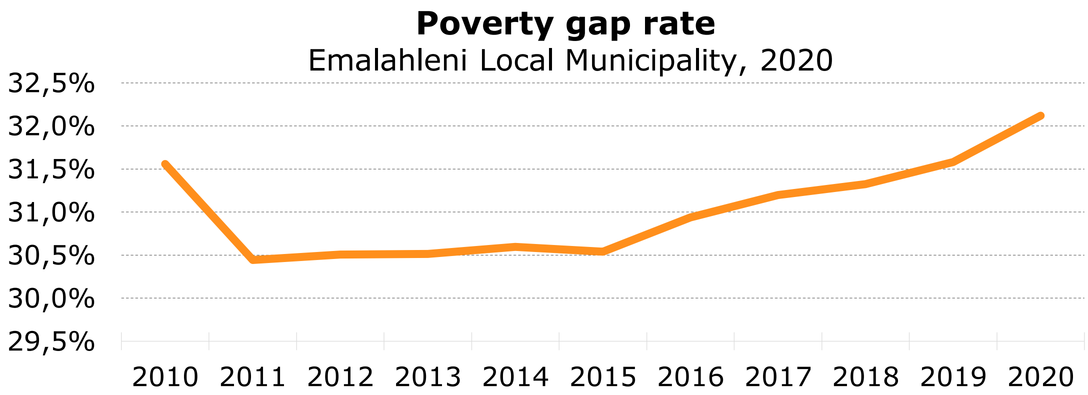
In terms of the percentage of people living in poverty for each of the regions within the Chris Hani District Municipality, Engcobo Local Municipality has the highest percentage of people living in poverty, with a total of 81.4%. The lowest percentage of people living in poverty can be observed in the Inxuba Yethemba Local Municipality with a total of 57.7% living in poverty, using the upper poverty line definition.

### 2.8 Poverty Gap Rate

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 Emalahleni Local Municipality amounted to 32.1% in 2020 - the rate needed to bring all poor households up to the poverty line and out of poverty.

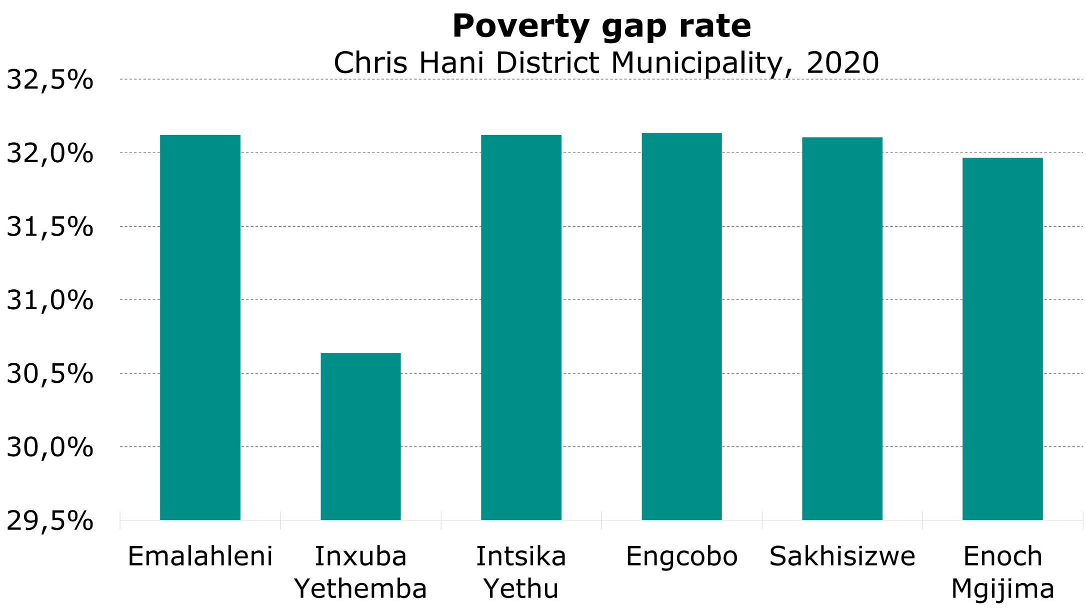
POVERTY GAP RATE BY POPULATION GROUP - EMALAHLENI LOCAL MUNICIPALITY, 2010-2020 [PERCENTAGE]




*Source: IHS Markit Regional eXplorer version 2175*

In 2020, the poverty gap rate was 32.1% and in 2010 the poverty gap rate was 31.6%,it can be seen that the poverty gap rate increased from 2010 to 2020, which means that there were no improvements in terms of the depth of the poverty within Emalahleni Local Municipality.

POVERTY GAP RATE - EMALAHLENI LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2020 [PERCENTAGE]




*Source: IHS Markit Regional eXplorer version 2175*

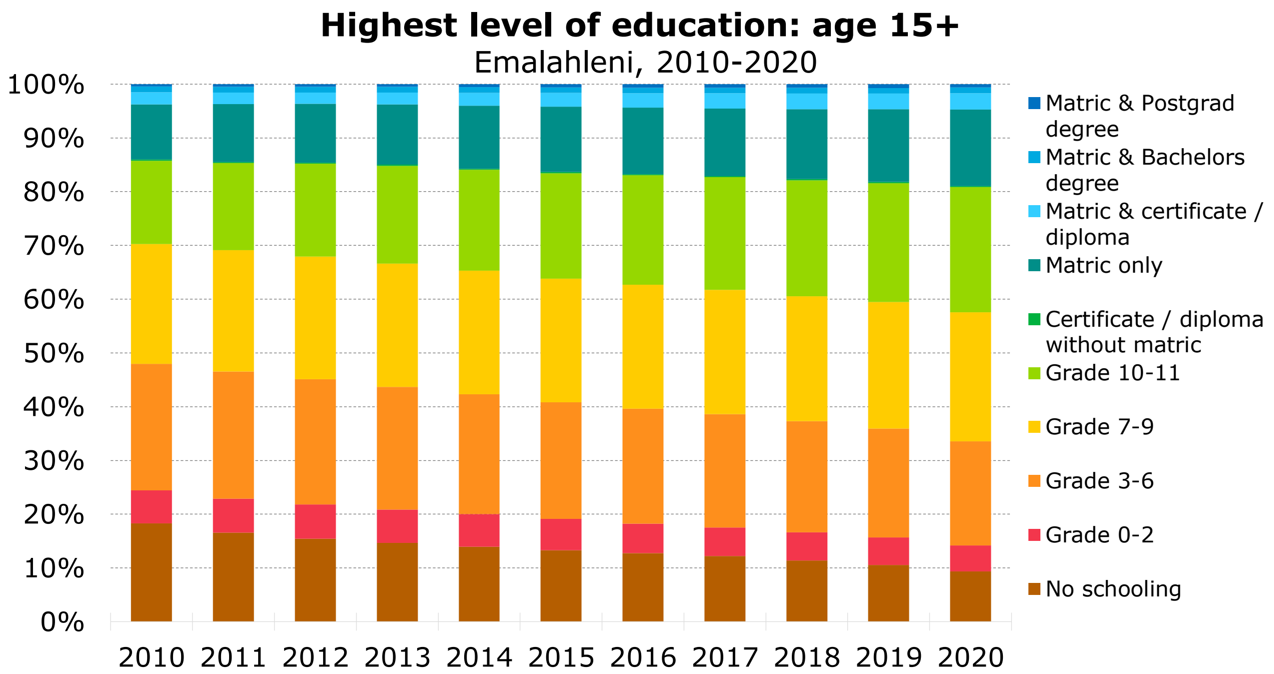
In terms of the poverty gap rate for each of the regions within the Chris Hani District Municipality, Engcobo Local Municipality had the highest poverty gap rate, with a rand value of 32.1%. The lowest poverty gap rate can be observed in the Inxuba Yethemba Local Municipality with a total of 30.6%.

## 2.9 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: AGE 15+ - EMALAHLENI LOCAL MUNICIPALITY, 2010-2020 [PERCENTAGE]




*Source: IHS Markit Regional eXplorer version 2175*

Within Emalahleni Local Municipality, the number of people without any schooling decreased from 2010 to 2020 with an average annual rate of -4.81%, while the number of people within the 'matric only' category, increased from 6,440 to 10,600. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 4.67%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 1.69%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

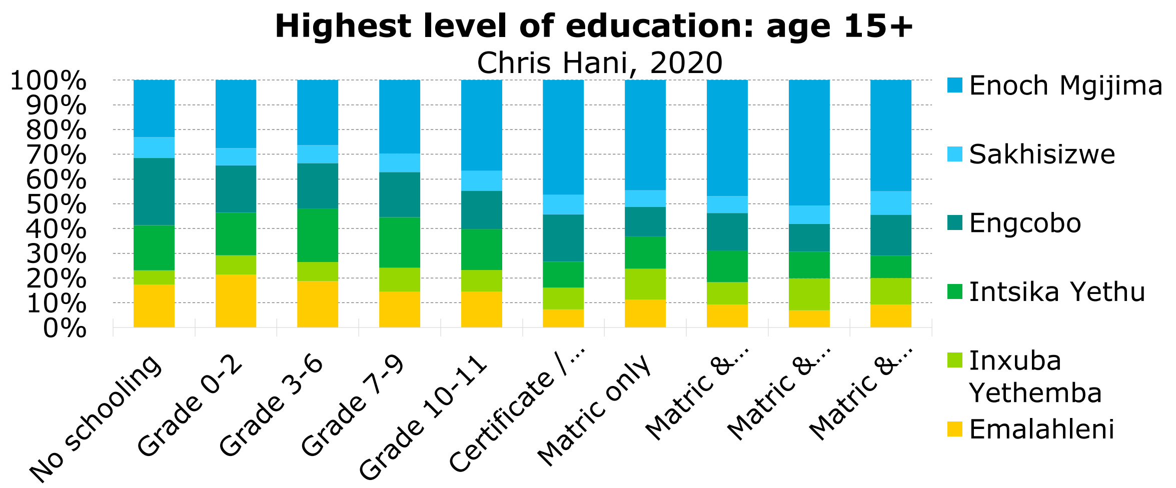
HIGHEST LEVEL OF EDUCATION: AGE 15+ - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2020 [NUMBERS]

| | Emalahleni | Chris Hani | Eastern Cape | National Total | Emalahleni as % of district municipality | Emalahleni as % of province | Emalahleni as % of national |
|---|---|---|---|---|---|---|---|
| No schooling | 6,990 | 40,600 | 240,000 | 1,790,000 | *17.2%* | *2.9%* | *0.39%* |
| Grade 0-2 | 3,580 | 16,700 | 108,000 | 546,000 | *21.4%* | *3.3%* | *0.65%* |
| Grade 3-6 | 14,500 | 77,300 | 513,000 | 2,870,000 | *18.7%* | *2.8%* | *0.50%* |
| Grade 7-9 | 17,900 | 124,000 | 986,000 | 5,970,000 | *14.5%* | *1.8%* | *0.30%* |
| Grade 10-11 | 17,400 | 119,000 | 1,120,000 | 9,420,000 | *14.6%* | *1.6%* | *0.18%* |
| Certificate / diploma without matric | 136 | 1,860 | 14,300 | 196,000 | *7.3%* | *1.0%* | *0.07%* |
| Matric only | 10,700 | 94,200 | 994,000 | 12,000,000 | *11.3%* | *1.1%* | *0.09%* |
| Matric certificate / diploma | 2,240 | 24,300 | 228,000 | 2,560,000 | *9.2%* | *1.0%* | *0.09%* |
| Matric Bachelors degree | 794 | 11,500 | 129,000 | 1,710,000 | *6.9%* | *0.6%* | *0.05%* |
| Matric Postgrad degree | 468 | 5,020 | 55,700 | 848,000 | *9.3%* | *0.8%* | *0.06%* |

*Source: IHS Markit Regional eXplorer version 2175*

The number of people without any schooling in Emalahleni Local Municipality accounts for 17.21% of the number of people without schooling in the district municipality, 2.91% of the province and 0.39% of the national. In 2020, the number of people in Emalahleni Local Municipality with a matric only was 10,600 which is a share of 11.30% 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 6.89% of the district municipality, 0.62% of the province and 0.05% of the national.

HIGHEST LEVEL OF EDUCATION: AGE 15+, EMALAHLENI, INXUBA YETHEMBA, INTSIKA YETHU, ENGCOBO, SAKHISIZWE AND ENOCH MGIJIMA 2020 [PERCENTAGE]




*Source: IHS Markit Regional eXplorer version 2175*

### 2.9.1 Functional literacy

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. This is contrasted with illiteracy in the strictest sense, meaning the inability to read or write. Functional literacy enables individuals to enter the labour market and contribute towards economic growth thereby reducing poverty.

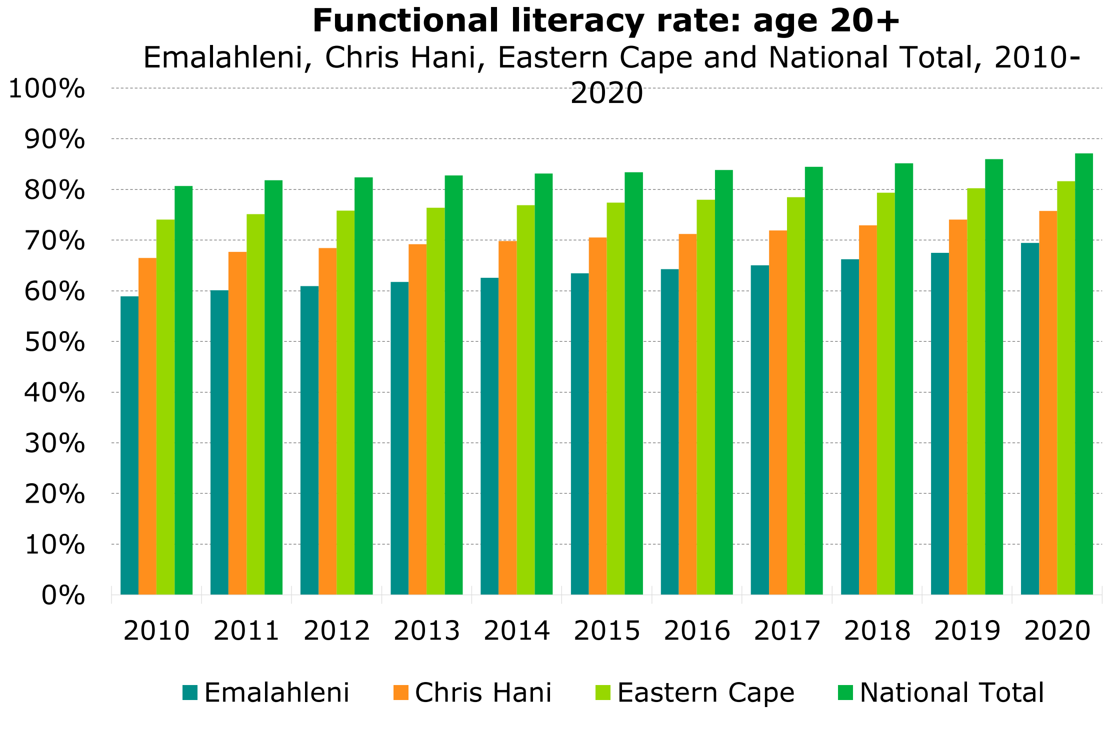
FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - EMALAHLENI LOCAL MUNICIPALITY, 2010-2020 [NUMBER PERCENTAGE]

| | Illiterate | Literate | % |
|---|---|---|---|
| 2010 | 32,557 | 46,687 | 58.9% |
| 2011 | 31,891 | 48,049 | 60.1% |
| 2012 | 31,394 | 48,965 | 60.9% |
| 2013 | 30,857 | 49,812 | 61.7% |
| 2014 | 30,406 | 50,794 | 62.6% |
| 2015 | 29,916 | 51,914 | 63.4% |
| 2016 | 29,459 | 53,019 | 64.3% |
| 2017 | 29,105 | 54,099 | 65.0% |
| 2018 | 28,411 | 55,738 | 66.2% |
| 2019 | 27,743 | 57,524 | 67.5% |
| 2020 | 26,458 | 60,062 | 69.4% |
| **Average Annual growth** | | | |
| 2010-2020 | ***-2.05***% | ***2.55***% | ***1.65***% |

*Source: IHS Markit Regional eXplorer version 2175*

A total of 60 100 individuals in Emalahleni Local Municipality were considered functionally literate in 2020, while 26 500 people were considered to be illiterate. Expressed as a rate, this amounts to 69.42% of the population, which is an increase of 0.11 percentage points since 2010 (58.92%). The number of illiterate individuals decreased on average by -2.05% annually from 2010 to 2020, with the number of functional literate people increasing at 2.55% annually.

FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [PERCENTAGE]

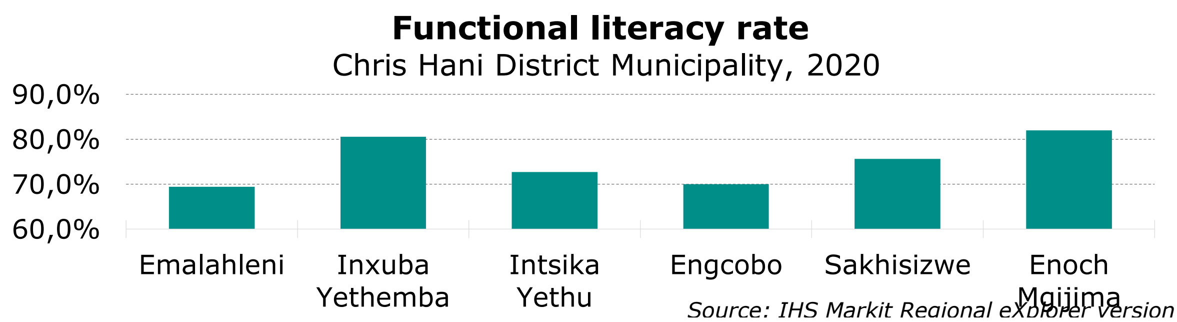



Source: IHS Markit Regional eXplorer version 2175

Emalahleni Local Municipality's functional literacy rate of 69.42% in 2020 is lower than that of Chris Hani at 75.79% and is lower than the province rate of 81.62%. When comparing to National Total as whole, which has a functional literacy rate of 87.14%, the functional literacy rate is higher than that of the Emalahleni 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.*

LITERACY RATE - EMALAHLENI LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY,2020 [PERCENTAGE]



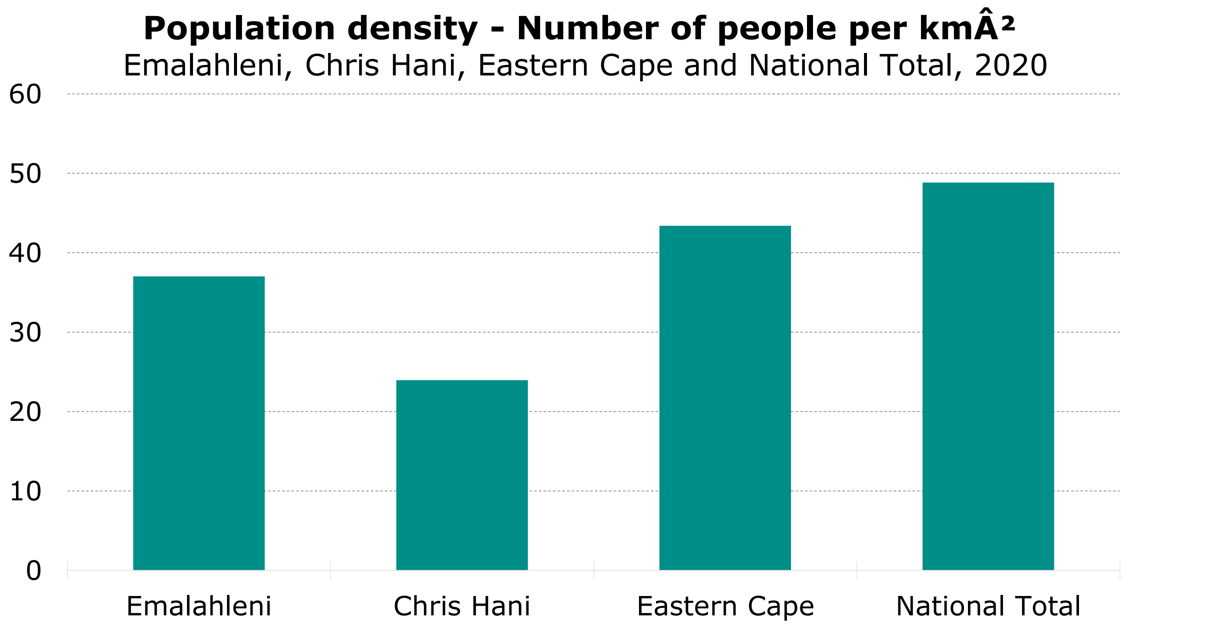

Source: IHS Markit Regional eXplorer version 2175

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 82.0%. The lowest literacy rate can be observed in the Emalahleni Local Municipality with a total of 69.4%.

## 2.10 Population Density

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

POPULATION DENSITY - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2020 [NUMBER OF PEOPLE PER KM]




*Source: IHS Markit Regional eXplorer version 2175*

In 2020, with an average of 37 people per square kilometre, Emalahleni Local Municipality had a higher population density than Chris Hani (24 people per square kilometre). Compared to Eastern Cape Province (43.4 per square kilometre) it can be seen that there are less people living per square kilometre in Emalahleni Local Municipality than in Eastern Cape Province.

POPULATION DENSITY - EMALAHLENI AND THE REST OF CHRIS HANI, 2010-2020 [NUMBER OF PEOPLE PER KM]

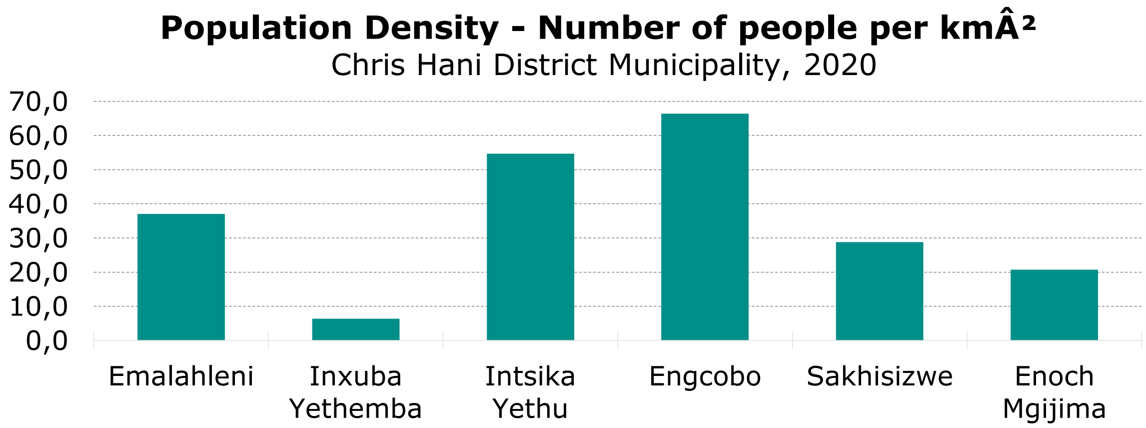
| | Emalahleni | Inxuba Yethemba | Intsika Yethu | Engcobo | Sakhisizwe | Enoch Mgijima |
|---|---|---|---|---|---|---|
| 2010 | 35.00 | 5.62 | 53.48 | 63.60 | 27.30 | 18.57 |
| 2011 | 35.09 | 5.68 | 53.30 | 63.53 | 27.31 | 18.75 |
| 2012 | 35.15 | 5.74 | 53.11 | 63.46 | 27.34 | 18.92 |
| 2013 | 35.26 | 5.81 | 53.03 | 63.52 | 27.41 | 19.11 |
| 2014 | 35.42 | 5.88 | 53.06 | 63.69 | 27.53 | 19.32 |
| 2015 | 35.62 | 5.95 | 53.17 | 63.97 | 27.68 | 19.53 |
| 2016 | 35.84 | 6.02 | 53.34 | 64.32 | 27.85 | 19.75 |
| 2017 | 36.10 | 6.10 | 53.60 | 64.76 | 28.06 | 19.98 |
| 2018 | 36.40 | 6.17 | 53.92 | 65.29 | 28.29 | 20.22 |
| 2019 | 36.71 | 6.24 | 54.28 | 65.83 | 28.52 | 20.45 |
| 2020 | 37.03 | 6.32 | 54.66 | 66.40 | 28.77 | 20.69 |
| **Average Annual growth** | | | | | | |
| 2010-2020 | ***0.57***% | ***1.18***% | ***0.22***% | ***0.43***% | ***0.53***% | ***1.09***% |

*Source: IHS Markit Regional eXplorer version 2175*

In 2020, Emalahleni Local Municipality had a population density of 37 per square kilometre and it ranked highest amongst its piers. The region with the highest population density per square kilometre was the Engcobo with a total population density of 66.4 per square kilometre per annum. In terms of growth, Emalahleni Local Municipality had an average annual growth in its population density of 0.57% per square kilometre per annum. The region with the highest growth rate in the population density per square kilometre was Inxuba Yethemba with an average annual growth rate of 1.18% per square kilometre. In 2020, the region with the lowest population density within Chris Hani District Municipality was Inxuba Yethemba with 6.32 people per square kilometre. The region with the lowest average annual growth rate was the Intsika Yethu with an average annual growth rate of 0.22% 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.*

POPULATION DENSITY - EMALAHLENI AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2020 [NUMBER OF PEOPLE PER KM]




*Source: IHS Markit Regional eXplorer version 2175*

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 66.4 people per square kilometre. The lowest population density can be observed in the Inxuba Yethemba Local Municipality with a total of 6.32 people per square kilometre.

## 2.11 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.

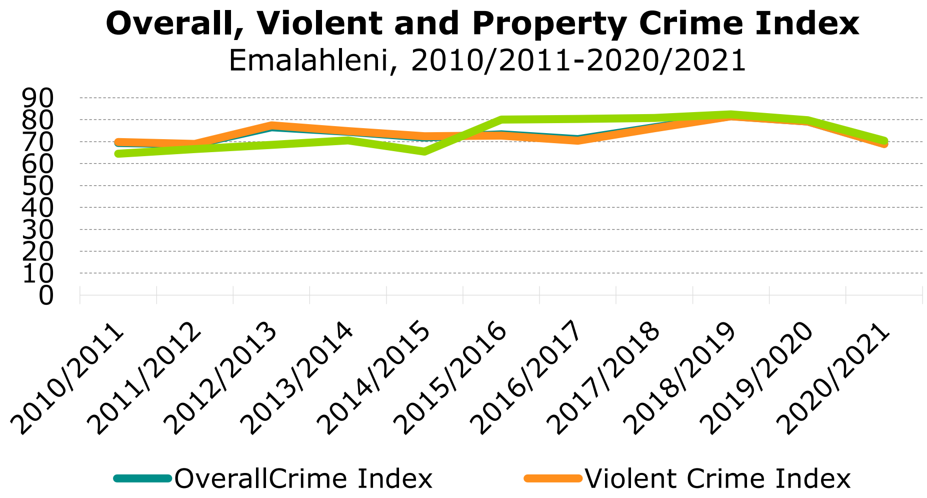
### 2.11.1 IHS Composite Crime Index

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 to apply a weight to each category.

### 2.11.2 Overall crime index

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.

IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - EMALAHLENI LOCAL MUNICIPALITY, 2010/2011-2020/2021 [INDEX VALUE]




*Source: IHS Markit Regional eXplorer version 2175*

For the period 2010/2011 to 2020/2021 overall crime has decrease at an average annual rate of 0.05% within the Emalahleni Local Municipality. Violent crime decreased by 0.13% since 2010/2011, while property crimes increased by 0.88% between the 2010/2011 and 2020/2021 financial years.

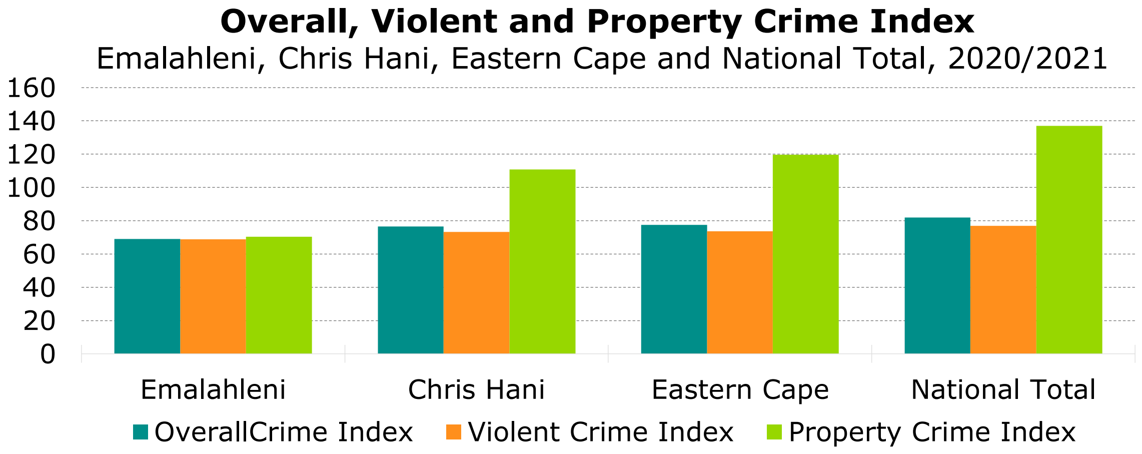
OVERALL CRIME INDEX - EMALAHLENI LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2010/2011-2020/2021 [INDEX VALUE]

| | Emalahleni | Inxuba Yethemba | Intsika Yethu | Engcobo | Sakhisizwe | Enoch Mgijima |
|---|---|---|---|---|---|---|
| 2010/2011 | 69.36 | 155.59 | 73.22 | 71.13 | 81.59 | 94.09 |
| 2011/2012 | 68.76 | 148.70 | 73.39 | 65.35 | 88.72 | 97.80 |
| 2012/2013 | 76.63 | 155.09 | 73.58 | 67.56 | 87.76 | 90.09 |
| 2013/2014 | 74.49 | 140.95 | 66.79 | 42.77 | 100.53 | 86.61 |
| 2014/2015 | 71.89 | 142.57 | 66.53 | 55.24 | 99.18 | 85.56 |
| 2015/2016 | 73.37 | 141.94 | 59.20 | 50.41 | 96.60 | 82.99 |
| 2016/2017 | 71.18 | 152.26 | 56.91 | 56.52 | 83.76 | 88.67 |
| 2017/2018 | 76.55 | 131.09 | 62.15 | 57.60 | 90.21 | 87.05 |
| 2018/2019 | 81.62 | 110.70 | 64.66 | 60.86 | 80.87 | 90.41 |
| 2019/2020 | 79.19 | 114.44 | 67.59 | 60.54 | 83.42 | 90.23 |
| 2020/2021 | 69.01 | 111.14 | 61.36 | 52.01 | 80.03 | 92.78 |
| **Average Annual growth** | | | | | | |
| 2010/2011-2020/2021 | ***-0.05***% | ***-3.31***% | ***-1.75***% | ***-3.08***% | ***-0.19***% | ***-0.14***% |

*Source: IHS Markit Regional eXplorer version 2175*

In 2020/2021, the Inxuba Yethemba Local Municipality has the highest overall crime rate of the sub-regions within the overall Chris Hani District Municipality with an index value of 111. Enoch Mgijima Local Municipality has the second highest overall crime index at 92.8, with Sakhisizwe Local Municipality having the third highest overall crime index of 80. 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 61.4 and the Engcobo Local Municipality has the lowest overall crime rate of 52. Crime is decreasing overtime for all the regions within Chris Hani District Municipality. The region that decreased the most in overall crime since 2010/2011 was Inxuba Yethemba Local Municipality with an average annual decrease of 3.3% followed by Engcobo Local Municipality with an average annual decrease of 3.1%.

IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - EMALAHLENI, CHRIS HANI, EASTERN CAPE, AND NATIONAL TOTAL, 2020/2021 [INDEX VALUE]




*Source: IHS Markit Regional eXplorer version 2175*

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

### 2.12 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.

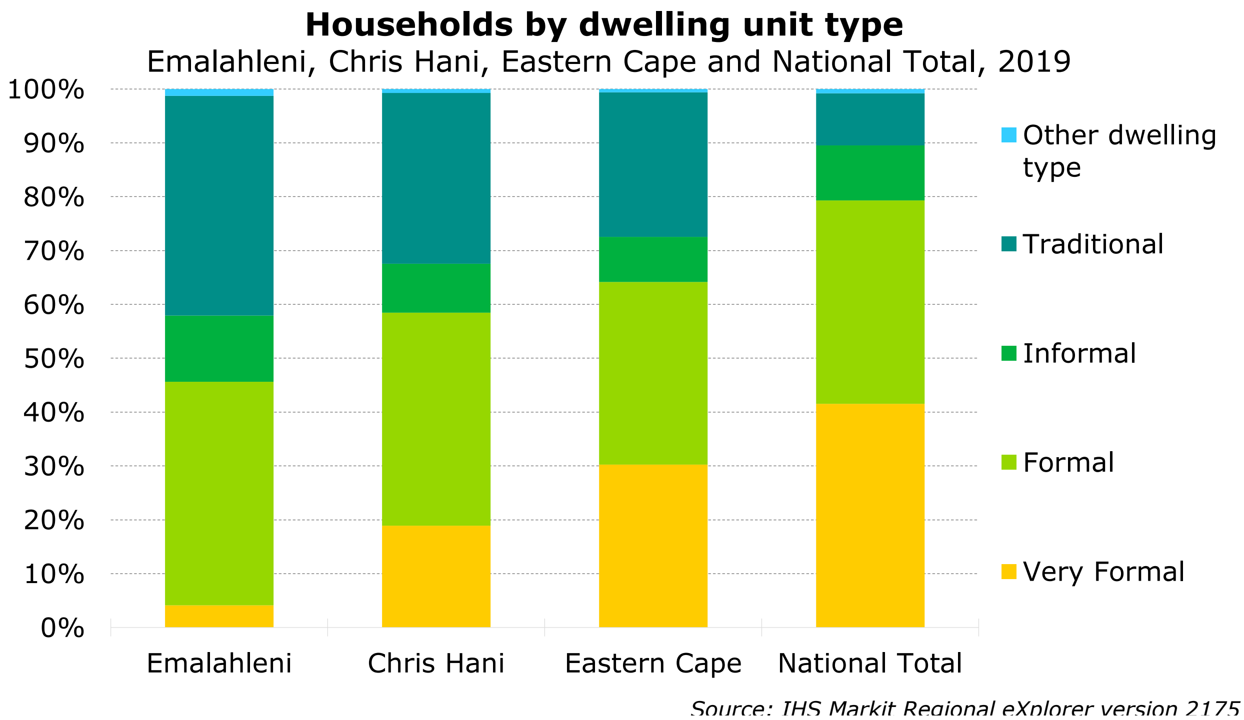
The next few sections offer an overview of the household infrastructure of the Emalahleni Local Municipality between 2019 and 2009.

### 2.12. 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.

HOUSEHOLDS BY DWELLING UNIT TYPE - EMALAHLENI, CHRIS HANI, EASTERN CAPE, AND NATIONAL TOTAL, 2019 [PERCENTAGE]




Emalahleni Local Municipality had a total number of 1 410 (4.09% of total households) very formal dwelling units, a total of 14 400 (41.51% of total households) formal dwelling units and a total number of 4 250 (12.30% of total households) informal dwelling units.

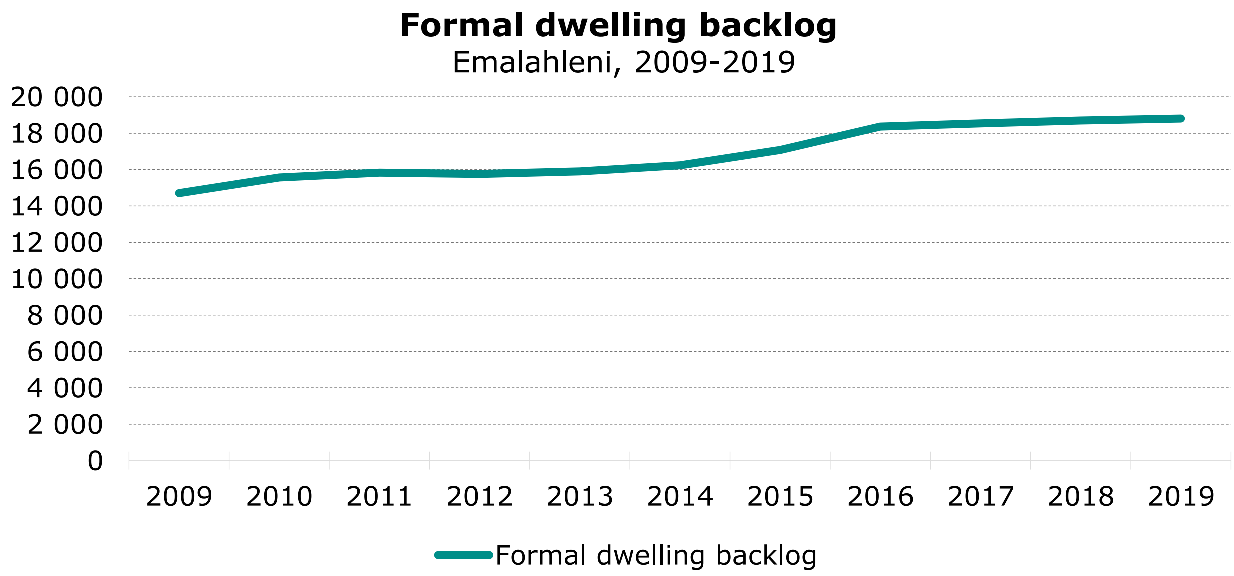
HOUSEHOLDS BY DWELLING UNIT TYPE - EMALAHLENI AND THE REST OF CHRIS HANI, 2019 [NUMBER]

| | Very Formal | Formal | Informal | Traditional | Other dwelling type | Total |
|---|---|---|---|---|---|---|
| Emalahleni | 1,414 | 14,350 | 4,250 | 14,109 | 443 | 34,567 |
| Inxuba Yethemba | 13,189 | 7,717 | 116 | 148 | 108 | 21,278 |
| Intsika Yethu | 457 | 11,766 | 6,445 | 24,798 | 283 | 43,749 |
| Engcobo | 300 | 10,092 | 7,037 | 22,500 | 484 | 40,413 |
| Sakhisizwe | 2,063 | 9,372 | 1,486 | 4,376 | 87 | 17,385 |
| Enoch Mgijima | 26,696 | 38,969 | 1,884 | 8,133 | 229 | 75,909 |
| **Total Chris Hani** | **44,119** | **92,267** | **21,219** | **74,064** | **1,633** | **233,302** |

*Source: IHS Markit Regional eXplorer version 2175*

The region within the Chris Hani District Municipality with the highest number of very formal dwelling units is Enoch Mgijima Local Municipality with 26 700 or a share of 60.51% 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 300 or a share of 0.68% of the total very formal dwelling units within Chris Hani.

FORMAL DWELLING BACKLOG - NUMBER OF HOUSEHOLDS NOT LIVING IN A FORMAL DWELLING - EMALAHLENI LOCAL MUNICIPALITY, 2009-2019 [NUMBER OF HOUSEHOLDS]




*Source: IHS Markit Regional eXplorer version 2175*

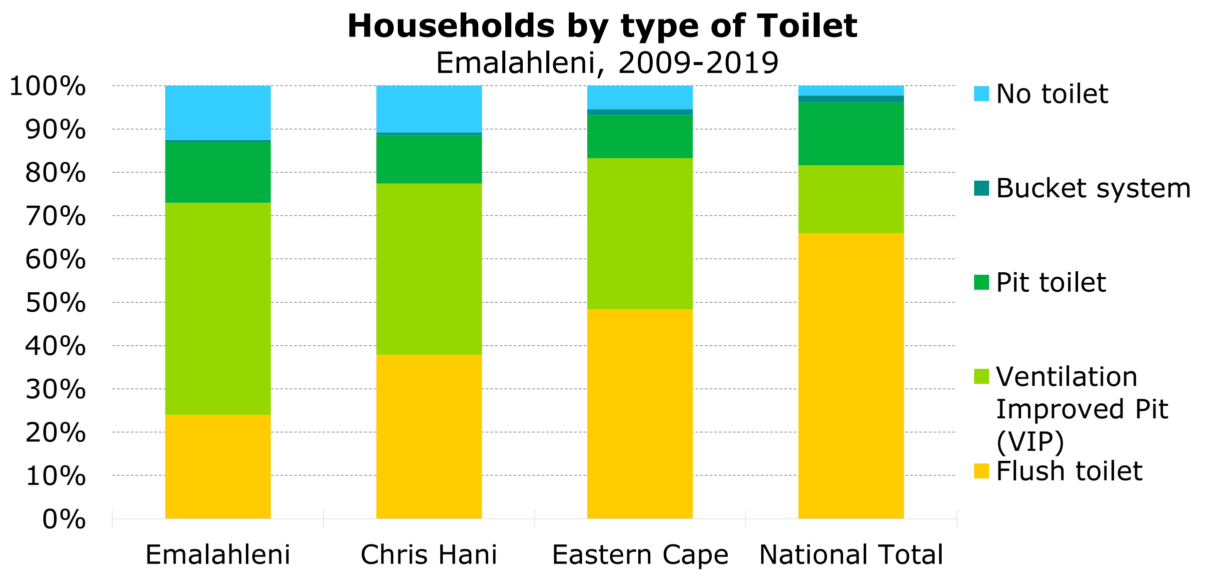
When looking at the formal dwelling unit backlog (number of households not living in a formal dwelling) over time, in 2009 the number of households not living in a formal dwelling were 14 700 within Emalahleni Local Municipality. From 2009 this number increased annually at 2.49% to 18 800 in 2019. The total number of households within Emalahleni Local Municipality increased at an average annual rate of 1.03% from 2009 to 2019, which is higher than the annual increase of 1.89% in the number of households in South Africa.

### 2.12. 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.

HOUSEHOLDS BY TYPE OF SANITATION - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2019 [PERCENTAGE]



*Source: IHS Markit Regional eXplorer version 2175*

Emalahleni Local Municipality had a total number of 8 300 flush toilets (24.01% of total households), 16 900 Ventilation Improved Pit (VIP) (48.97% of total households) and 4 820 (13.94%) of total household's pit toilets.

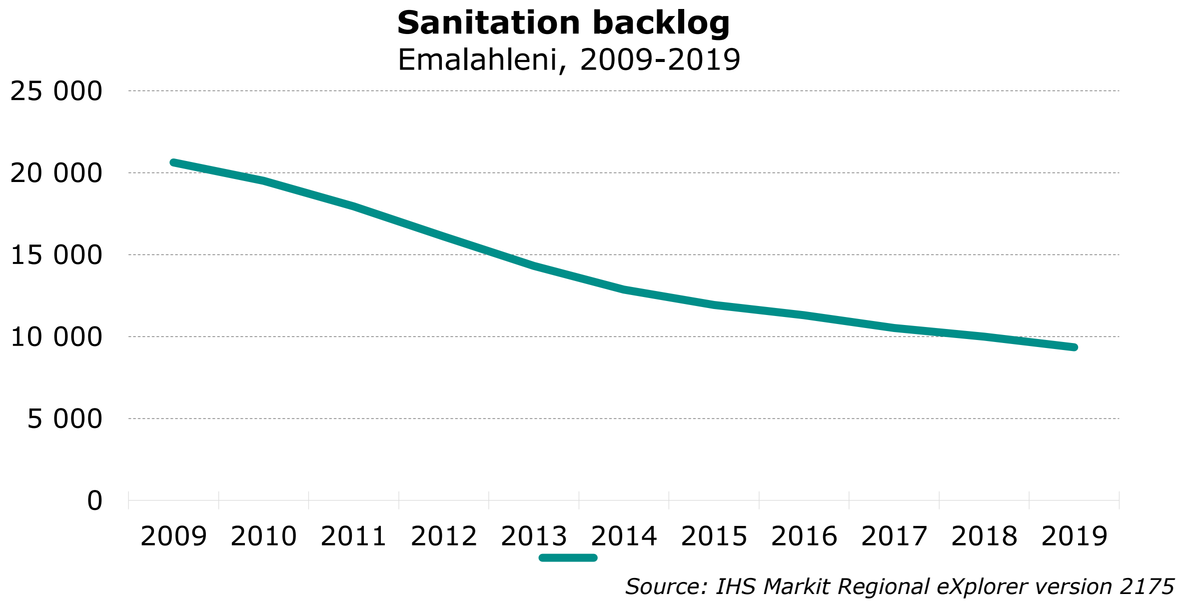
HOUSEHOLDS BY TYPE OF SANITATION - EMALAHLENI LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2019 [NUMBER]

| | Flush toilet | Ventilation Improved Pit (VIP) | Pit toilet | Bucket system | No toilet | Total |
|---|---|---|---|---|---|---|
| Emalahleni | 8,298 | 16,926 | 4,820 | 199 | 4,324 | 34,567 |
| Inxuba Yethemba | 19,535 | 279 | 245 | 98 | 1,122 | 21,278 |
| Intsika Yethu | 3,469 | 22,720 | 9,099 | 62 | 8,398 | 43,749 |
| Engcobo | 4,856 | 23,190 | 5,470 | 64 | 6,833 | 40,413 |
| Sakhisizwe | 5,502 | 7,441 | 2,544 | 136 | 1,762 | 17,385 |
| Enoch Mgijima | 46,610 | 21,831 | 3,910 | 709 | 2,849 | 75,909 |
| **Total Chris Hani** | **88,269** | **92,387** | **26,089** | **1,269** | **25,288** | **233,302** |

*Source: IHS Markit Regional eXplorer version 2175*

The region within Chris Hani with the highest number of flush toilets is Enoch Mgijima Local Municipality with 46 600 or a share of 52.80% 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 3 470 or a share of 3.93% of the total flush toilets within Chris Hani District Municipality.

SANITATION BACKLOG - EMALAHLENI LOCAL MUNICIPALITY, 2009-2019 [NUMBER OF HOUSEHOLDS WITHOUT HYGIENIC TOILETS]

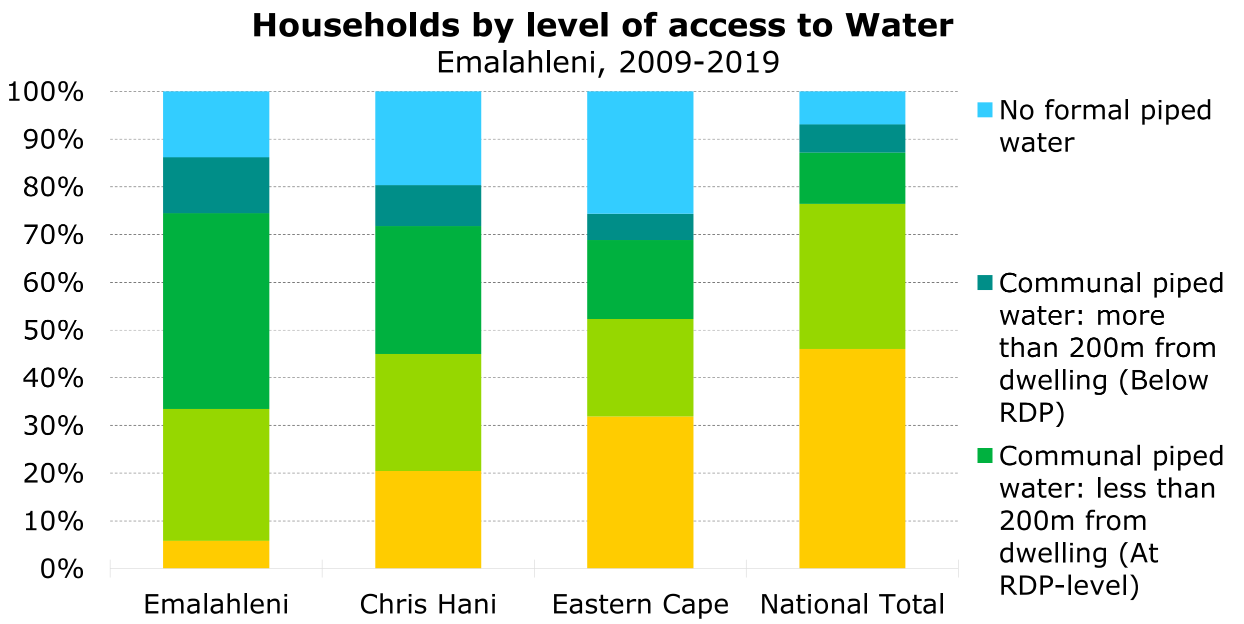



When looking at the sanitation backlog (number of households without hygienic toilets) over time, in 2009 the number of Households without any hygienic toilets in Emalahleni Local Municipality was 20 600, this decreased annually at a rate of -7.61% to 9 340 in 2019.

### 2.12.4 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, rainwater, boreholes, dams, rivers and springs.

HOUSEHOLDS BY TYPE OF WATER ACCESS - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2019 [PERCENTAGE]




*Source: IHS Markit Regional eXplorer version 2175*

Emalahleni Local Municipality had a total number of 2 010 (or 5.81%) households with piped water inside the dwelling, a total of 9 550 (27.62%) households had piped water inside the yard and a total number of 4 790 (13.84%) households had no formal piped water.

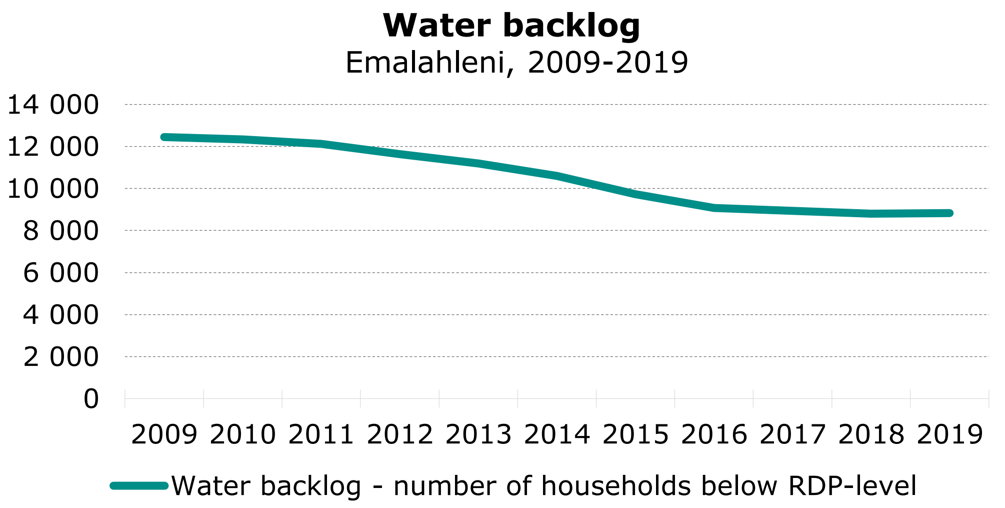
HOUSEHOLDS BY TYPE OF WATER ACCESS - EMALAHLENI AND THE REST OF CHRIS HANI, 2019 [NUMBER]

| | 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 |
|---|---|---|---|---|---|---|
| Emalahleni | 2,009 | 9,547 | 14,180 | 4,045 | 4,786 | 34,567 |
| Inxuba Yethemba | 12,399 | 7,965 | 323 | 33 | 559 | 21,278 |
| Intsika Yethu | 2,477 | 3,979 | 16,992 | 6,277 | 14,023 | 43,749 |
| Engcobo | 2,777 | 2,359 | 10,265 | 4,375 | 20,637 | 40,413 |
| Sakhisizwe | 2,822 | 6,116 | 4,781 | 1,489 | 2,177 | 17,385 |
| Enoch Mgijima | 25,200 | 27,252 | 15,930 | 3,805 | 3,723 | 75,909 |
| **Total Chris Hani** | **47,684** | **57,218** | **62,471** | **20,024** | **45,905** | **233,302** |

*Source: IHS Markit Regional eXplorer version 2175*

The region within the Chris Hani District Municipality with the highest number of households that have piped water inside the dwelling is the Enoch Mgijima Local Municipality with 25 200 or 52.85% of the households. The region with the lowest number of households that have piped water inside the dwelling is the Emalahleni Local Municipality with a total of 2 010 or 4.21% of the households.

WATER BACKLOG - EMALAHLENI LOCAL MUNICIPALITY, 2009-2019 [NUMBER OF HOUSEHOLDS BELOW RDP-LEVEL]



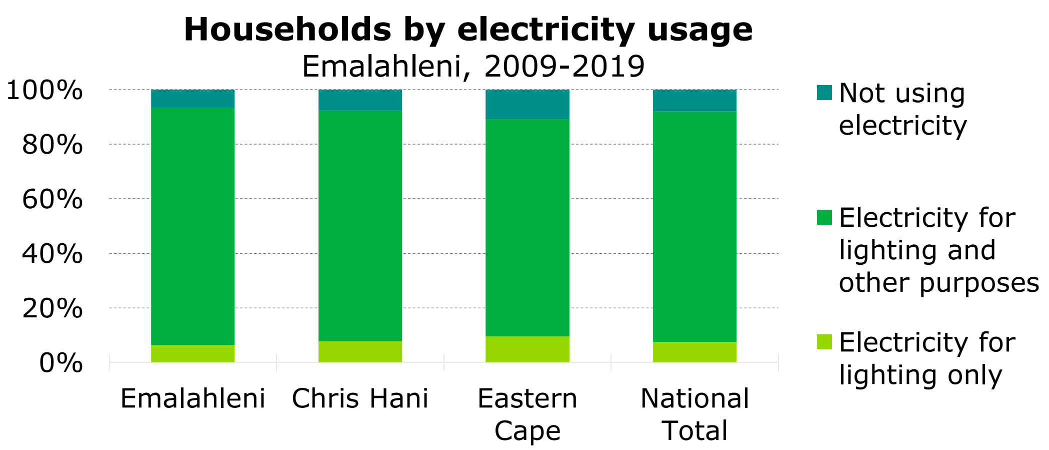

*Source: IHS Markit Regional eXplorer version 2175*

When looking at the water backlog (number of households below RDP-level) over time, in 2009 the number of households below the RDP-level were 12 400 within Emalahleni Local Municipality, this decreased annually at -3.37% per annum to 8 830 in 2019.

### 2.12.5 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).

HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2019 [PERCENTAGE]




*Source: IHS Markit Regional eXplorer version 2175*

Emalahleni Local Municipality had a total number of 2 200 (6.38%) households with electricity for lighting only, a total of 30 100 (87.01%) households had electricity for lighting and other purposes and a total number of 2 280 (6.61%) households did not use electricity.

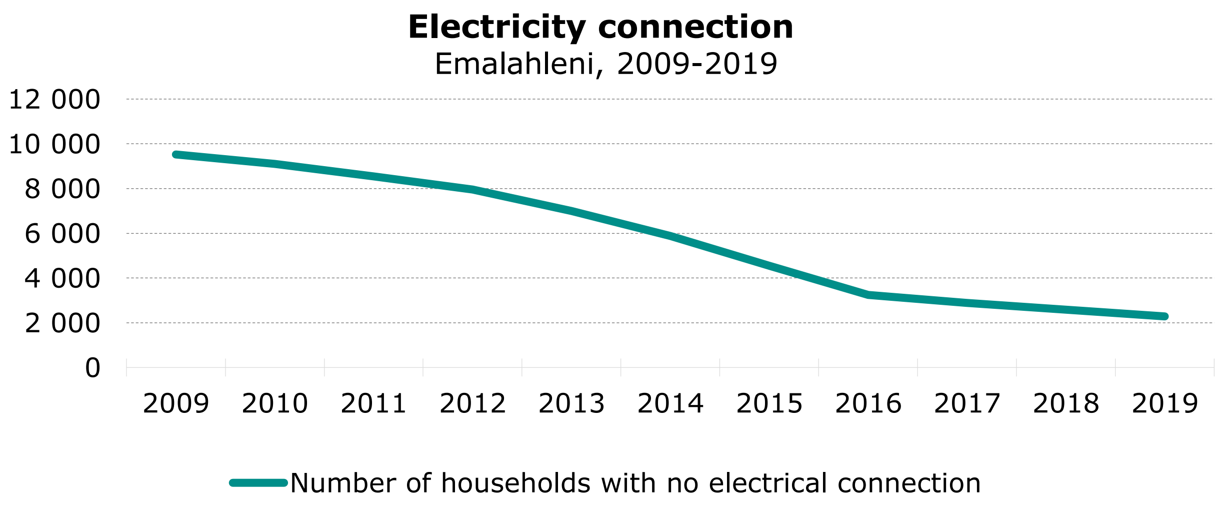
HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - EMALAHLENI AND THE REST OF CHRIS HANI, 2019 [NUMBER]

| | Electricity for lighting only | Electricity for lighting and other purposes | Not using electricity | Total |
|---|---|---|---|---|
| Emalahleni | 2,205 | 30,078 | 2,284 | 34,567 |
| Inxuba Yethemba | 383 | 20,458 | 438 | 21,278 |
| Intsika Yethu | 4,990 | 33,685 | 5,074 | 43,749 |
| Engcobo | 6,656 | 28,124 | 5,633 | 40,413 |
| Sakhisizwe | 1,207 | 15,115 | 1,064 | 17,385 |
| Enoch Mgijima | 2,582 | 69,776 | 3,551 | 75,909 |
| **Total Chris Hani** | **18,022** | **197,235** | **18,045** | **233,302** |

*Source: IHS Markit Regional eXplorer version 2175*

The region within Chris Hani with the highest number of households with electricity for lighting and other purposes is Enoch Mgijima Local Municipality with 69 800 or a share of 35.38% 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 15 100 or a share of 7.66% of the total households with electricity for lighting and other purposes within Chris Hani District Municipality.

ELECTRICITY CONNECTION - EMALAHLENI LOCAL MUNICIPALITY, 2009-2019 [NUMBER OF HOUSEHOLDS WITH NO ELECTRICAL CONNECTION]




*Source: IHS Markit Regional eXplorer version 2175*

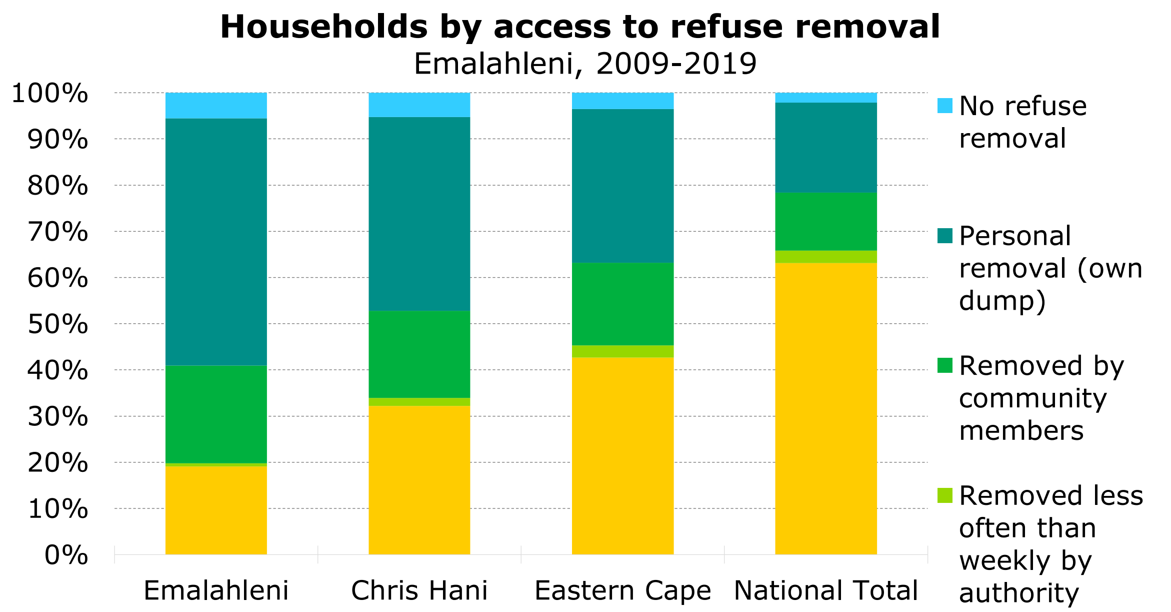
When looking at the number of households with no electrical connection over time, in 2009 the households without an electrical connection in Emalahleni Local Municipality was 9 520, this decreased annually at -13.31% per annum to 2 280 in 2019.

### 2.12.6 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 refuge 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

HOUSEHOLDS BY REFUSE DISPOSAL - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2019 [PERCENTAGE]




*Source: IHS Markit Regional eXplorer version 2175*

Emalahleni Local Municipality had a total number of 6 600 (19.10%) households which had their refuse removed weekly by the authority, a total of 236 (0.68%) households had their refuse removed less often than weekly by the authority and a total number of 18 500 (53.52%) households which had to remove their refuse personally (own dump).

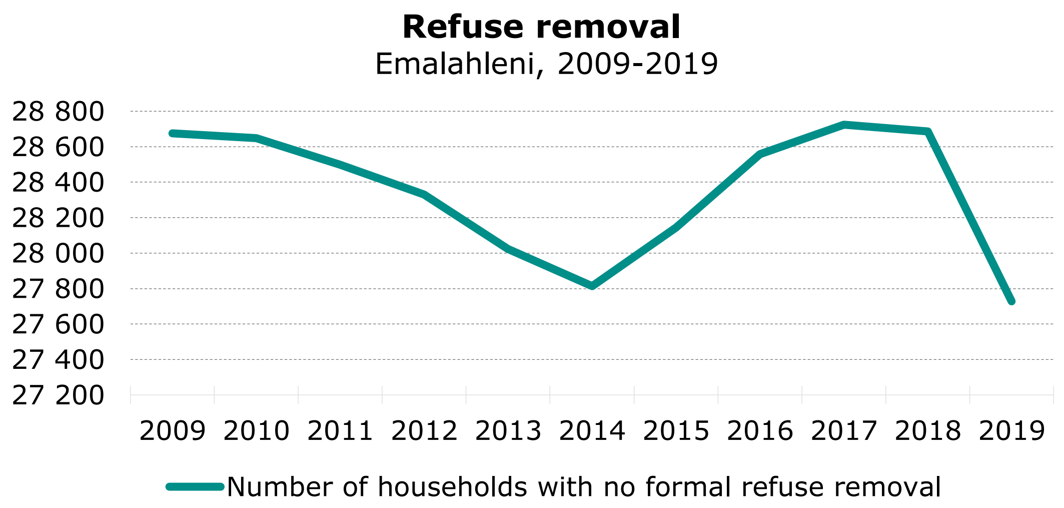
HOUSEHOLDS BY REFUSE DISPOSAL - EMALAHLENI AND THE REST OF CHRIS HANI, 2019 [NUMBER]

| | Removed weekly by authority | Removed less often than weekly by authority | Removed by community members | Personal removal (own dump) | No refuse removal | Total |
|---|---|---|---|---|---|---|
| Emalahleni | 6,602 | 236 | 7,312 | 18,499 | 1,917 | 34,567 |
| Inxuba Yethemba | 16,869 | 1,114 | 2,123 | 1,086 | 87 | 21,278 |
| Intsika Yethu | 2,143 | 363 | 10,003 | 27,702 | 3,538 | 43,749 |
| Engcobo | 1,757 | 836 | 7,194 | 26,431 | 4,195 | 40,413 |
| Sakhisizwe | 2,798 | 264 | 5,347 | 7,638 | 1,339 | 17,385 |
| Enoch Mgijima | 45,008 | 1,138 | 12,116 | 16,497 | 1,150 | 75,909 |
| **Total Chris Hani** | **75,177** | **3,951** | **44,096** | **97,852** | **12,225** | **233,302** |

*Source: IHS Markit Regional eXplorer version 2175*

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 45 000 or a share of 59.87% 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 1 760 or a share of 2.34% of the total households where the refuse is removed weekly by the authority within the district municipality.

REFUSE REMOVAL - EMALAHLENI LOCAL MUNICIPALITY, 2009-2019 [NUMBER OF HOUSEHOLDS WITH NO FORMAL REFUSE REMOVAL]




*Source: IHS Markit Regional eXplorer version 2175*

When looking at the number of households with no formal refuse removal, in 2009 the households with no formal refuse removal in Emalahleni Local Municipality was 28 700, this decreased annually at -0.34% per annum to 27 700 in 2019.

## 2.13 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.

### 2.13.1 Trips by purpose of trips

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.)

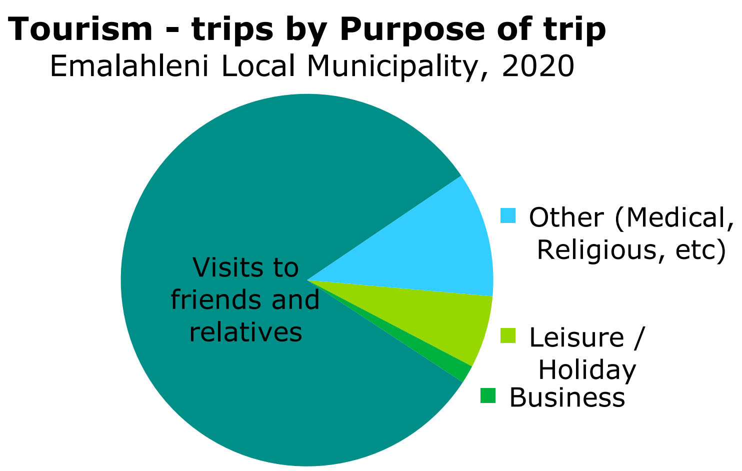
NUMBER OF TRIPS BY PURPOSE OF TRIPS - EMALAHLENI LOCAL MUNICIPALITY, 2010-2020 [NUMBER PERCENTAGE]

| | Leisure / Holiday | Business | Visits to friends and relatives | Other (Medical, Religious, etc) | Total |
|---|---|---|---|---|---|
| 2010 | 5,320 | 1,070 | 53,600 | 4,060 | 64,100 |
| 2011 | 4,940 | 1,060 | 48,700 | 4,000 | 58,700 |
| 2012 | 4,380 | 1,070 | 42,800 | 3,880 | 52,100 |
| 2013 | 3,520 | 971 | 38,900 | 3,390 | 46,800 |
| 2014 | 3,400 | 969 | 36,700 | 3,790 | 44,800 |
| 2015 | 3,170 | 952 | 35,300 | 3,660 | 43,100 |
| 2016 | 2,970 | 958 | 34,800 | 3,720 | 42,500 |
| 2017 | 2,880 | 928 | 34,100 | 3,840 | 41,800 |
| 2018 | 2,800 | 902 | 33,400 | 3,740 | 40,800 |
| 2019 | 2,920 | 826 | 33,400 | 3,650 | 40,800 |
| 2020 | 672 | 169 | 8,700 | 1,160 | 10,700 |
| **Average Annual growth** | | | | | |
| 2010-2020 | ***-18.69*%** | ***-16.85*%** | ***-16.63*%** | ***-11.75*%** | ***-16.38*%** |

*Source: IHS Markit Regional eXplorer version 2175*

In Emalahleni Local Municipality, the Other (Medical, Religious, etc), relative to the other tourism, recorded the highest average annual growth rate from 2010 (4 060) to 2020 (1 160) at -11.75%. Visits to friends and relatives recorded the highest number of visits in 2020 at 8 700, with an average annual growth rate of -16.63%. The tourism type that recorded the lowest growth was Leisure / Holiday tourism with an average annual growth rate of -18.69% from 2010 (5 320) to 2020 (672).

TRIPS BY PURPOSE OF TRIP - EMALAHLENI LOCAL MUNICIPALITY, 2020 [PERCENTAGE]




*Source: IHS Markit Regional eXplorer version 2175*

The Visits to friends and relatives at 81.28% has largest share the total tourism within Emalahleni Local Municipality. Other (Medical, Religious, etc) tourism had the second highest share at 10.86%, followed by Leisure / Holiday tourism at 6.28% and the Business tourism with the smallest share of 1.58% of the total tourism within Emalahleni Local Municipality.

### 2.13.2 Origin of Tourists

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

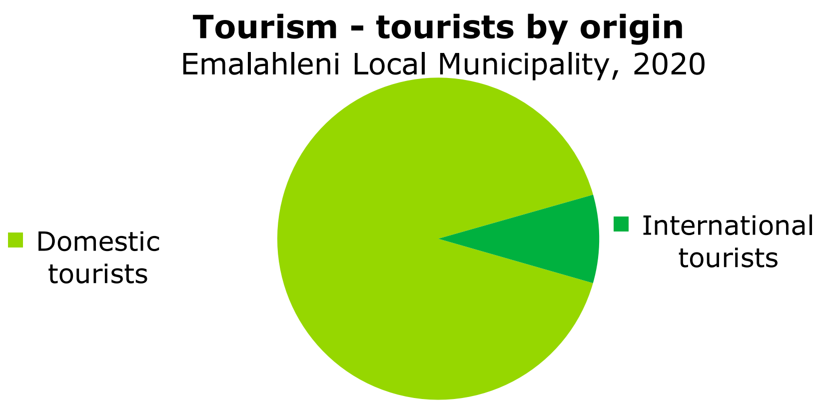
TOTAL NUMBER OF TRIPS BY ORIGIN TOURISTS - EMALAHLENI LOCAL MUNICIPALITY, 2010-2020 [NUMBER]

| | Domestic tourists | International tourists | Total tourists |
|---|---|---|---|
| 2010 | 62,200 | 1,890 | 64,100 |
| 2011 | 56,800 | 1,870 | 58,700 |
| 2012 | 50,000 | 2,070 | 52,100 |
| 2013 | 44,500 | 2,230 | 46,800 |
| 2014 | 42,300 | 2,510 | 44,800 |
| 2015 | 40,600 | 2,470 | 43,100 |
| 2016 | 39,500 | 2,950 | 42,500 |
| 2017 | 38,700 | 3,100 | 41,800 |
| 2018 | 37,700 | 3,120 | 40,800 |
| 2019 | 37,900 | 2,960 | 40,800 |
| 2020 | 9,760 | 948 | 10,700 |
| **Average Annual growth** | | | |
| 2010-2020 | ***-16.91***% | ***-6.68***% | ***-16.38***% |

*Source: IHS Markit Regional eXplorer version 2175*

The number of trips by tourists visiting Emalahleni Local Municipality from other regions in South Africa has decreased at an average annual rate of -16.91% from 2010 (62 200) to 2020 (9 760). The tourists visiting from other countries decreased at an average annual growth rate of -6.68% (from 1 890 in 2010 to 948). International tourists constitute 8.85% of the total number of trips, with domestic tourism representing the balance of 91.15%.

TOURISTS BY ORIGIN - EMALAHLENI LOCAL MUNICIPALITY, 2020 [PERCENTAGE]




*Source: IHS Markit Regional eXplorer version 2175*

### BEDNIGHTS BY ORIGIN OF TOURIST

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 Emalahleni Local Municipality between 2010 and 2020.

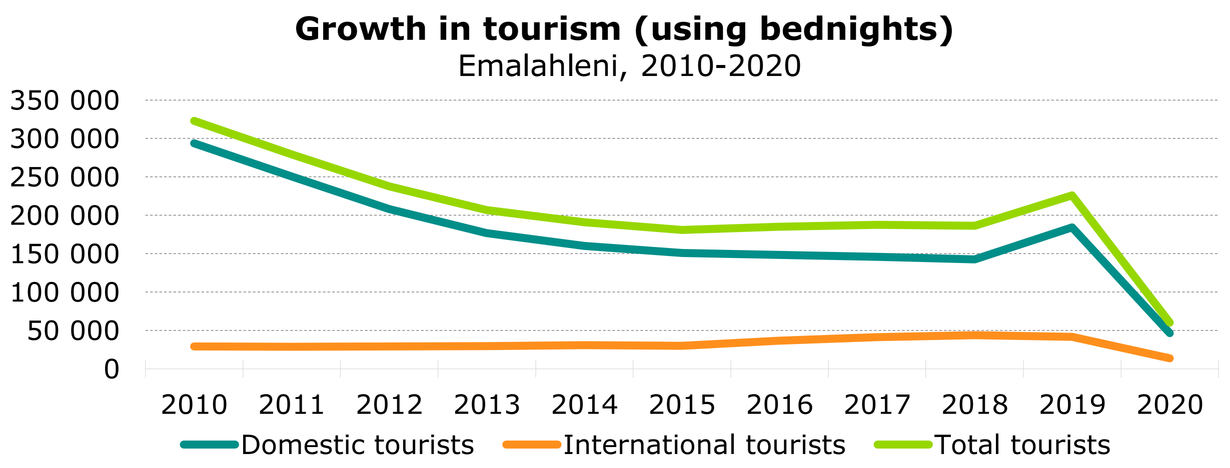
BEDNIGHTS BY ORIGIN OF TOURIST - EMALAHLENI LOCAL MUNICIPALITY, 2010-2020 [NUMBER]

| | Domestic tourists | International tourists | Total tourists |
|---|---|---|---|
| 2010 | 294,000 | 29,200 | 323,000 |
| 2011 | 251,000 | 28,800 | 279,000 |
| 2012 | 208,000 | 29,300 | 237,000 |
| 2013 | 177,000 | 29,800 | 207,000 |
| 2014 | 160,000 | 31,000 | 191,000 |
| 2015 | 151,000 | 30,100 | 181,000 |
| 2016 | 148,000 | 36,600 | 185,000 |
| 2017 | 146,000 | 41,500 | 187,000 |
| 2018 | 143,000 | 43,900 | 186,000 |
| 2019 | 184,000 | 41,800 | 226,000 |
| 2020 | 46,500 | 13,700 | 60,300 |
| **Average Annual growth** | | | |
| 2010-2020 | ***-16.83***% | ***-7.26***% | ***-15.46***% |

*Source: IHS Markit Regional eXplorer version 2175*

From 2010 to 2020, the number of bed nights spent by domestic tourists has decreased at an average annual rate of -16.83%, while in the same period the international tourists had an average annual decrease of -7.26%. The total number of bed nights spent by tourists decreased at an average annual growth rate of -15.46% from 323 000 in 2010 to 60 300 in 2020.

GROWTH IN TOURISM (USING BEDNIGHTS) BY ORIGIN - EMALAHLENI LOCAL MUNICIPALITY, 2010-2020 [NUMBER]




*Source: IHS Markit Regional eXplorer version 2175*

### 2.12.3 Tourism spending

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.

TOTAL TOURISM SPENDING - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [R BILLIONS, CURRENT PRICES]

| | Emalahleni | Chris Hani | Eastern Cape | National Total |
|---|---|---|---|---|
| 2010 | 0.1 | 1.0 | 14.3 | 187.7 |
| 2011 | 0.1 | 1.0 | 14.2 | 194.4 |
| 2012 | 0.1 | 1.2 | 16.9 | 220.1 |
| 2013 | 0.1 | 1.3 | 18.2 | 239.6 |
| 2014 | 0.1 | 1.4 | 19.9 | 263.3 |
| 2015 | 0.1 | 1.3 | 19.0 | 254.2 |
| 2016 | 0.1 | 1.6 | 22.1 | 294.5 |
| 2017 | 0.1 | 1.6 | 22.6 | 305.3 |
| 2018 | 0.1 | 1.5 | 21.8 | 303.3 |
| 2019 | 0.1 | 1.6 | 22.5 | 317.1 |
| 2020 | 0.0 | 0.4 | 6.7 | 95.8 |
| **Average Annual growth** | | | | |
| 2010-2020 | ***-10.62***% | ***-9.20***% | ***-7.35***% | ***-6.51***% |

*Source: IHS Markit Regional eXplorer version 2175*

Emalahleni Local Municipality had a total tourism spending of R 18.4 million in 2020 with an average annual growth rate of -10.6% since 2010 (R 56.6 million). Chris Hani District Municipality had a total tourism spending of R 380 million in 2020 and an average annual growth rate of -9.2% over the period. Total spending in Eastern Cape Province decreased from R 14.3 billion in 2010 to R 6.68 billion in 2020 at an average annual rate of -7.4%. South Africa as whole had an average annual rate of -6.5% and decreased from R 188 billion in 2010 to R 95.8 billion in 2020.

### 2.13.4 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.

TOURISM SPEND PER RESIDENT CAPITA - EMALAHLENI LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2010,2015 AND 2020 [R THOUSANDS]

| | 2010 | 2015 | 2020 |
|---|---|---|---|
| Emalahleni | R 465 | R 470 | R 143 |
| Inxuba Yethemba | R 4,000 | R 5,281 | R 1,314 |
| Intsika Yethu | R 541 | R 709 | R 232 |
| Engcobo | R 753 | R 902 | R 232 |
| Sakhisizwe | R 779 | R 992 | R 312 |
| Enoch Mgijima | R 1,697 | R 2,075 | R 603 |

*Source: IHS Markit Regional eXplorer version 2175*

In 2020, Emalahleni Local Municipality had a tourism spend per capita of R 143 and an average annual growth rate of -11.13%, Emalahleni Local Municipality ranked lowest amongst all the regions within Chris Hani in terms of tourism spend per capita. The region within Chris Hani District Municipality that ranked first in terms of tourism spend per capita is Inxuba Yethemba Local Municipality with a total per capita spending of R 1,310 which reflects an average annual decrease of -10.53% from 2010.

### 2.13.5 Tourism Spend as a Share of GDP

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.

TOTAL SPENDING AS % SHARE OF GDP - EMALAHLENI, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [PERCENTAGE]

| | Emalahleni | Chris Hani | Eastern Cape | National Total |
|---|---|---|---|---|
| 2010 | 4.5% | 5.3% | 5.9% | 6.1% |
| 2011 | 4.1% | 4.9% | 5.5% | 5.8% |
| 2012 | 3.6% | 5.2% | 6.0% | 6.2% |
| 2013 | 3.6% | 5.2% | 5.9% | 6.2% |
| 2014 | 3.7% | 5.3% | 6.1% | 6.4% |
| 2015 | 3.1% | 4.5% | 5.4% | 5.8% |
| 2016 | 3.5% | 5.2% | 5.9% | 6.2% |
| 2017 | 3.3% | 4.9% | 5.7% | 6.0% |
| 2018 | 2.9% | 4.4% | 5.2% | 5.7% |
| 2019 | 2.9% | 4.4% | 5.2% | 5.7% |
| 2020 | 0.8% | 1.1% | 1.6% | 1.7% |

*Source: IHS Markit Regional eXplorer version 2175*

In Emalahleni Local Municipality the tourism spending as a percentage of GDP in 2020 was 0.81%. Tourism spending as a percentage of GDP for 2020 was 1.10% in Chris Hani District Municipality, 1.58% 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 1.73%.

## 2.14 International Trade

The Emalahleni Local Municipality is a very closed economy in terms on international trade, with very little imports and exports. The various breakdowns that you would typically find under this heading for larger areas, is of limited value, and one should be careful to base any decisions on such small numbers. Therefor the details of this section have been omitted.

## 2.15 Land Use Management

Land Use Management is a combination of all the tools and mechanisms are used by a municipality to manage the way land is used and developed, it also assists the municipality in managing and using the land effectively Land use planning aims to coordinate all the land uses and their relationship to each other to create safe and liveable environments. Management comprises of two elements the administration of the town activities and the ability to anticipate future changes.

Emalahleni Municipality governs a land area where a variety of planning and land administration legislation applies. This situation hampers the rendering of effective land use management services by the municipality and places other obstacles in the way of facilitating and fast-tracking development, in certain instances.

Emalahleni Local Municipality has a Spatial Development Framework that is SPLUMA compliant. The Emalahleni SDF was approved in 2013 and reviewed in 2017. The SDF was developed according to the requirements of the SDF guidelines. The Emalahleni Local Municipality has also adopted SPLUMA by-laws that are council approved. The Broad SDF recommended that the Municipality should develop Local SDF’s for the three towns as one of the key actions to be undertaken by the municipality which has been done as the municipality is busy with Local SDF’s for Dordrecht, Cacadu and Indwe which was done as part of the Master Plan for Indwe. An SDF is a forward planning document that spatially indicates the long-term growth and development path of the municipality.

The Emalahleni Local Municipality reviewed SDF was necessary in order:

Reflect changes required to reflect new development priorities, as determined in the revised Emalahleni LM Integrated Development Plan (2017-2022);

Updating of plans to reflect the changes in ward boundaries, as promulgated in 2016 and includes updated data, where available.

Incorporation of the Spatial Plans and Proposals prepared in the Xonxa and Vaalbank Areas

Emalahleni Local Municipality currently in implementation of the Spatial Planning and Land Use Management Act which is not fully effect in implementation and is used along with the Transkei Townships Ordinance 33 of 34 in Cacadu and the Land Use Planning Ordinance 15 of 1985 in Dordrecht and Indwe. The Transkei Township Ordinance is applicable in areas that formed part of the former Transkei town, situated within the commonage boundaries of the towns whilst the Land Use Planning Ordinance is applicable in areas which formed part of the former republic of South Africa. The applicable town planning scheme in Cacadu is the Standard Transkei Town Planning Scheme and in towns of Indwe and Dordrecht it's the Town Planning Regulations applicable in terms of LUPO. These old legislations are still used because Emalahleni Local Municipality does not have a wall-to-wall scheme.

All types of economic activity require land either directly or indirectly. The rate of growth in the towns has increased which has been influenced by people migrating from rural areas to the service centres for better opportunities. Land, with its associated buildings and developments, is one of the most important assets of any town. It affects almost every other investment. In Cacadu land parcels were sold to people on auction but no titles were passed to them which have caused problems in the community.

This has caused communities to do nothing with their land parcels as they cannot sell or invest or use as security when they borrow money from the banks to improve living conditions. Giving title deeds to communities would be effective to generate more economic activity and increase economic growth. Some land owners leave land underutilized hoping that there could be developers who will come and invest in the area which will allow them a gain. Land owned by the State which takes ages to donate to the municipality as part of the small town revitalization programme also contributes to the problems in the development of the towns.

Informal activities have challenged land use management conceptualizations, informal trade and economic activity is a major source of conflict. Un-planned development and unlawful occupation of land threatens the natural resources base of the area and represents a threat to the environmental “quality” of the area as well. Moreover, the trend towards un-managed settlement development occurring in a ribbon along the main transport routes threatens the use of the major routes for effective transportation of goods and people.

In absence of an effective land use planning and management, industrial and commercial concerns can develop in residential areas with little or no control. The absence of a land disposal policy also contributes to the informal or unlawful occupation as the municipality has no guide on how to dispose land and hence its takes longer for the community or businesses to acquire land.

Emalahleni Municipality is dominantly rural in nature which makes the people to move from the villages to the small service centres in search of better opportunities. This causes urban sprawl which leads to inadequate infrastructure, formation of slums, traffic congestion, illegal development etc. Urbanization is spurred largely by the migration of energetic and ambitious youths in search of survival, a better life and individual prosperity. The primary source of the challenge is unemployment.

The issue of human capacity and resources in small municipalities is also a challenge. Emalahleni Municipality like most municipalities has one Town Planner which results in slow processing of development applications. The Town Planning section is not fully fledged which makes the person responsible for planning to work under pressure which affects the quality and efficiency of the work. The capacity constraints have expanded the demand for private sector work which also has negative implications.

This challenge might be solved with the new planning legislation the Spatial Planning and LBy-and Use Planning Act which requires municipalities to have their own planning tribunals. SPLUMA provides a framework for spatial planning and land use management in South Africa. The municipality has joined the district municipal planning tribunal and has appointed the Director Infrastructure Development and Human Settlement as the Authorised Official of the Municipality.

Emalahleni has a broad Spatial Development Framework which was approved in 2013 and reviewed The Broad SDF recommended that the Municipality should develop Local SDF's for the three towns as one of the key actions to be undertaken by the municipality which has been done as the municipality is busy with Local SDF's for Dordrecht, Cacadu and Indwe which was done as part of the Master Plan for Indwe. An SDF is a forward planning document that spatially indicates the long-term growth and development path of the municipality.

It coordinates the spatial implications of all strategic sector plans and gives physical effect to the vision, goals and objectives of the IDP. The SDF guides and informs land development and land use management. Rural nodes of Xonxa, Machubeni, Vaalbank and Ndonga were identified in the Emalahleni SDF and CHDM has took one rural node (Xonxa) and appointed a consultant to develop an LSDF, Vaalbank LSDF has been developed by the municipality and Machubeni is being developed currently. The rural service centres are strategically located so as to be able to be extended and planned to accommodate higher level of social facilities and infrastructure.

Geographic Information System has been one of the challenges in Emalahleni Municipality but the municipality has managed to gain support from the Department of Corporative Governance and Traditional Affairs. More work and improvement is required to enhance GIS as a planning tool in the municipality as it is a vital tool for mapping and generating vital information.

The level of understanding town planning and building procedures by communities of Emalahleni has had a bad impact on how the towns grow and develop. This has made the municipality to start on a programme to educate the community through pamphlets. These pamphlets will mobilise people to support planning, explain town planning procedures and inform people of their rights. An awareness campaign was conducted in all three towns on building procedure, town planning, human settlements and electricity to capacitate communities on applicable regulations. The number of applications submitted by the public is less and they do not consult the municipality when developing their properties, attention should be drawn on this to promote good order.

Land use management in Emalahleni is well maintained though it needs improvement and remedies in the challenges discussed above. The municipality has a council approved Land Audit document which talks

to ownership, land use, zoning and valuation for the entire municipality which was developed as part of the land audit project. Town Planning in terms of development applications is administered and processed to promote good order and the municipality was able to develop zoning maps in 2011 to use with the Transkei Town Planning Scheme and Scheme regulations in terms of LUPO.

Land administration is slowly coming in as well as the municipality tries to dispose land for economic development. Informal developments are being formalised through several projects of subdivisions and township establishments. There is also a draft land invasion policy that is in place to address the issue of land invasion.

In terms of the Act, the SDF, once approved by the Municipal Council, has the status of a statutory plan that serves to guide and inform all decisions made by the Municipality about spatial development and land use management in its area of jurisdiction.

Vaalbank Development Node was identified in the Emalahleni LM SDF as a Rural Node with potential for Business Development. The Local Spatial Framework is intended to create a holistic approach for the development of Vaalbank Development Node, thereby unleashing development potential, attracting investment, and removing blockages inherited from previous planning methods.

**Methodology Followed**

The following methodology was followed to successfully complete the Vaalbank LSDF project.

Phase 1: Pre-planning and Inception Report
Phase 2: Situation Analysis
Phase 3: SWOT Analysis.
Phase 4: Conceptual Development Strategy.
Phase 5: Spatial Plan & Development Strategies
Phase 6: Implementation Plan

**Public and Stakeholder Participation**

Consultation with various stakeholders and municipal officials was considered a vital aspect of the planning process. This was achieved through:
Stakeholder and Municipal Official Meeting to present the Inception Report
Workshop to present Situation Analysis to Stakeholders and Municipal Officials

The table below depicts the dates of the Meetings and Workshops held.

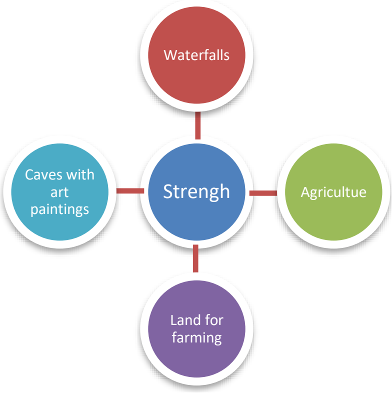
| MEETINGS AND WORKSHOPS HELD | |
|---|---|
| MEETING | DATE |
| Project Inception Meeting with the Client | 18 March 2015 |
| 1st Workshop | 10 December 2015 |
| 2nd Workshop | 1 November 2016 |

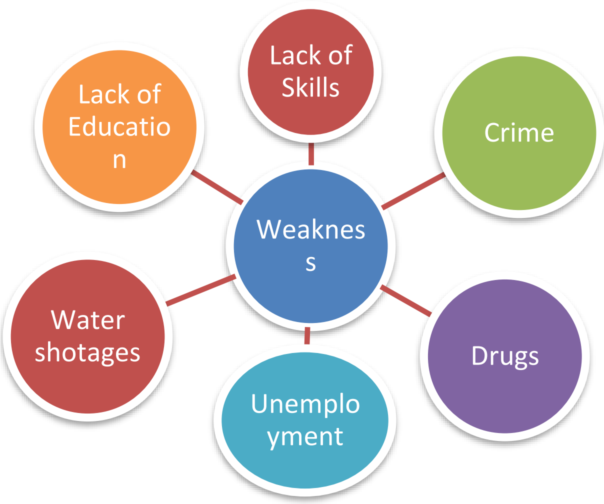
Key issues

The key issues captured below derive from the Emalahleni LM IDP as well as from workshops held with the community of Wards 8, 9 and 10

Land for development is limited due to steep slopes.
There is no Solid Waste Management in the area.
Major Soil erosion making the land being undevelopable.
There is a huge backlog maintaining road infrastructure within the study area.
There is no formal business within the study area.
There is a lack of taxi/bus ranks and shelters.
There are backlogs in the supply of electricity to households.
There is a backlog in terms of flush toilets within the study area.
There is no library situated within the study area.
There is no Police Station within the area.
There is a lot of drought spells within the area.
High unemployment rate.
Large number of young adults with drug abuse habits.
High crime rate.
Strengths Weaknesses Opportunities and Threats

It was important to capture the Strengths Weaknesses Opportunities and Threats within the study area. The community assisted with this exercise and the following was captured during a workshop held on 10 December 2015.

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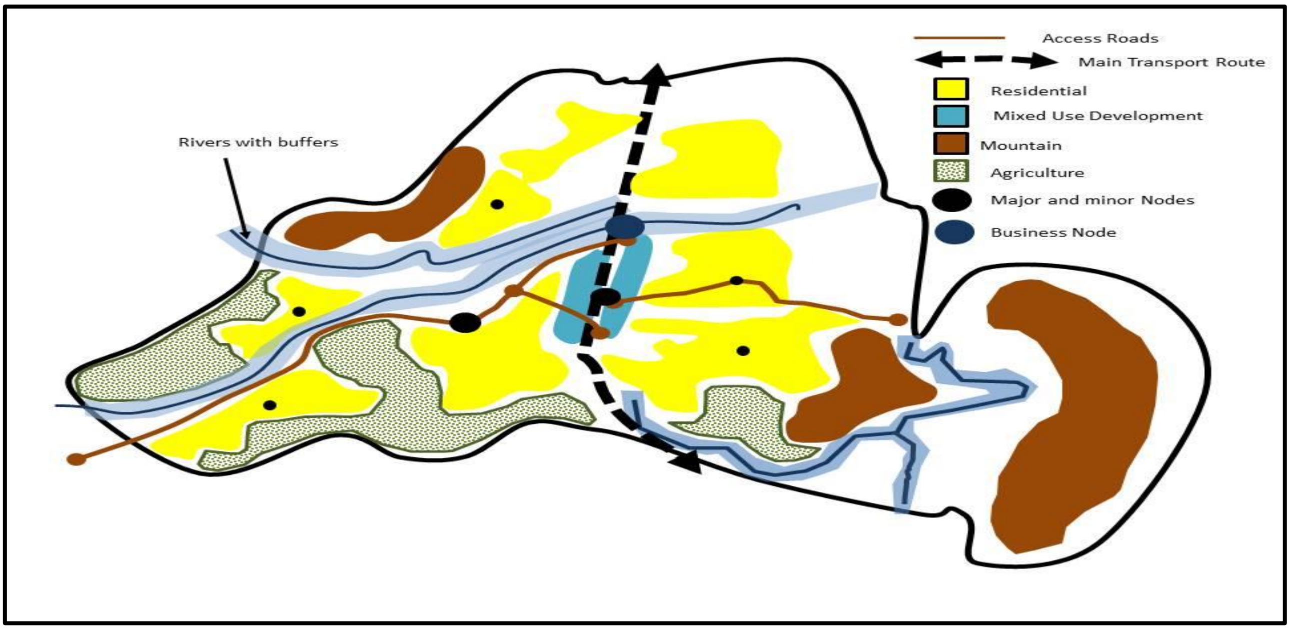
farming fields
petrol
station
water tanks
improved schools


Vaalbank Development Node Conceptual Development Framework

The concept plan for Vaalbank Development Node considers the potential for vibrant residential settlements, mixed use, business and agriculture. This will effectively attract potential investment into the Vaalbank Areas as well improvement of infrastructure development. This will see the greater extent of the community benefitting by the creation of jobs, and exposure that will attract tourists and, therefore, an increase in the local economy. Tourism potential is proposed along the mountain range and the small waterfalls within the area. The settlements of Vaalbank Development Area seem to be growing; settlement growth has therefore been catered for with the proposed settlement edge. This allows for growth to take place in a controlled manner, and not in areas of environmentally sensitive areas, or areas of danger i.e. close to rivers, watercourses or in areas of mountainous terrain. Main intersections have also been identified as points of potential development nodes. Proposed Mixed and Business use catering for mixed development and business expansion has been proposed at the intersection and along the R392 where the Vaalbank Community Hall is located. This node is called Vaalbank Intersection Business Node. This node was created to help relieve poverty in the area, to invite investors into the area and to create employment to the communities at large.

Concept Plan




Vaalbank Development Node Vision

"Vaalbank, A Business Hub serving the surrounding wards bringing Business, Agriculture and Tourism Opportunities closer to the people"

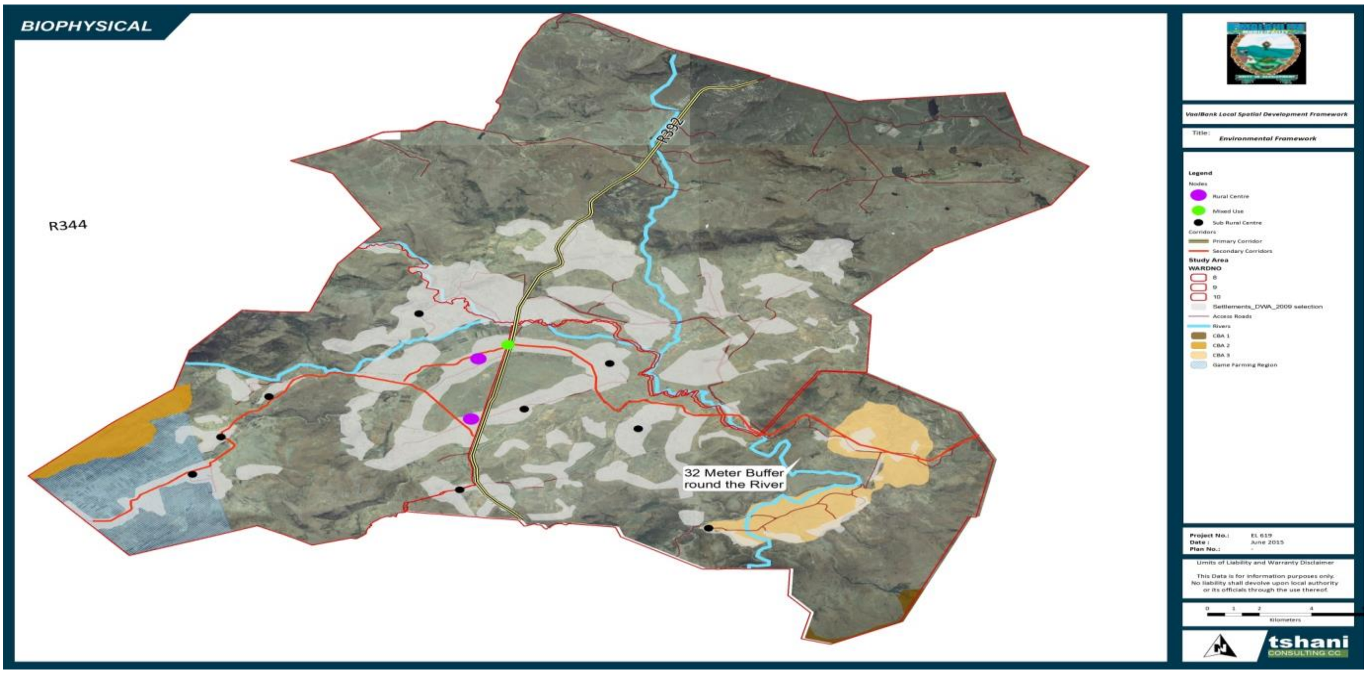
Vaalbank Development Node: Spatial Objections and Strategies

| OBJECTIVES | STRATEGIES |
|---|---|
| Promote access to land for Development of Sustainable Human Settlement. | Implement land release programmes. |
| Improve the quality of human life through the provision of basic infrastructure services and housing. | Provide sustainable infrastructure and Integrated Sustainable Human Settlement. |
| Provide improved road access. | The municipality need to improve the quality and condition of the roads |

**SPATIAL FRAMEWORKS**

8.1 Biophysical Framework

The environmental spatial framework is founded on the Eastern Cape Biodiversity Conservation Plan,




recognising biodiversity corridors, core and buffer areas, and sub-tropical thicket corridor concept. In addition the framework should emphasise the need to safeguard natural resources, achieved food security by preventing loss of valuable high potential agricultural land and connecting development to the availability of sustainable water resources. Environmental considerations are an increasing aspect of any development initiative and should form an integral part of the activities proposed in terms of the Vaalbank Development Node LSDF. The following environmental proposals, therefore, have two main drivers:

To promote environmental legal compliance and minimise environmental impacts associated with the Vaalbank Development Node LSDF proposals; and

To promote the environmental or sustainability branding for products and activities associated with the Vaalbank Development Node LSDF proposals.

Environmental Projects

Opportunities for “environmental projects” exist in the “Vaalbank” area and the following projects could be considered in the Vaalbank LSDF:

Initiating erosion preventive methods to stabilise the existing erosional areas and ensuring that these areas do not expand; Organic or sustainable farming enterprises in and around the irrigation scheme; (Vaalbank Water Scheme) Rehabilitation of riverbanks; Renewable energy (wind, solar and biogas); Biofuel production.

Biophysical Framework: Environmental Plan

Agriculture in Vaalbank

Agriculture requires extensive land areas dependant in the types of enterprises needed. The chosen land needs to have the necessary natural resources that will also can produce the crops for the chosen enterprises. These important resources include soils of the correct potential, availability of the necessary moisture either in the form of rain or in the form of supplementary irrigation and the correct temperature for the chosen enterprises.

The Vaalbank Development Node has all the necessary soils, temperature requirements to produce the identified crops. Of further importance in terms of land are land ownership and land rights. These are important not only in resolving land conflict issues and security of the enterprises but are important in terms of access funds to ensure the ability for long term sustainability. Land security indicates the landholder's possession or use of land that will not be interfered with. Secondly it is a confidence and duration of tenure. This has economic connotations.

Proposals for Agriculture from Emalahleni LM IDP 2014-15

The municipality need to engage with the Department of Agriculture to provide dedicated team of Agricultural Extension Officers who must provide proper advice to the community.

The municipality should put systems in place to provide Training, Mentoring and Institutional support to primary produces who have little or no technical training in Financial and Business Management.

A system should be in place which will assist with funding and sources funding.

The municipality together with Department of Agriculture to build appropriate Agro Processing Capacity.

Proposals for Vaalbank

Opportunities for "agricultural projects" exist in the "Vaalbank" area and the following projects could be considered in the Vaalbank LSDF:

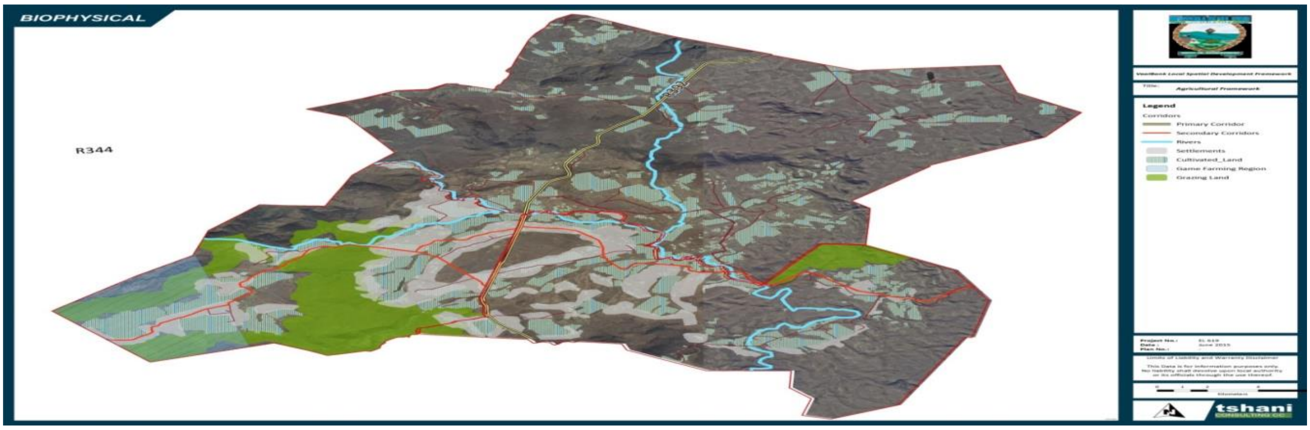
Proposed fencing of ploughing fields –

Community vegetable gardens

Monitor and maintain the irrigation scheme –

Sheep farming potential exist within the area.

Maize production.




Biophysical Framework: Agriculture Plan

Socio Economic Framework

Social Facilities

This framework plan proposes that social facilities be located at strategic points of accessibility where higher order community facilities can be clustered together, in order that a greater number of residents are served in a more effective and efficient way. Ideally, future Rural Service Centres should be in close proximity to public transport routes to ensure maximum accessibility of facilities.

Clustering of new social facilities, where possible, at the identified nodes is also to be encouraged. This concept is supported due to the size of the study area, the scattered settlement formation, and the insufficient social facilities.

The following strategies for social infrastructure is based on the criteria as stipulated in terms of the CSIR Human Settlements Guidelines: -

| Social Facilities | Planning Threshold | Radius |
|---|---|---|
| Crèche | 1 for every 90/du | 1 km |
| Primary School | 1 for every 600/du | 1.5 km |
| Secondary School | 1 for every 1200/du | 2.25 km |
| Sports field | 1 for every 1400/du | 2.5 km |
| Police Station | 1 for every 4500/du | 1.5 km |
| Community Hall | 1 for every 4000/du | 2.5 km |
| Library | 1 for every 1800/du | 2 km |
| Post Office | 1 for every 2000/du | 2 km |
| Clinic | 1 for every 900/du | 1.5 km |

The Social Facilities within the area should be upgraded to cater for the increased population. Should these facilities be unable to accommodate the population, provision for new facilities should be made.

**Crèches / Pre School**

In terms of crèches CSIR Human Settlements Guidelines proposed a walking distance of 1.5km for crèches. There are two crèches within the Vaalbank Development Node Study Area and this document proposed that future planning within the study area should include the establishment of more Pre Schools sites.

**Social Infrastructure Proposals:**

Construction of satellite police station or visible police patrolling in Vaalbank Development Node area.

Renovation and development of sports facilities and planning for future housing is an important part of a Local Spatial Development Framework. The Housing Sector Plan of Emalahleni LM makes provision for 1000 RDP houses win Zwartwater. Middle income housing can be catered for within the Vaalbank Intersection Business Node in future.

Youth development programmes to assist in dealing with social issues such as unemployment, crime, HIV/AIDS and teenage pregnancy.

**Socio Economic Framework**

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Youth development programmes to assist in dealing with social issues such as unemployment, crime, HIV/AIDS and teenage pregnancy.

**Cemeteries**

Currently the community within the study area burry loved one inside their yard because there is no formal cemetery. Detailed studies need to be undertaken to identify appropriate sites for cemeteries within the Vaalbank Development Node study area. Such a study requires specialist expertise and would fall outside the scope of this framework plan.

**Housing Proposals**

**Local Economic Development**

**SMME**

The Vaalbank Development Node is located along the R392 route from Dordrecht to Queenstown, however it is a significant node for economic activity in the region due to its location. However, there is the current lack of infrastructure services and accessibility. The area is characterised by an impoverished population and low levels of economic activity and development.

To solve these problems, it is necessary for new projects to be implemented effectively and for support to continue in the first few years of the project's existence. It is also important to train project participants to a level where they can make the project sustainable and viable in the long term.

Government services such as government offices and police stations are currently lacking in the area. The inadequate provision of social services indirectly effects tourism development, infrastructure, retail development and private investment opportunities within the area.

**Agriculture**

The agriculture sector within the study area has good potential. It is proposed that special focus be place on agriculture development and growth. The agricultural sector needs to be prioritised as a key driver for economic growth. Agriculture makes a very small contribution to GGP due to land ownership issues, inefficient farming techniques and land degradation. There is a fair amount of subsistence farming happening in the municipality, some of which can potentially be escalated to a small-scale commercial level. There are also several irrigation schemes which are able to service agricultural schemes.

Key Proposals:

Underlying and systematic changes: -

Land rights issues potential investors and businesspeople are not comfortable with the uncertainty over land tenure in the area. These issues need to be resolved as a matter of urgency so that land can be leased or bought in the confidence that tenure or property rights will be upheld.

Land rehabilitation programmes to prevent and improve the degradation of semi arable land.

Consolidation and expansion of current irrigation schemes to ensure proper management and better success rate.

Training farmers in sustainable livestock management.

Training farmers in sustainable crop production and management.

The establishment of an agricultural centre is an advisable venture but not initially as a large-scale initiative.

Set up as a small enterprise, service provided on a fee-paying basis (possibly with some vouchers for subsistence farmers);

Development of a Proposed Agricultural Resource Centre.

Retail Development: -

The Vaalbank Development Node is extremely limited in terms of retail outlets. There is scope to promote local SMMEs, particularly in the retail sector, by assisting with property availability and certain infrastructure improvements, such as creating informal trading areas, which are well demarcated and serviced. Improvements can also be made to formalized businesses by repainting store fronts.

Key Proposals:

Construction of informal traders' zone within the Vaalbank Intersection Business Node.

Construction of retail outlet stores, garage at the Vaalbank Intersection Business Node.

Infrastructure Development: -

The infrastructure is, for the most part, run down and needs upgrades. The improvements in the Vaalbank Intersection Business Node is particular important to make the hub more functional and efficient.

Proposals identified for the area include:

Key Proposals:

Road upgrade throughout the entire study area, particularly the main and primary transport routes.

Construction of pavements and pavements foliage.

Grading (or tarring) of gravel access roads.

Provision of piped water to all residential settlements.

Better access to sanitation for all households.

Electricity supply to all residential settlements.

BUILT ENVIRONMENT FRAMEWORK

Proposed Development Nodes of Importance

Nodes are generally described as areas of mixed land use development, usually having a high intensity of activities involving retail, traffic, office, industry, and residential land uses. These are the places where most interaction takes place between people and organizations, enabling most efficient transactions and exchange of goods and services. Nodes are usually located at nodal interchanges to provide maximum access and usually act as catalysts for new growth and development. The analysis of trends and development opportunities establishes a clear spatial pattern for the Vaalbank Development Node study area.

The proposed nodes are captured in the table below and illustrated on the plan below to show the spatial locations of the nodes.

| Type | Area | Function |
| --- | --- | --- |

| | | |
|---|---|---|
| Rural Nodes | Lower Vaalbank | A proposed Rural Service Node according to the CSIR threshold should allow a travel distance of 5km/1hour travel by foot to access its public facilities.<br><br>Areas where medium order community facilities can be bundled to ensure that a greater number of rural residents are served in a more efficient and effective way.<br><br>Ideally, these and future rural service centers are in close proximity to public transport routes to ensure maximum accessibility to facilities<br><br>Local planning to maximize use of resources<br><br>Local land use schemes to be negotiated |
| Business Node | Vaalbank Intersection Business Node | Proposed Business Hub<br><br>Local land use Schemes to be negotiated. |
| Mixed Development Node | Mngungu<br><br>Qwugqwarhu<br><br>Bhogo-A<br><br>Mgqukhwebe-A<br><br>Gcina-G<br><br>Swartwater<br><br>Dum-Dum<br><br>Sidwadweni | A proposed Mixed Development Node according to the CSIR threshold should allow a travel distance of 5km/1hour travel by foot to access its public facilities. |

Business Node

The proposed proposals for Vaalbank Intersection Business Node are the following:

Existing Business to expand.

Proposed Mixed Uses

Proposed Park and Open Space Development,

Upgrade of internal road

Establishment of new internal roads

4190


Plan: VAALBANK INTERSECTION BUSINESS NODE

Proposed Development Corridors of Importance

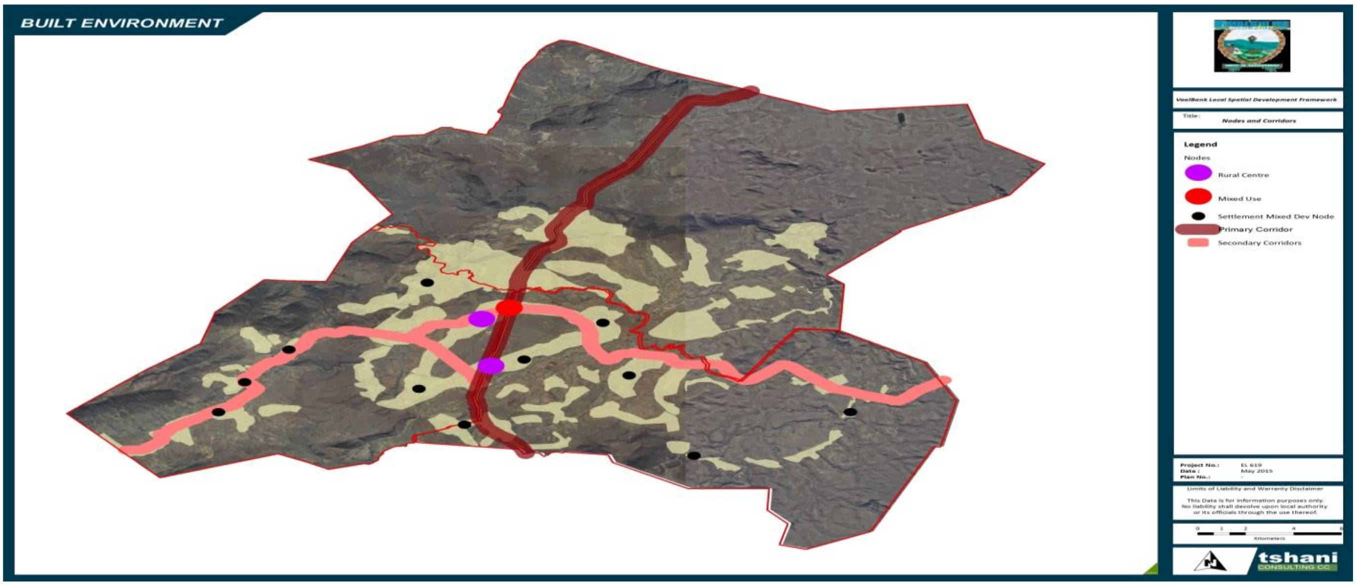
The notion of development corridors, both as structuring elements to guide spatial planning, as well as special development areas with specific types of development potential, has been well established internationally.

Typically, development corridors have been identified as roads or other transport routes along which existing and/or potential land developments at a higher-than-average intensity (can) occur.

The term “Transport corridors” be adopted in future because it places emphasis on the transportation activity, which is critical for economic clusters to grow in both urban and rural environments

Within the Vaalbank Development Node, there is one “transport corridor”, namely, the R392 from Queenstown to Dordrecht which is proposed as the main Transport Corridor in the Conceptual Framework.

| development corridors | | |
|---|---|---|
| TYPE | MAP CODES | LOCATION |
| Existing Transport Route | Brown | Existing Transport Route the R392 |
| Secondary Street | Pink | Main roads along the main access routes in the study area. |




Infrastructure Proposals

The areas of greatest need are defined as those areas with the lowest income per capita income levels and worst-off settlement areas. These areas require priority basic needs intervention and strategic proposals to improve the level of well-being of communities in these areas. These proposals need to include poverty alleviation programs and basic infrastructure investment.

SITUATION ANALYSIS PER KEY PERFROMANCE AREA.

Infrastructure Development: -

The infrastructure is, for the most part, run down and needs upgrades. Improvement in the Proposed Business Node is of particular importance in making the node more functional and efficient.

There is a lack of both social and economic infrastructure and high backlog issues for the development nodes. Proposals identified for the area include Key Proposals:

Road upgrade throughout the entire study area, particularly the main and primary transport routes

Construction of pavements and pavements foliage.

Grading (or tarring) of gravel access roads.

Provision of piped water to all residential settlements.

Better access to sanitation for all households;

Electricity supply to all residential settlements.

Provision of storm water services within wards 8, 9 and 10.

Green Infrastructure Technology

Green Infrastructure is an economical strong approach to use nature and climate change to benefit people. The main components of this approach include storm water management, climate adaptation, less heat stress, more biodiversity, food production, better air quality, sustainable energy production, clean water and healthy soils, as well as the more anthropocentric functions such as increased quality of life through recreation and providing shade and shelter in and around towns and cities. Green infrastructure also serves to provide an ecological framework for social, economic and environmental health of the surroundings.

Rainwater harvesting – installing gutters and plastic tanks to catch rainwater from roof tops that could be used for potable water.


Storm water harvesting – storm water could be diverted to a collection point which could be used to water gardens and farmlands. In addition, planting trees in the steep areas would intercept rainfall and thus reduce soil erosion.

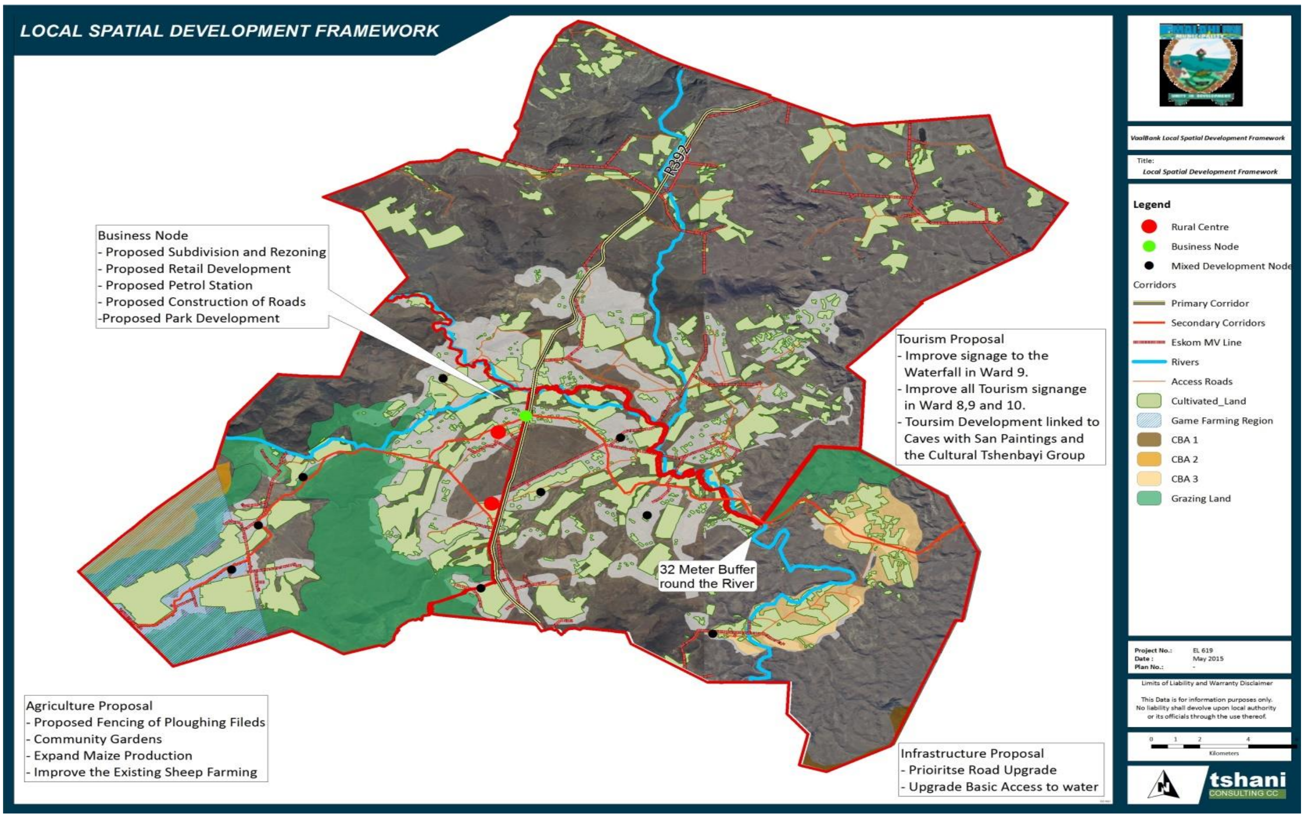
Solid waste recycling – certain items of solid waste can be collected to recycling and could potentially be sold thereby creating employment for residents.


Greywater reuse - Greywater is gently used water from bathroom sinks, showers, tubs, and washing machines. It is not water that has come into contact with faces. Greywater could be collected to water gardens and farms.

Solar panels could be used for electricity as they are less intrusive on the residents & can be locally installed at each house where the resident can take ownership.

VAALBANK DEVELOPMENT NODE IMPLEMENTATION PLAN

The Implementation Plan below gives a view of possible projects, the division responsible for the project the possible funder and a possible budget that can be tied to the project.




| Name of Project | Possible Funder | Budget |
|---|---|---|
| It is proposed that the municipality prepare a Rural Settlement Development Plan for the municipal area. | DLG&TA/ELM/CHDM | R500 000.00 |
| Precinct Plan Vaalbank Intersection Business Nodes | CHDM/ELM | R400 000.00 |
| Road upgrade throughout the entire study area, particularly the main and primary transport routes; | DOT/ELM/CHDM | R10 million |
| Grading (or tarring) of gravel access roads; | DOT/ELM/CHDM | R2 million |
| Provision of piped water to all residential settlements; | CHDM/ELM | R30 million |
| Better access to sanitation for all households; | CHDM/ELM | R5million |
| Electricity supply to all residential settlements. | Eskom/CHDM/ELM | ESKOM |
| Proposed fencing of ploughing fields | ELM/DOA | R300 000.00 |
| Community vegetable gardens | ELM/CHDM | R100 000.00 |
| Feasibility to improve sheep farming and maize production within the area. | ELM/CHDM | R200 000.00 |

| | | |
|---|---|---|
| Feasibility study: Renewable energy (wind, solar and biogas); | ELM/CHDM | R250 000.00 |
| Construction of a satellite police station or visible police patrolling | SAPS/CHDM/ELM | R400 000.00 |
| Renovation and development of sports facilities and playgrounds to encourage youth productivity | ELM/CHDM | R200 000.00 |

Human Settlements

Emalahleni Municipality is not an accredited housing provider but merely facilitate housing provision through the provision of administrative support. However, there are middle income projects that may be hindered by possible land claims.

SWOT Analysis

| **Strengths** | **Weaknesses** |
|---|---|
| Housing sector plan.<br>Housing subsidy systems.<br>Capable warm bodies. | Non availability Of bulk infrastructure.<br>Delays on land transfers in urban areas.<br>Invasion of Municipal land and encroachment on municipal boundaries.<br>General ignorance, disrespect and non observation of by-laws and policies by community members.<br>Lack of budget |
| **Opportunities** | **Threats** |
| Good working relations with the Departments (NHBRC).<br>In the process to attain accreditation for level 1 of developer status with the Department of Human Settlements | SMME' s demanding 30% of a project.<br>Material theft of site |

**Building Control**

The Building Control Unit is responsible for the circulation and approval of building plans, in terms of the National Building Regulations and Standards Act (Act 103 of 1977) which under review, for any building work to be executed on a site, i.e. the construction of new dwellings and other buildings, extensions and alterations to dwellings and other buildings, the erection of boundary walls and advertising signs, to promote the terrain and environment of the communities residing within the municipal boundaries by regulating the appearance and condition of buildings and premises.

The municipality has structured bylaws to prevent building of illegal structures built without approved building plans and to prevent the municipality from having neglected unsightly building or premises.

The level of understanding building procedures by the community in the municipal area has a bad impact on how the towns grow and develop. People are building illegally and not complying with

National Building Regulations & Standard Act 103 of 1977 as amended. Landowners just build according to their wants without consulting the municipality.

SWOT Analysis Town Planning snd Building Control

| **Strengths** | **Weaknesses** |
|---|---|
| Approved land audit.<br>Approved Land Disposal Policy<br>Approved SDF<br>Joined the CHDM Town Planning Tribunal<br>Council approved Emalahleni LM SPLUMA By-Laws<br>Financial and technical support from DRDAR with the development of a single land use scheme<br>Technical support with GIS from COGTA<br>Revenue enhancement collection through building plan and signage application.<br>Integration with other stakeholder relating to construction sector. (Human Settlements, CHDM & NHBRC)<br>Legal support<br>Archiving system | Invasion of Municipal land and encroachment on municipal boundaries.<br>Non availability of bulk services hindering development<br>General ignorance, disrespect and non observation of by-laws and policies by community members. |
| **Opportunities** | **Threats** |
| Legal Support<br>Electronic building plan approval system<br>Development of a single land use scheme in compliance with SPLUMA. | Illegal constructions.<br>Unavailability of law enforcement officers.<br>Cadastral Issues<br>Lack of staff protection.<br>Non implementation of By-Laws |

**Waste Management**

The municipality is responsible for waste management service which encompasses street cleansing, collection, transportation, disposal of solid waste and management of landfill sites. Integrated Waste Management Plan was developed and adopted by Council on the 27 October 2016. The Department of Economic Development, Environment and Tourism endorsed the IWMP on the 16 June 2017 and is currently awaiting further endorsement from the Department of Cooperative Governance and Traditional Affairs

The Council approved and DEDEAT endorsed IWMP is aiming at optimizing waste management by maximizing efficiency and minimizing associated environmental impacts and financial costs. It makes projections on future requirements, set objectives, identified system components. Alternative methods/approaches for meeting legal requirements were as well identified. Implementation of the

IWMP is reviewed annually. Lack of funds for projects and operations of the section necessitate that the Waste Management Section continuously source funds and resources externally.

The unit for waste management is staffed with the Manager Waste and environment, Senior Superintendent Waste and Environment, three supervisors for waste management, TLB operator, and street cleansing personnel. The Waste Management Officer was designated by the mayor in the year 2018 and the designation letter was submitted to DEDEAT and DEA.

**Landfill Site Management (See attached IWMP)**

Emalahleni LM has two registered transfer stations, which are at 85% complete in terms of construction. The Municipality has obtained a closure permit for the Old Lady Frere site and Dordrecht Site. The Department of Economic Development, Environmental Affairs and Tourism allocated an amount of R1.6 million in 2014/2015 financial year to ensure compliance of the sites to the Norms and Standards and an additional R3 million was be allocated in the 2018/2019 financial year. A portion of this has been used for the construction of a Material Recovery Facility at Indwe in 2019/2020 financial year. Fencing of Cacadu Landfill site to restrict uncontrolled access was done and construction of the guard house has been completed.

The Municipality has also obtained a permit to construct and operate a Regional Landfill Site in Cacadu which has since not yielded positive results. The municipality will restart the process and prioritize public participation and identification of alternative sites before authorization. Indwe has a registered transfer station and a portion of the site was declared an illegal dumping area that needs to be rehabilitated. The municipality is in the process of sourcing funds for the closure and rehabilitation. This development also entails the construction of Transfer Station at Indwe, Dordrecht and Cacadu. There is dedicated staff for Landfill Site Management through the EPWP initiatives implemented by the municipality. The municipality takes advantage of the available Roads and Storm water plant and the new procured TLB for the management of landfill sites. Volume of waste are recorded daily and registered to SAWIS to comply with minimum requirements of NEMWA.

**Refuse Collection**

The Municipality is currently collecting refuse in all urban and township areas at least once per week and plans are in place to extend the refuse removal service to Cacadu extension. The CBD and major retailers are serviced more frequently with some businesses being serviced on a daily basis even though they are not charged; accordingly, plans are in process to align the billing with the services rendered. Business plans have been developed to solicit funds to acquire two refuse caged trucks. A combination of tractor trailer system for refuse collection is currently utilized by the municipality.

**Refuse removal for Household**

| | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|
| Unspecified / other | 52 | 49 | 47 | 1303 |
| Removed by local authority at least once a week | 3 026 | 3 085 | 3 144 | 2 637 |
| Removed by local authority less often | 217 | 211 | 206 | 165 |
| Communal refuse dump | 562 | 587 | 612 | 528 |
| Own refuse dump | 13 363 | 13 518 | 13 674 | 20 165 |
| No rubbish disposal | - | - | - | 6883 |

**Refuse collection per urban household**

| CACADU | INDWE | DORDRECHT |
|---|---|---|
| Main Town (170) | Main Town (714) | Main Town (350) |
| Bhongolwethu (700) | Manyano (344) | Tyoksville (1985) |
| Cacadu Location (592) | Mavuya (759) | Isinakho (1045) |
| Pilot (Mqeshi)(15) | Mzamomhle (502) | Munniksville (292) |
| | Sonwabile (193) | |
| | Phumlani (331) | |
| Total Number of Households: 7999<br>Total Number of Households receiving Recollection Services 7999<br>Total Households of Emalahleni Local Municipality: 31 681<br>Weekly refuse removal services are at 8.5% according to Statistic South Africa 2011 Census report. | | |

(c**) Waste Minimization**

The municipality conducts awareness campaigns on a quarterly basis as well as clean up campaigns on a weekly basis. There are recycling initiatives in place where the municipality facilitates and offers support to formal and informal recyclers within the municipal area. A partnership has been forged with PETCO recycling company where they offer training to recyclers and have donated recycling equipment. An additional partnership has been formed with local recycling companies to conduct recycling initiatives in the two existing transfer stations.

A pilot study has been conducted on waste separation at source in the Indwe area to determine the recycling potential of the area.

**Street Cleaning**

The Municipality provides street cleansing services daily, especially the CBD and busy streets with businesses and transportation of waste to designated disposal areas. The Waste Management Section is currently doing litter picking but has identified the need to physically sweep the streets due to dirt and silt built up caused by soil erosion and dust settling.

Clearing of Illegal Dumping Sites

The Municipality has noted the growing number of Illegal Dumping areas within the residential areas and more so in the townships and are more prevalent at Indwe and Cacadu. Drop-off centers have been constructed in three units to eradicate Illegal Dumping areas and also educate the communities on Waste, Health and Environmental Management. These have been grossly reduced with the implementation of Clean-up campaigns and community participation through EPWP and Community Works Program.

**Solid Waste Management**

The municipality is responsible for Solid Waste Management Service which encompasses street cleansing, refuse collection, disposal of solid waste and management of landfill sites. Integrated Waste Management Plan (IWMP) was developed and adopted by Council on the 27 October 2016. The Department of Economic Development, Environment and Tourism endorsed the IWMP on the 16 June 2017 and the IWMP is due for review in this current financial year of 2021/2022. The new IWMP will be implemented from 2022/2023- 2026/2027.

The current draft IWMP is being reviewed and updated inline with the changes in the situational analysis, waste trends and the updated legislation. The IWMP is aiming at optimizing Waste Management by maximizing efficiency and minimizing associated environmental impacts and financial costs. The review is in line with the updating of the Legislation and development of new plans. It makes projections on future requirements, set objectives, identified system components. Alternative methods/approaches for meeting legal requirements were as well identified. Implementation of the IWMP is reviewed annually and the complete document is revised every 5 years. Lack of funds for projects and operations of the section necessitate that the Waste Management Section continuously source funds and resources externally.

The unit for waste management is staffed with the Manager Waste and Environment, Senior Superintendent Waste and Environment, three supervisors for waste management (one in each unit/town), TLB operator, Drivers and street cleansing personnel. The Waste Management Officer (WMO) is designated by the mayor and the designation letter will be submitted to DEDEAT and DFFE in 2022.

**Landfill Site Management**

Emalahleni LM has two registered transfer stations, which are at 85% complete in terms of construction. The Municipality obtained a closure permit for the Old Cacadu site and Dordrecht site. The Department of Economic Development, Environmental Affairs and Tourism allocated an amount of R1.6 Million in 2014/2015 financial year to ensure compliance of the sites to the Norms and Standards and an additional R3 million was be allocated in the 2018/2019 financial year. A portion of this has been reserved for construction of a Material Recovery Facility at Indwe in 2019/2020 financial year. Fencing of Cacadu Landfill site to restrict uncontrolled access was done in 2017/2018 and construction of the guard house were also completed using the DEDEAT funds mentioned above.

The Municipality has also obtained a permit to construct and operate a Regional Landfill Site in Cacadu which has since not yielded positive results. The municipality will restart the process and prioritize public participation and identification of alternative sites before authorization. Indwe has a registered transfer station, and a portion of the site was declared an illegal dumping area that needs to be rehabilitated. The municipality is in the process of sourcing funds for the closure and rehabilitation. This development also entails the construction of Transfer Station at Indwe, Dordrecht and Cacadu. Volume of waste are recorded daily at Indwe and the information is kept for records purposes. Dordrecht and Cacadu will be initiating the same data collection process when Landfill Site Management project is approved as part of the EPWP incentive grant.

The Municipality is in constant engagements with DEDEAT for the formalization and licensing of atleast one landfill site within its jurisdiction. This will be followed by upgrades that will be based on the licensing requirements and subsequent conditions specified on issue of the license.

**Refuse Collection**

The Municipality is currently collecting refuse in all urban and township areas at least once per week and plans are in place to extend the refuse removal service to Cacadu extension. The CBD and major retailers are serviced more frequently with some businesses being serviced daily even though they are not charged as such; plans are in process to align the billing with the services rendered. Business plans have been developed to solicit funds to acquire two refuse caged trucks. A combination of tractor trailer system for refuse collection is currently utilized by the municipality.

**Refuse Collection Fleet**

The current fleet that is available for Refuse Collection is old and unreliable. It ranges between 5 and 25 years of age with some tractors having been owned before the formation of the Municipality. The available fleet includes a Refuse Compactor Truck, Tractor & Trailer Combos, Skip Loading Trailers and Bakkies for supervisor. The Munipaity will need to procure more fleet in order to provide a sustainable refuse collection service to its customers and communities.

**Refuse collection per urban household**

| CACADU | INDWE | DORDRECHT |
|---|---|---|
| Main Town (170) | Main Town (714) | Main Town (350) |
| Bhongolwethu (700) | Manyano (344) | Tyoksville (1985) |
| Cacadu Location (592) | Mavuya (759) | Isinakho (1045) |
| Pilot (Mqeshi) (15) | Mzamomhle (501) | Munniksville (292) |
| | Sonwabile (193) | |
| | Phumlani (331) | |
| Total Number of Households: 7 991<br>Total Number of Households receiving Recollection Services 7 991<br>Total Households of Emalahleni Local Municipality: 31 681<br>Weekly refuse removal services are at 8.5% according to Statistic South Africa 2011 Census report. | | |

**Refuse removal for Household**

| | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|
| Unspecified / other | 52 | 49 | 47 | 1303 |
| Removed by local authority at least once a week | 3 026 | 3 085 | 3 144 | 2 637 |
| Removed by local authority less often | 217 | 211 | 206 | 165 |
| Communal refuse dump | 562 | 587 | 612 | 528 |
| Own refuse dump | 13 363 | 13 518 | 13 674 | 20 165 |
| No rubbish disposal | - | - | - | 6883 |

**Street Cleaning**

The Municipality provides street cleansing services on a daily basis, especially the CBD and busy streets with businesses and transportation of waste to designated disposal areas. The Waste Management Section is currently doing litter picking but has identified the need to physically sweep the streets due to dirt and silt built up caused by soil erosion and dust settling.

**Clearing of Illegal Dumping Sites**

The Municipality has noted the growing number of Illegal Dumping areas within the residential areas and more so in the townships and are more prevalent at Indwe and Cacadu. Dordrecht has a challenge of illegal dumping of garden waste which is currently being cleared by the refuse collection teams. Drop-off centers have been constructed in three units to eradicate Illegal Dumping areas and also educate the communities on Waste, Health and Environmental Management. These have been grossly reduced with the implementation of Clean-up campaigns and community participation through EPWP and Community Works Program.

**Waste Minimization**

The municipality conducts awareness campaigns on a quarterly basis as well as clean up campaigns on a weekly basis.  There are recycling initiatives in place where the municipality facilitates and offers support to formal and informal recyclers within the municipal area. A partnership has been forged with PETCO recycling company where they offer training to recyclers and have donated recycling equipment.  An additional partnership has been formed with local recycling companies to conduct recycling initiatives in the two existing transfer stations.

A pilot study has been conducted on waste separation at source in the Indwe area to determine the recycling potential of the area. The study results indicate that financial incentives will be required in order to implement and expand the separation of waste at source. Large Retailers have initiated their own recycling programmes as part of Waste Minimization. These include Lady Frere Spar and Lady Frere Boxer.

**Waste Management Legislation**

The Municipality has a Council approved Integrated Waste Management Plan (IWMP) which was developed in 2016 and DEDEAT endorsed the IWMP in 2017. The IWMP is due to reviewal to ensure it is aligned with the new developments of the area and growth of waste generation within Emalahleni Municipality. The review also takes new legislation into account.

The Municipality has developed and gazetted a Waste Management By-Law in line with the provisions of NEMWA No. 59 of 2008 to give effect to enforcement of the legislation and polluter pays principles. Institutional re-arrangements to enforce implementation of the by-laws are underway

Designation of a Waste Management Officer was previously conducted in 2018 and a new designation will be done in 2022 to update DEDEAT and DFFE of the current incumbents responsible for Waste Management.

**Current Projects**

Project Hlasela

A Municipal initiative aimed at addressing illegal dumping and awareness raising with an added benefit of job creation. It is funded internally, and beneficiaries are distributed in all units.

SWOT Analysis for Waste Management as a functional area

The municipality has identified the following areas and the Integrated Waste Management Plan addresses all challenges identified

| **Strengths** | **Weaknesses** |
| --- | --- |
| Council approved IWMP (Under review)<br>Approved refuse collection schedule<br>Council approved Waste Management by law<br>Dedicated personnel for waste management<br>District representative for Greenest Municipality Competition | Insufficient budget for equipment<br>Inadequate plant and equipment to ensure compliance of landfill sites.<br>Inadequate provision of personnel-over reliance on temporary workers |
| **Opportunities** | **Threats** |
| Donor Funding<br>Support from CHDM, DEDEAT & DFFE<br>Community participation | Litigation for sites that are not permitted<br>Illegal dumping<br>Insufficient revenue generated |

**REQUIRED PROJECTS FOR WASTE MANAGEMENT**

**Street Cleaning Enhancement Project –** the project is a job creation plan for short term inline with EPWP guidelines. It is focused on improving the street cleaning efforts of the Municipality, greening of town entrances and assisting with refuse collection.

**Refuse Collection (One-Man Contractor) Project:** This project is an SMME development project that seeks to identify small businesses that are able to assist with refuse collection for designated townships. This reduces the burden of the Municipality and ensures focus is given to all urban areas of the Municipality. The downtime for vehicle breakdowns are reduced and the project is closely monitored to ensure the communities are serviced reliably and frequently.

**Recycling Support Programme:** The project is based on administrative, technical and financial assistant that is directed to Waste Pickers and Recycling Entities within Emalahleni local Municipality. It also assist in diverting waste from the Landfill Site, increasing the lifespan of the Landfills while creating jobs in the green economy.

**MIG Procurement of Waste Management Fleet:** Procurement of Waste Management Fleet, which include refuse collection specialized vehicles and Yellow Plant for Landfill Site Management is now allowed through the Municipal Infrastructure Grant (MIG). The Municipality needs to reprioritize on the MIG Projects and register the Project in line with applicable guidelines.

**ENVIRONMENTAL MANAGEMENT**

The Municipality has a dedicated official for Environmental Management and related functions. An integrated environmental management framework has been developed and approved by Council. Awareness Campaigns are conducted for waste management and environmental preservation. National Green days are celebrated on an annual basis. Chris Hani DM adopted a District focused Environmental Management Plan which was reviewed to ensure relevance to its material conditions. The municipality through the District Environmental Management Forum has established relations with DEDAT for climate change and environment (biodiversity, wetlands, enforcement of environmental legislation).

An internal analysis on the strengths, weaknesses, opportunities and threats on environmental management was done and the below table presents the findings:

| Strengths | Weaknesses |
|---|---|
| Availability of Spatial Development Framework<br>Greening and land care initiatives<br>Availability of Environmental Management Framework<br>Support from SALGA on Environmental Management Programs.<br>CHDM integrated Environmental Management Plan | Limited availability of environmental personnel within the organization to deal with or address environmental issue<br>Limited Resources for initiating Environmental Programmes |
| **Opportunities** | **Threats** |
| Support from CHDM, DEA and DEDEAT<br>Tourism<br>Environment and Climate Change Forum<br>DEA, CHDM, DEDEAT EPIP funding | Climate Change impacts and air quality<br>Land degradation<br>Alien Invasive Species |

**Environmental Management Framework**

The Constitution and other legislations place an obligation on local government to provide services in an environmentally sustainable manner. Local Government has a duty to protect the 'environmental rights' of its citizens. The Constitutions further contains two critical objects relating specifically to local government in achieving sustainable development which are:

To ensure the provision of services in a sustainable manner
To promote a safe and healthy environment

In response to this, the municipality has developed an Environmental Management Framework phase one which is a study of the biophysical and socio-cultural systems of geographically defined areas to reveal where specific activities may best be practiced and to offer performance standards for maintaining appropriate use of such land and environment. The plan is emphatic in its desired state on the following:

Freshwater ecosystem, water quality, air quality, agriculture, heritage, biodiversity. Ecology, geology, landscaping/ characteristics and genus/Loci, resource economics, town planning. Land Degradation and its rehabilitation are also discussed in length providing the status qou and the desired state.

A logical spatially demarcated area is defined by an EMF some being sensitive, requiring specific management intervention to ensure its future environmental integrity gets allocated through the process, some being assets or identified as heritage and historical importance Management Guidelines are proposed looking at specific provisions applied in the management of each individual attribute or activity associated with the respective Management Zones.

The municipality is staffed with one practitioner, staff for maintenance of parks and open spaces. Chris Hani District Municipality (Environmental Health Practitioners), DEA and DEDEAT (environmental officers) have assigned officials to collaborate with the municipality on all environmental matters within their ambit.

**Environmental Management Project Implemented**

Land Care-Environmental Projects

Mthonjeni Landcare

The Mthonjeni Development Forum in Ward 2 ELM has been funded by Department of Environmental Affairs (DEA) now DFFE (Department of Forestry, Fisheries and Environment) with R10 000 000.00 to implement a Landcare Project. The project commencement date was 01 August 2019 following the final approval of the business plan on 02 July 2019. Project duration is 15 months. The project will be extended inline wit information provided by DFFE in order to complete the outstanding work. A new service provider will be appointed by the National Department.

Participation in Schools Environmental Awards: Emalahleni Local Municipalitity supports Enviro-Schools in preparation for the School's Environmental Awards. Current Schools that are supported include Three Crowns, Matyantya and Mt Arthur.

Women in Environment Forum: The Municipality partcipes in the district and provincial forum for Women in Environment. Representative of the Municipality include the chairperson for womens caucus.

Ward 1 Poisonous Plant Project: Emalahlnei Local Municipality received a complaint from Residents of Ward 1 in the three villages of Rwantsana, Rodana and Tshatshu. The complaint was about a poisonous plant that they identified to be the cause of fatalities to their livestock and that they have been knocking at different government departments without success. The plant was identified through specialist studies as *Cestrum Parqui* which originates from Chile, South America. The Municipality Submitted a Business Plant to DEDEAT for funds to remove the Plant and it Business Plan was approved for R3 000 000.00 for implementation in 2021/2022.

**Climate Change and Air Quality Management**

The specialist air quality study indicated that residential energy use (biofuel and electricity), motor vehicle emissions, vehicle entrainment on dirt road, hospitals, solid waste burning, vegetation burning (veld fires) and road construction (including their quarries/borrow pits) and trans -boundary pollutants as major sources of air pollution in the municipality. However, the overall air quality within the study area is still considered to be in good quality amidst random peaks. It is recommended that the municipality regulate and manage the air quality as there are no dedicated resources to monitor different activities that affect the air quality within. The agreement necessary to manage and monitor air quality within the

Chris Hani DM has a Climate Change Response Strategy and Air Quality Monitoring bylaws that are waiting for promulgated are also considered by Emalahleni LM. The DM is the Licensing Authority for Air Emissions Licenses. The Air Quality Act makes it incumbent on local municipalities to monitor ambient air quality within its area of jurisdiction. It is accepted that a permanent air quality officer is required to regularly monitor air pollution and analyse the data in areas with heavy industrial emissions due to high industrial development.

However, Emalahleni LM almost has no extensive industrial economy that emits or degrade air quality. This situation does not warrant the appointment of a permanent air quality officer therefore the municipality is looking at more sustainable solution like partnering with the CHDM and DEDEAT to monitor the air quality. Emalahleni is part of the Chris Hani District Climate Change and Environmental Management Forum and is also participating in the SALGA Forums for Environmental Management and Climate Change Strategy Forums

**Required Project under Environmental Management**

**Eradication of Cestrum Parqui in ward 1:** The Project focuses on the physical removal of the poisonous plant identified in ward 1. It is a mass job creation project which benefits communities through employment opportunities, training and the prevention of livestock losses which result from the existence of the poisonous plant in the area.

**Alien Invasive Plat Removal**: The project is focused in the abundance of various invasive species of plants within Emalahleni LM. Lapesi is the most common invasive plant, and it is present in all 17 wards. The physical removal of the plant will create jobs and restore natural habitats and grazing lands for livestock. It will also reduce water consumption and limit competition between alien and indigenous plant species.

**Rehabilitation of dongas**: the climate change effects in our Municipality has increased the formation of dongas and eroded waterways beyond the acceptable limits. The high rainfalls following by long dry periods play a role in this. The benefits of the programme will be the restoration of natural habitats, maintenance of flood plains, wetlands and grazing lands.

**Trade effluent Policy**

The Municipal area has no extensive industrial areas that emit effluents which would require a by-law or a policy. The Water Act, NEMA, SANS 241, Health Act and the Constitution will be utilized for penalizing emitters if such occurs in the absence of the policy, though the Municipality does not have budget.

**Public Safety**

Public Safety consists of Disaster Management, Traffic Services. The Municipality has established a Roads, Transport and Community Safety Forum which is a structure to coordinate crime prevention activities of all government and non-government organizations that are involved in crime prevention which may cover several policies. It sits on a quarterly basis. As such this platform provides means for sharing information on areas of attention and successes. Key stakeholders include Department of Roads and Transport, SAPS, SANRAL, Department of Justice, Social Department, Department of Safety and Liaison. The forum has identified the need to develop a community safety plan for ELM.

**Disaster Management**

**Institutional Capacity**

Emalahleni Local Municipality has two disaster management field workers for the provision of disaster management and fire-fighting coordinators in the organizational structure which are not yet filled. Chris Hani District Municipality had seconded ELM with two personnel (Disaster Management Practitioner and Disaster management Field Worker). 3 firefighters have been employed on temporal basis. The municipality ensures quarterly sittings of Disaster Management Advisory Forums with all relevant stakeholders.

**Risk Assessment**

The municipality conducted an intensive risk assessment per ward to input in the disaster management plan. Further risk assessment will be conducted owing to risks that continue to manifest themselves. The CHDM also conducted a Scientific Risk Assessment on Disaster Management and have profiled all the wards of ELM.

**Risk Reduction & Prevention**

The winter fire season starts in March and includes all fire breaks and landowner awareness campaigns are being conducted.

**Response & Awareness**

Emalahleni Local Municipality conducts a minimum of four awareness campaigns in schools, residential developments and businesses per month with the support of the District Municipality staff and relevant stakeholders.

International Day for Disaster Reduction (IDDR) programme is being implemented on a yearly basis in identified communities affected by disasters. Standard Operating procedures for disaster responses have been developed and will be workshopped to Cllrs and Ward Committees.

**Training & Awareness**

Chris Hani District Municipality assists in fire and rescue services training and officials continue to attend courses and traffic law enforcement unit assists in vehicle accidents, hazmat dangers. Engagements to solicit support for basic fire-fighting training with Department of Water Affairs and Working on Fire have been conducted.

**Funding Arrangements**

Funding mechanism is through the municipal operating budget.

The municipality is not immune to emergencies and disasters and annually suffers the impact of various human-induced and natural hazards that have the potential to kill, injure, destroy and disrupt. The municipality is committed to ensure the safety and the sustainability of its communities, economy and environment and therefore intends to effectively manage disaster risk within the municipality in close collaboration with all relevant stakeholders.

The municipality has developed a disaster management plan for the municipal area in line with the requirements of the Municipal Systems Act and that of Disaster Management Act, 2002 (Act 57 of 2002). In developing the plan the following processes were followed, hazard identification analysis, risk profiling assessments and risk prioritization which then leads to interventions.

The Disaster Management Plan has since been adopted and approved by Council and submitted to CoGTA Eastern Cape and is due for reviewal. The plan is inclusive of fire tariffs has been developed aligned to Spatial Development and Environmental Management Frameworks. CHDM has provided Disaster Management & Fire Fighting by Laws for further discussion, consultation and adoption. Responsibilities of all stakeholders on the management of fires, spillages and other related functions have been spelt out.

A site has been identified for future development of a fire station. The Municipality received a donation of a fire engine from the Mantashe Foundation which has added to one skid unit.

Assessment performed revealed that ELM is an area already under stress due to the combined effects of poverty, large socioeconomic disparities and high disease burdens among significant portions of the population. Any disaster occurring in these already strained circumstances is bound to have an impact beyond what would normally be expected due to the vulnerability of the communities involved.

The municipality is at the forefront of dealing with disasters and their negative consequences, and it remains vital to include policies and regulations in their IDPs for reducing vulnerabilities and increasing opportunities of adaptation. The objective is the integration of disaster risk concerns into the municipal budget in order to ensure that levels of public expenditure on risk reduction are sufficient and that there are adequate financial arrangements to manage the residual risk. This DRA is required to establish the case for proactive and a comprehensive disaster risk management and to establish an enabling environment for disaster risk management.

Awareness-raising in the local community of the municipality is required to secure a solid appreciation and understanding of the relevance of disaster risk reduction and to secure its mainstreaming into development and greater accountability for disaster-related losses. Risk prioritization has since been performed. In response to the Disaster Risk Assessment performed the Disaster Management Plan was then developed with the following priorities

Addressing the priority risks:

Risk Reduction Plans, Disaster Preparedness Plans (Preparedness, Response & Relief) and disaster Recovery Measures (Rehabilitation & Reconstruction) have been identified and will be presented in length under the strategies

SWOT Analysis

| **Strengths** | **Weaknesses** |
|---|---|
| Well-coordinated structures with farmers and the community at large<br><br>Advisory forums are attended quarterly as well as technical task team meetings<br><br>Approved Disaster management plan<br><br>Approved business plan for Disaster management centre | Lack of equipment (fire beaters and hydrants, fire vehicles)<br><br>Problems with water supply interventions<br><br>Capacity to deal with totally destroyed houses and provision of temporal shelters<br><br>Lack of training for fire fighters |

| | |
|---|---|
| | Lack of funds |
| **Opportunities** | **Threats** |
| CHDM support<br><br>Working on Fire<br><br>Department of Water Affairs<br><br>DAFF<br><br>Affiliation to Emalahleni Fire Protection Association | Rockfall<br><br>Heavy Rains, floods and snow<br><br>Strong Winds<br><br>Fire<br><br>Hazmat (hazardous materials) danger<br><br>Drought |

**Traffic Services**

The municipality established a unit designated to deal with matters relating to traffic control, general community safety and security services. This far institutional arrangements has a Manager Public Safety, Chief Traffic Officer and two traffic officers appointed with the organogram. Additional personnel in this regard (Examiner, ENatis Supervisor and Clerk) were appointed during 2015/2016 financial year. Temporal personnel (Examiner, Clerk) has been appointed to increase the capacity of the Traffic Station. See reviewed organogram in Chapter 5 for ease of reference.

Furthermore, a Driving License and Testing Centre in Cacadu is operational since 2016. Construction of Vehicle Testing Station has been completed, requiring alterations for compliance. Roads and Transport forum has been established with all relevant parties and it deals with roads maintenance and road safety. Community Safety related Forum has since been established with the assistance of Department of Safety and Liaison, SAPS, Department of Transport and Justice. There is also no facility for impounded vehicles that are unroadworthy in terms of Section 44 of National Road Traffic Act, 1996 (Act 93 of 1996). Aforesaid departments had assisted in implementation of crime prevention awareness campaigns and quarterly forum meetings are held on annual basis.

**SWOT Analysis**

| **Strengths** | **Weaknesses** |
|---|---|
| Job Creation Projects (baseline)<br><br>Established & Operational Traffic facilities (DLTC, RA & VTS)<br><br>Approved IWMP (under review) & Designated WMO<br><br>Greening and Land Care Initiatives<br><br>Innovative and qualified staff | Shortage of Personnel (key workers)<br><br>Insufficient Budget for Operations and Projects<br><br>Limited capacity to deal with Disasters and Fire Fighting<br><br>Non-availability of adequate Fleet for Service Delivery |

| | |
|---|---|
| Policies, Plans and Procedures<br><br>Functional Forums | Defective New Facilities from PMU<br><br>Indwe Staff shelter and storage<br><br>Cemetery Management |
| **Opportunities** | **Threats** |
| Revenue Collection (Traffic, Facilities & Waste)<br><br>Funding Support (DFFE, DEDEAT, CHDM, DSRAC)<br><br>Partnerships and support from external stakeholders<br><br>SALGA, WORKING OF FIRE, SPCA, Dept of Health, DOTVTS | Connectivity & Network<br><br>Bad Weather Conditions<br><br>Electricity Outages<br><br>Community Protests and vandalism<br><br>Landfill Sites Permits - face litigations<br><br>Land Degradation<br><br>Invasive Allian Plants |

**Cemeteries**

The Municipality has three (3) cemeteries; there is one in operating in Indwe, one in Dordrecht and one in Cacadu. Each Cemetery has an existing cemetery Register. Dordrecht currently offers sale of site and grave digging services. Indwe and Cacadu are only offering sale of site. Cemetery layout plan has been developed for Cacadu and has been submitted to Council for adoption, Indwe cemetery is currently being developed.

Fencing for Cacadu cemetery was done. There are future plans that include the development of a Cemetery Management Plan.

**CEMETERIES SWOT ANALYSYS**

| Cemetery | Condition | Description | Place |
|---|---|---|---|
| Cacadu Cemetery | Fenced but not complete<br><br>No parking space designated on the cemetery yard | Fencing to be completed end June 2021. Register in place | Cacadu |

| | | | |
|---|---|---|---|
| Sinakho Cemetery | Fenced | Fence is complete, and register is in place | Dordrecht |
| Dordrecht Monument | Cemetery fenced and closed | Fencing is complete, and cemetery register in place | Dordrecht |
| Munnikville cemetery | Fencing is complete | Fencing is complete, register in place. | Dordrecht |
| Indwe Cemetery | Fencing not complete | Fencing is partially complete and register in place. Cemetery closed because of shortage of space. | Indwe |
| Indwe New Cemetery | Cemetery is currently being developed | Not fenced yet | Indwe |

SWOT Analysis

| **Strengths** | **Weaknesses** |
|---|---|
| Cemetery registers in place in 3 units<br><br>Designated personnel for tracking and allocation of gravesites – Indwe and Dordrecht Units<br><br>Availability of Land in Cacadu<br><br>Booking system is in place to three units<br><br>Good practice of cemetery management is implemented in Dordrecht<br><br>Layout plan in Dordrecht and Cacadu is available<br><br>Availability of land in Indwe Unit | Uncontrolled access in Cacadu<br><br>No dedicated personnel booking and location of gravesites in Cacadu<br><br>Non-availability of records for previous years<br><br>Non-availability of cemetery map and layout plans |
| **Opportunities** | **Threats** |
| Revenue and job opportunities | Land invasion<br><br>Theft<br><br>Vandalism |

**Libraries**

Emalahleni Local Municipality performs Library services on an agency purpose through a Service Level Agreement with the Department of Sports, Recreation, Arts and Culture which is followed by a subsidy partially subsidizing the services. For three consecutive years the municipality through the DORA has been funded an amount of R953 000 which is not sufficient for its operations. Library committees were formed, inducted on their roles and responsibilities and library forum meetings are held. There are friends of Library which are doing tremendous job for all the libraries.

Libraries currently available at Emalahleni can be presented as follows:

| Area / Town | Library |
|---|---|
| Cacadu | Bengu Modular Library<br>Mhlanga Library<br>Tsembeyi Modular Library<br>WyCliff Mlungisi Tsotsi Library |
| Indwe | Indwe Public Library |
| Dordrecht | Dordrecht Public Library |

**Parks, Recreation and Sport facilities**

The Municipality has three Parks at Indwe, Cacadu and Dordrecht. Cacadu Park was constructed with assistance of Department of Public Works Funding of R 3.5 million and Dordrecht Park was constructed with MIG funding of R1.37 million. Indwe Park has been constructed and was funded by MIG with R1.7 million. Funds are being solicited for open space management and parks development. The municipality has three Sport Stadiums located in three towns. The Stadium in Cacadu is currently undergoing upgrading.

| Strengths | Weaknesses |
|---|---|
| Availability of land for parks developed (Cacadu, Indwe and Dordrecht)<br>Availability of facilities management and maintenance plan | Lack of guarding of assets<br>Illegal dumping site<br>Lack of tariffs for utilization |
| **Opportunities** | **Threats** |
| Funding from different institutions | Vandalism<br>Stray animals<br>Criminal activities |

**Public facilities**

Community Halls - Emalahleni Municipality has 22 Community Halls, 1 Community Hall requires rebuilding and 1 destroyed. (See the following table)

| Community Hall | Ward | Condition |
|---|---|---|
| Mike Huna Community Hall | 11 | Good |
| Town Hall (Dordrecht) | 14 | Good |
| Munniksville Community Hall | 11 | Fair |
| Harry Gwala Community Hall | 11 | Under renovations |
| Youth Centre | 14 | Fair |

| | | |
|---|---|---|
| Dora Vosloo Community Hall | 16 | Good |
| New Community Hall | 15 | Fair |
| Mavuya Community Hall | 15 | Destroyed by natural disasters |
| Cacadu Community Hall | 4 | Good |
| Matyantya Community Hall | 6 | Good |
| Rwantsana Community Hall | 1 | Good |
| Qoqodala Community Hall | 7 | Good |
| Vaalbank Community Hall | 8 | Good |
| Zwaartwater Community Hall | 9 | Fair |
| Tsembeyi Community Hall | 10 | Fair |
| Ngqanda Community Hall | 12 | Good |
| Boomplass Community Hall | 13 | Fair |
| Maqhashu Community Hall | 17 | Fair |
| Greyspan Multi-Purpose Hall | 3 | Good |
| Mtsheko Community Hall | 5 | Fair |
| Bengu Community Hall | 2 | Fair |
| Resort hall | | Rebuild required |

**SWOT Analysis**

| **Strengths** | **Weaknesses** |
|---|---|
| Registers in place in all 3 units.<br>Booking system is in place to three units | Lack of monitoring systems<br>Lack of security systems<br>Quality of halls constructed |
| **Opportunities** | **Threats** |

| | |
|---|---|
| Revenue<br><br>Job opportunities | Vandalism<br><br>Theft<br><br>Adverse weather conditions |

**Maintenance**

The municipality has a maintenance plan that is currently implemented. A maintenance plan covers a building routine maintenance, as well as long term care of certain equipment and systems inside of a facility. Maintenance team constantly fixing minor and major problems that arise and helping to avoid larger problems in the future.

**Commonages and Pounds**

There is one animal pound in Dordrecht and one holding facility at Indwe. A site for Cacadu holding facility has been approved by Council in 2018/2019 and is under development. Stray Animal Control measures are in place in all three towns with assistance of Rangers and Traffic Officers.

**Taxi Ranks and Bus Terminals/Shelters**

Construction of Cacadu taxi rank is complete. The Taxi Ranks are not used effectively by the Taxi Operators and Commuters. There is no staff dedicated to management of Taxi Ranks. Management and maintenance of the taxi rank in Cacadu will be the responsibility of taxi owners. The taxi rank has been handed over to the taxi association. Maintenance is the responsibility of the taxi association.

**Public Toilets**

There are Public Toilets in the Taxi Rank at Zulu Square in Cacadu. There is no staff that is dedicated to management and maintenance of Public Toilets. The Public also has access to the town hall toilets.

**Early Childhood Development Centres**

Emalahleni local Municipality is discharged in providing support to Early Childhood Development centres in the radius Emalahleni Municipality. This support is aimed at promoting a healthy and safe environment for the children especially in the ECDCs in previously disadvantage communities. Emalahleni municipality has a total number of 115 ECDC, 78 ECDC are funded by the Department of Social Development and 37 ECDC are unfunded. Emalahleni municipality has constructed 10 ECDC, 64 ECDC constructed by community members, 38 is renting or operating at community members households and 3 ECDC are no longer operating. Indwe unit has a total number of 18 ECDC, Dordrecht unit has a total number of 8 ECDC and Cacadu unit has total number of 89 ECDC. There are ECDC forum meetings that are conducted with support of Department of Social Development and CHDM Municipal Health Services. The municipality with Department of Social Development and CHDM managed to assess 115 ECDC. The assessment report was presented to ECDC Forum.

**Municipal Health Services**

The regulations defining the scope of profession of Environmental Health outlines functions of Environmental Health Practitioners as the nine Municipal Health Functions. In terms of the National Health Act, (Act 61 of 20013) Municipal Health Services are defined to include the following environmental health functions, which are provided by the District and Metropolitan Municipalities: -

Water quality monitoring

Food control

Waste management

Health surveillance of premises

Surveillance and prevention of communicable diseases, excluding immunization

Vector control

Food control

Exhumation and Reburial

Chemical safety

Environmental Health Practitioners (EHPs) operate their duties in the local municipalities assisting with environmental health duties. This is conducted to prevent any adverse effect to health of community members. There are three (3) EHPs, 1 assistant and 1 Senior EHP working in three units of the municipality and are enforcing by-laws related to environmental health.

**HIV/AIDS**

Emalahleni Local Municipality has a HIV/AIDS Coordinator responsible for HIV/AIDS strategies both in the community and the workplace.

Emalahleni Local Aids Council: The Emalahleni Local Aids Council structure is in place, functional and Chaired by the Honourable Mayor who then delegated the coordination of the programme to the Community Services. The ward Aids structures has been established in all wards of Emalahleni.

The municipality has developed an implementation plan which was approved by Council in 2018/2019. The plan is aligned with the national adopted HIV/TB and STI's strategy 2017/2022. The following are the goals:

Accelerate prevention to reduce new HIV and TB infections and new STI's

Reduce illnesses and death by providing treatment, care, and adherence support for all

Reach all key and vulnerable population with comprehensive customised and targeted interventions

Address social and structural drivers of HIV and TB infection and STI's

Ground response to HIV, TB and STI's in human rights principles and approaches

Promote leadership at all levels and shared accountability for a sustainable response to HIV, TB and STI's

Mobilize resource to support the achievement of NSP goals and ensure sustainable response

Strengthen strategic information to drive progress towards achievement of NSP goals

Local Drugs Action Committee (LDAC): The Emalahleni Local Drugs Action Committee (LDAC) has been established and the committee has been appointed by the Honourable Mayor. The committee is composed of 29 members from the different stakeholders with the guidance of Subsection (3) of Local Drugs Act of the Constitution that says a Municipality must take a leading role to lead the Local Drugs Action Committee (LDAC). The Local Drugs Action Committee (LDAC) is chaired by the Municipality the office of the honourable Mayor. Only few Departments that have submitted their Substance Abuse Activity Plan.

The municipality has a functional initiation forum and functional traditional surgeons committee. The forum sits on a quarterly basis and is responsible for planning and coordination of initiation programs.

All registered Traditional Surgeons have been trained. Initiation Activity Plan has been submitted to Council.

**SWOT Analysis**

| Strength | Weakness |
|---|---|
| Functional Local Aids Council structure<br><br>Functional Local AIDS Council Technical Task Team<br><br>Enough Volunteers<br><br>Functional initiation forum and functional traditional surgeons committee<br><br>Awareness campaigns conducted | Increased number treatment defaulters<br><br>Lack of parental support for initiates<br><br>Lack of identification of land for initiation schools<br><br>Lack of budget |
| **Opportunities** | **Treats** |
| Working close with communities<br><br>Encouraging the culture of volunteerism<br><br>Job opportunities | New infections<br><br>Alcohol abuse<br><br>Lack of parental support for initiates and traditional nurses leading fatalities |

**Local Economic Development**

**Background**

In line with the requirements of Sections 152 (1) (c) and 153 of the Constitution of the Republic of South Africa, 1996; municipalities have a constitutional obligation to promote social and economic development within the municipal area. The Council has structured its Council committees according to local government key performance areas which as well consist of local economic development. A directorate for Planning Economic Development, Tourism and Agriculture was established and is responsible for execution of economic development plans.

The first LED Strategy was developed in 2009 and was approved by the Council on 12 December 2010. The LED Strategy serves as a guide to economic development initiatives of the municipality and a tool to fulfil legislative requirements. The strategy was last reviewed in 2015 and since then, a lot has changed in the municipality since the last review hence a need for reviewal of the strategy to respond to the prevailing socio-economic dynamics. The review is also necessitated by the economic challenges emanating from COVID-19 pandemic. The maps in the LED Strategy still had Lady Frere instead of Cacadu. The geographic location maps had Lukhanji Local Municipality, Nkwanca and Tsolwana, instead of Enock Mgijima Local Municipality. The Spatial Development Framework was last reviewed in 2018 and for alignment LED Strategy also had to be reviewed. Local economic development environment is dynamic and mechanisms for the mitigation of triple social ills must be reviewed more often. Implementation plan or action plan of the LED Strategy has been reviewed to ensure that the programmes that are being implemented are relevant to the current national economic situation. Lasty, the strategy is being reviewed for compliance and the document is already due for the review.

The municipality has a fully-fledged directorate which is responsible for the implementation of the LED programmes and projects. The focus areas of the directorate are agricultural development & agro-processing, forestry, mining, tourism & heritage management, SMME's (small medium micro enterprise) & Enterprise development at large. The municipality has an LED Forum which is functioning through the following sectors such as Agriculture (Livestock and crop production), Tourism and Heritage (Tourism product owners and Local Tourism Organization) and SMME (Business Forum) for purposes of consultation and engagement with LED stakeholders on LED matters.

The LED stakeholders for Emalahleni Local Municipality are as follows : Department of Economic Development, Environmental Affairs and Tourism (DEDEAT), Chris Hani District Municipality (CHDM), Department of Rural Development and Agrarian Reform (DRDAR), Department of Rural Development and Land Reform (DRDLR), Chris Hani Development Agency (CHDA), Chris Hani Cooperative Development Centre (CHCDC), Eastern Cape Rural Development Agency (ECRDA), Eastern Cape Development Corporation (ECDC), Eastern Cape Parks and Tourism Agency (ECPTA), Department of Trade and Industry (DTI), Department of Social Development (DSD)] and communal business entities (brick-makers, agricultural primary cooperatives and secondary cooperative, caterers, crafters, contractors, hawkers and B&B owners.

The economy of the municipality is made of the following sectors:

**Agriculture**

Agriculture is made up of two primary production components which are as follows:

<table>
<tr>
<td>Livestock and Wool Production</td>
<td>The scientific research conducted by the Agricultural Research Council in 2005 depicted that the Emalahleni area of jurisdiction has got sweet veldts, that on its own is showing that this area is rich in livestock production despite dry climatic conditions. Precisely, the area is more suitable for sheep production due to prevalence of short grass which is palatable for small stock. According to the Department of Rural Development and Agrarian Reform, the Emalahleni has about 500 000 sheep in the region with subsistence farmers having generated about R33m in the 2019/2020 financial year. The government and private sector continue to construct shearing sheds to improve wool production and the breakdown of the shearing sheds in shown in the table below:
<table>
<tr><th>Ward</th><th>Area</th><th>Implementing Agency</th></tr>
<tr><td rowspan="2">1</td><td>Tshatshu</td><td rowspan="2">DRDAR</td></tr>
<tr><td>Rhodana</td></tr>
<tr><td rowspan="2">2</td><td>Quthebeni</td><td>CHDM</td></tr>
<tr><td>Maqhashu</td><td>DRDAR</td></tr>
<tr><td>3</td><td>Greyspan</td><td>DRDAR</td></tr>
<tr><td></td><td>Lower Ndonga</td><td>CHDM and National Wool Growers Association</td></tr>
<tr><td>5</td><td>Cumakala</td><td>CHDM</td></tr>
<tr><td rowspan="3">6</td><td>Holani</td><td>DRDAR</td></tr>
<tr><td>Xonxa</td><td>Sand Mining Company</td></tr>
<tr><td>Khundulu</td><td>DRDAR</td></tr>
<tr><td>7</td><td>Blangwe</td><td rowspan="2">CHDM</td></tr>
<tr><td></td><td>Mayalulweni</td></tr>
<tr><td rowspan="2">8</td><td>Qhugqwarho</td><td>CHDM</td></tr>
<tr><td>Mgqukhwebe</td><td>ELM</td></tr>
<tr><td>9</td><td>Upper VaalBank</td><td>ELM</td></tr>
</table>
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<tr>
<td></td>
<td>
<table>
<tr><td></td><td>Zwaartwater</td><td>Donated by WestBank to National Wool Growers Association</td></tr>
<tr><td>10</td><td>Tsawulayo</td><td rowspan="2">Sibanye Stillwater</td></tr>
<tr><td rowspan="2">12</td><td>Mount Arthur</td></tr>
<tr><td>Mkapusi</td><td>DRDAR</td></tr>
<tr><td rowspan="2">13</td><td>Qoboshane</td><td rowspan="2">CHDM</td></tr>
<tr><td>Gxojeni</td></tr>
<tr><td rowspan="3">14</td><td>Kalfontein</td><td>DRDAR</td></tr>
<tr><td>Tafileni</td><td>CHDM</td></tr>
<tr><td>Zingqolweni</td><td>ELM</td></tr>
</table>
There is still a backlog as more than 100 Emalahleni villages still operate in temporary shearing shed structures. The farmers have built temporary structures with zinc and that affects the quality as well as the quantity of wool. Contrary, wool production level is high as if the farmers have permanent structures and shearing shed equipment. There is a high possibility that should the shearing sheds be constructed the production levels will be higher. Subsequently, the municipality formally engaged Sibanye Stillwater to fund the construction and equipping of Tsawulayo Shearing Shed (ward 10) and Mount Arthur Shearing Shed (ward 12). Sibanye Stillwater approved the Emalahleni request for the construction and equipping of Tsawulayo Shearing Shed (ward 10) and Mount Arthur Shearing Shed (ward 12) at the value of R1 792 677.00.
The municipality has improved cattle breed in the municipal area by introducing Nguni bulls which are an African breed that is resilient to prevailing climatic conditions. 12 Nguni bulls purchased and distributed in Ward 1 (2), ward 3 (2), ward 5 (2), ward 6 (2), ward 12 (2) and ward 15 (2).
The municipality is adding value on livestock production by putting in place necessary infrastructure in a form of dipping tanks for health purposes and stock pen sales for marketing purposes. It further puts in place measures to reduce stock theft in the area by introducing livestock branding programme. The Act which is regulating Livestock Branding is Livestock Branding Act No 6 of 2002.<br>The municipality has the following infrastructure:
Animal health infrastructure: Emalahleni has more than 100 dipping tanks Most of these structures were constructed in the 1980’s and are in a bad condition which requires renovations. Since 2000, DRDAR has been supplying the communal farmers with free dipping medication to prevent external parasites in livestock.
Battering system has been introduced to improve the wool production quality in the case of sheep. The challenge that is facing battering system is that some communal farmers are not cooperating to the requirements of the system. The municipality has sheep farmers who are committed to produce quality wool by introducing pure Merino breed.
</td>
</tr>
<tr>
<td>Crop Production</td>
<td>The municipality has an obligation to advance and promote agricultural development within its area of jurisdiction. The municipality has programmes aimed at crop production which is the process of growing crops for domestic and commercial purpose. However, the notable challenge has been climate change which has made the municipality to experience drought and that necessitate refurbishment of irrigation schemes for year-round farming. As such Xonxa Irrigation Scheme has</td>
</tr>
</table>

| | |
|---|---|
| | been targeted for refurbishment to ensure that farming takes place throughout the year. As part of food security Qwempe Project at ward 8 was supported through production inputs and mechanization activities for cultivation of forty (40) hectors. However, the climate change made farming of maize impossible and project members opted beans which depicted that the municipality is suitable for beans.<br><br>Rural Agro-Industries and Financial Initiative (RAFI) is an Argentinian programme that seeks to improve growth communal enterprises e.g., subsistence farmers and small holders. Series of meetings were conducted in Emalahleni municipality for RAFI awareness with Councilors, Traditional leaders, and farmers on the ground. The municipality is battling with fencing as the fence is easily damaged and stolen. Currently, fencing is provided by DRDAR and DRLAR the departments provide awareness programmes to educate communities on how fencing is erected. The challenge facing crop production within the municipality is severe drought which has led to demoralized crop farmers. Cost of production outweigh the income that is made by farmers due to methods that are utilized. The municipality has a programme of reviving small scale irrigation schemes with the intention to produce crop throughout the year. |
| **Agro-Processing** | The municipality has facilitated the establishment of a milling plant owned by Ibuyambo secondary cooperative which is made up of six primary cooperatives. Its objective is to add value to grain produce for purposes of marketing and profit.<br><br>Agro - processing facilities along R56 Route Corridor:<br><br>There is a private investment on dairy processing in IDA Farms and Dordrecht. IDA dairy is under construction, upon operation it will supply Dordrecht Cheese Factory for production. Fischer's Dairy (Dordrecht Cheese Factory) signed long term lease agreement with Emalahleni Local Municipality. Dairy processing is also taking place at Delindlala Farm at small scale next to Indwe. This is one of the success stories at Emalahleni on Land Redistribution and Agricultural Development (LRAD) programmes. The ownership of the farm is wholly by group of blacks predominantly women.<br><br>There is a long existing commercial abattoir at Indwe for meat processing and nearest market destination to commercial and subsistence farmers in the area. |

**Mining**

**Coal Mine**

The Municipality has got coal reserve on its northeast part (Indwe, Guba A/A, Machubeni A/A and Mhlanga A/A) which is covering more than 10 000 hectares. The mining of this coal mineral is anticipated to have the life span of more than 30 years. The discovery of coal mineral took place 100 years ago at Stekstroom and Guba Hoek. In the case of Emalahleni Local Municipality, the mining operation was taking place in Guba Hoek area but due to the quality of the coal which is low when it is compared with the coal mineral in Mpumalanga Province, the Emalahleni coal mine was abandoned.

In 2006, an attempt was made by Elitheni coal mine, a company which is based in Port Elizabeth; to reopen the mine. After all the required processes were followed, mining permit and mining license were granted by the Department of Mineral Resource to Elitheni Coal Mine. The mine operated in 2012, for a period of one and a half years and had to close operations due to technical and financial capacity. The municipality and Gumamhla Community Trust are continuously engaging relevant national government ministries to assist the municipality to lobby investors to operate the mine. Currently, Council for Geo-Science which is an entity of Department of Mineral and Energy is conducting geo-scientific study upon all available coal reserves within Emalahleni Local Municipality and the purpose is to verify suitable use of coal.

**Sand Mining**

Small-scale excavation mining is occurring near local rivers with ad hoc mining of sand for building and brick making purposes by individuals and/or operators without permit. The lack of regulation of this activity poses an environmental threat. There are two (Thompson and HJT Transport) companies that have obtained a mining permit from Department of Mineral and Energy. There has been an improvement with regard to community beneficiation as these mining companies have started involving themselves in community activities, for a example the donation through the construction of shearing shed in Khundulu and Xonxa.

**Quarrying**

Indwe Quarries (IQ) known as Blue Grain Quarry is a start-up mining enterprise with aspirations of being a leading producer and supplier of building and construction aggregates within the Chris Hani, Alfred Nzo and Joe Gqabi Districts. The enterprise is venturing into the mining industry specifically to produce aggregates for both the construction and the building industries. IQ's primary focus is on supplying standard concrete stone products, crusher sand, specialized road stone and base course products, non-standard rock and crush products. In addition, IQ is investigating other products such as sand (building, river and plaster sand), ready-mix concrete, sabhunga, as well as bricks and blocks. With the business and quarry operations accessible on R56 route between Indwe and Dordrecht; the location is therefore within close proximity to various government infrastructural developments in the former Transkei. There is a relatively high rate of property developments in the region which also provides an increasing rate of building material demand.

ECDC helped Indwe Quarries to conduct a feasibility study which showed favorable results and developed a business and implementation plan for the enterprise. Other notable milestones include obtaining a mining permit, water use licence and environmental management plan. The enterprise currently employs five staff members sourced from the local community and intends to increase this to twenty once It secures finance for capital and infrastructure requirements for operating a commercial quarry. The bed and breakfast enterprises are also indirect beneficiaries to this initiative, as mining has created high demand of accommodation. The enterprise is made of nine boards of directors, with whites (three members) and blacks (six members) represented in the IQ management, but there is currently no female representation.

**Small Micro and Medium Enterprise Development (SMME)**

Broad Based Black Economic Empowerment (BBBEE) Act, 2013 (Act 46 of 2013), means the viable economic empowerment of all black people in particular women, workers, youth, people with disabilities and people living in the rural areas, through diverse but integrated socio-economic strategies that include, but are not limited to:

Increase the number of black people that manage, own and control enterprises and productive assets
Facilitating ownership and management of the enterprises and productive assets by communities, workers, cooperatives and other collective enterprises
Human resource and skills development

Achieving equitable representation in all occupational categories and levels in the work force
Preferential procurement from enterprises that are owned and managed by black people and;
Investment in enterprises that are owned or managed by black people

In responding to that Act the municipality identifies black owned Enterprises which are as follows:

Taxi Operators within the municipality are the affiliates of Uncedo Taxi Association. In terms of infrastructure only Cacadu unit that has got functional taxi rank, Indwe and Dordrecht units are still outstanding. The taxi association is on the municipality database and their services are being utilized by the municipality and other government departments

Street traders: mostly dominated by black people they are affiliates of Hawkers Association. In terms of the infrastructure some of them have been provided with hawker stalls in all three towns.

Service providers are affiliates of Local Business Forum, they are in the municipality's database and their services are utilized. The municipality facilitates and provides the support through capacity building programmes.

Formal retailers- In the municipality most of retail space used to be occupied by the black people, but more than 95% to date have been leased out to foreign nationals and few big retailers like Spar, Kwik Save, Boxer, Cash Build, Build-It, furniture shops are occupied by White People. The challenge at hand is lack of capacity, creativity and innovation. Above all is non-cooperation among themselves as local black retailers to minimize operational costs.

In 2018, Spar Supermarket was officially opened at Indwe by local businessman which resulted to inward investment and full time employment opportunities. In 2019, a mini shopping complex has been established in Cacadu and that resulted to investment, employment opportunities, services to the people which were not available before, small town development and beautification.

Two portions of land have been set aside for further enterprise development in Cacadu, one portion of land at Indwe and one in Dordrecht. Advertisements calling for interested developers to expand retail sector are issued. Turnaround time for issuing of business licenses and payment of service providers is five working days upon submission of correct documentation. Refuse collection is conducted on daily basis at the CBD's of all three towns and to that effect the municipality won an award of being among the greenest municipalities. Paving of internal streets along CBD is also one of the mechanisms towards small town development, beautification and attracting investment.

To develop townships, the municipality is investing more on infrastructure development which includes paving of internal streets, street naming, street lighting, social infrastructure in a form of sports fields and community halls.

In assisting businesses with formalization and compliance, business licenses are issued accordingly as required in terms of Business Act No.71 of 1991. This also contributes to revenue enhancement.

The municipality identifies an SMME for support. The identified SMME receives financial support for period of three years consecutively. This is to ensure the SMME is left in a good state for its sustainability. The municipality continues to support SMME even after completing financial cycle and the support provided is administrative. The aim of this kind of support is to oversight the operations, identify challenges and assist in mitigating those challenges with the aid of LED stakeholders.

The municipality also assisted Emalahleni Informal traders with application on Informal and Micro Enterprise Development Programme by Dept. Small Business Development. They were funded with production inputs valued at R10 000 per recipient.

**Clay Brick Making**

The municipality is in a process of exploring potential growth out of those small scale mining activities through supporting brick makers from Indwe and Dordrecht to supply their bricks as a material in housing projects. There are efforts that need to be concerted in order to play a meaningful economic role. The Act which is regulating this is Mining and Petroleum Development Act No 3 of 2002.

The municipality provided business support in the form of production inputs and infrastructure to clay brick producers. The municipality is providing administrative support to clay brick making operatives namely business management, financial management, cooperative governance. Makana Brick Pty Ltd was engaged and provided technical training to improve quality and standard of clay bricks they are producing.

**Tourism**

Emalahleni Local Municipality in the Eastern Cape is endowed with scenic mountains and waterfalls which have attracted interest from the Hiker's club for picnic and hiking. The height and flat top mountain give climbers several views of the surrounding villages such as Dubeni, Gqebenya, Matyhantya, Kundulu, Holani to name the few and even extends to parts of Ezibeleni and Komani. The municipality in partnership with Komani Hiking Club organize hiking events in areas such as Bozwana / Dubeni and Qwempe . The ensuing were the key objectives of the event:

To promote mountain climbing, hiking, trekking and appreciation of nature.
To harness collective energy to preserve and popularise the existing heritage sites such as the Dubeni Waterfalls and Bozwana Mountain.
To promote and expose the Emalahleni tourist attractions as means to boost the local economy.
To provide opportunities for future developments and improvement to promote tourism and heritage of Emalahleni LM.
To promote participation in sport among youth and adults
To promote socialising and teamwork.

Indwe has a Doring Dam which has a potential of water sport activities. Along the dam, there is a self-catering facility called Indwe Resort with 12 chalets and a dilapidated conference facility. The municipality is in the process of seeking investors to develop the facility and solicit funding for the improvement of the conference facility.

In Dordrecht area there are mountains that have hiking trails and also accommodation facility which is called Kloof conservancy, and it is along Hossep dam that has broken due to natural disasters. Currently the accommodation facility is dilapidated.

In Cacadu area, before Indwe River to Sakhisizwe municipality, the municipality has a cultural village known as Abathembu Calabash; that is offering accommodation to tourists and a conference facility. Along R396, 5kms before Nonesi neck to Enoch Mgijima Municipality, there is Queen Nonesi cultural village that is still under construction, which will offer accommodation and a conference facility. Municipality is currently assisting in resuscitation of community trust which will run operations at Queen Nonesi Cultural village after completion.

The municipality has facilitated an establishment of Local Tourism Organization (LTO) which is composed of three community-based organizations (Cacadu, Indwe and Dordrecht) for the purpose of interaction and consultation on tourism initiatives. There are 180 beds in the municipal area which are in the B & B's and cultural villages. The municipality provides capacity building Tourism establishment owners on grading. The legislative framework for this is Tourism Act No 3 of 2014.

The scope for the development of the Local tourism sector within the Municipal area is vast but is hampered by the level of infrastructure development.

The areas that have been identified with potential for tourism development include but are not limited to:

Aqua sport linked to existing Dams (Xonxa & Lubisi)
Cultural tourism linked to the Liberation and Heritage Route
Craft produce
Rock art promotion and beneficiation
Museum – Dordrecht

There are areas where Bushmen paintings exist which have the potential to be developed into tourist attractions. The municipal area has cultural groups that are performing locally, nationally and internationally, selling authentic culture of Emalahleni. The cultural groups are located at Ngqoko, Mackay's neck, Tsembeyi and Dordrecht.

The municipality has an arts and craft center that has been established for purposes of manufacturing and marketing of bead work and Xhosa traditional attire to local and national tourists. The center is located along Indwe Road in Cacadu town.

**Heritage**

Qonda Hoho and Luvuyo Lerumo are the political heroes that were buried at Qoqodala Village and monuments were built on their graves. The main objective is to restore the contribution played by these freedom fighters in the late 1980s. Emalahleni has got Queen Nonesi Cultural village which is named after the Abathembu Queen and is also situated on the feet of Nonesi's Pass. There is also Abathembu Cultural Calabash at Hala No 2 under Chief Ngangomhlaba Matanzima Trust. The main objective of this is to restore the culture of Abathembu as their heritage. The Act which is regulating this is National Heritage Act No 25 of 1999.

**Heritage Resources**

A list of heritage resources within the municipality is as follows:

| Site Name | Significance | Conservation Status | Management |
|---|---|---|---|
| Macubeni Coal Mine near Indwe | Washed out old coal mine showing early mining methods | Mine temporarily not operating | Department of Mineral Resources |
| Dams: Machubeni, Xonxa and Lubisi | Water Resources for Emalahleni, Ntsika Yethu and Lukhanji municipality residents | An aqua culture site being established | Department of Water and Sanitation |
| Fallen Heroes | Luvuyo Lurome 1960 to 1986 Qonda Hoho 1956 to 1988 Queens Nonesi<br>Tsotsi | Monuments have been built | Emalahleni LM |
| Glen Grey Falls near Cacadu | A beautiful natural site | Water sample for feasibility study harvested in the area | Emalahleni LM |
| The Kloof near Dordrecht | Natural site with some unique flora | Degraded due to plundering for firewood | Emalahleni LM |
| Cacadu River at Cacadu | Links most Ward | No planned projects for the current financial year | Emalahleni LM |

| Site Name | Significance | Conservation Status | Management |
|---|---|---|---|
| Churches in Cacadu | Two examples of 19th Century Churches | Well looked after | Church |
| Anderson Museum at Dordrecht | Oldest museum | The museum is operating | Privately owned by Anderson trust |
| Victorian Buildings at Dordrecht | Architectural example | Building properly maintained | Municipality / Private |
| Burgher Statue at Dordrecht | | The statue is still in existence | Privately managed |
| San Rock Art at Dordrecht | Ancient art | Well kept | Private |
| Methodist Church at Dordrecht | Architectural example | Properly maintained | Church |
| Abathembu Calabash and | To restore Abathembu tradition | Well looked after | Nkosi Ngangomhlab a development trust |
| Doring river Dam at Indwe | Leisure area | Could be better utilized | Department of Water and Sanitation |
| Emalahleni Arts and Craft Centre | Arts and Heritage | Operational | Emalahleni LM and Crafters. |

Source: Chris Hani State of Environment Report

**Liberation Route**

Emalahleni is part of the Ndondo route which lies between Queenstown via R396 to Elliot and has the following cites, amongst others that form part of the history contributing to liberation in the area:

Graves of Qonda Hoho and Luvuyo Lerumo
Maqhashu Village
Queen Nonesi
Wycliffe Tsotsi Law Offices
Graves of Qonda Hoho and Luvuyo Lerumo

The student militancy generated by the Soweto uprising of 1976 led many students of Inkwanca High School in Queenstown to leave South Africa for military training. These included many rural youth who went to Inkwanca to complete their high school education. Two such were Qonda Hoho (1956-1988) and Luvuyo Lerumo (1960-1986) of Qoqondala who left at the different times in the 1980s.

Qonda trained as a teacher before leaving to join MK. Luvuyo escaped to Lesotho, and trained in Zambia, Angola and East Germany.

They infiltrated South Africa on mission so secrete that even their families did not know of their whereabouts. Luvuyo died in a firelight between Fort Jackson and Breidbach. Qonda was betrayed by an informer and shot in Queenstown. Their burials were conducted in the presence of Hippo vehicles and strong security presence, allowing the attendance of only their family members.

**Maqhashu Village**

The Old district of Glen Grey, commonly known as Cacadu, was part of the old Cape Colony, from which it became part of Ciskei. But in the 1970s, the apartheid authorities were concerned to persuade Chief KD Matanzima to take homeland independence for Transkei. As an inducement, he was offered the district of Glen Grey and Herschel. The people of Glen Grey voted against Transkei in a referendum, but their wishes were ignored, and they came under Matanzima's iron rule.

Opposition to Matanzima became linked to opposition to 'the Trust' also known as 'betterment' or 'rehabilitation'. The Trust forced people to abandon their traditional lifestyle and move into 'closer settlements', like urban township. People of Maqashu refused, and on a day in 1979, their homes were bulldozed and torched in broad daylight. Transkei army was everywhere rounding up their stock. Four residents- died in this forced removal, some beaten, others seemingly dying of shock. Thousands of Glen Grey residents left their homes and settled at Zweledinga in Lukhanji which was not then subject to Bantustan independence.

**Queen Nonesi**

Queen Nonesi, the daughter of King Faku of amaMpondo, was the Great Wife of King Ngubengcka of abaThembu. Ngubengcuka died quite suddenly in 1830, leaving Queen Nonesi without any child but she took Mtirara, Ngubengcukas son by another wife, into her house and raised him as the future King of Thembuland. Queen Nonesi and Mtirara settled at Rhodana about 1841, a move which put the abaThembu Great House on the frontline of defence against the colonial invaders. After the War of Mlanjeni (1850-3), all black residents of Lukhanji presently known as Enoch Mgijima municipal area were expelled into Emalahleni and came under Nonesi's protection.

Colonial land-hunger raised its head again in 1864 when the colonial authorities tried to persuade the residents of Emalahleni to move to Intsika Yethu to free up land for white farms. Four chiefs moved, but Nonesi remained adamant. She was forcibly deported to her brother's place at Nyandeni where she died in about 1880. But by that time, she had saved the land of Emalahleni for black people.

**Wycliffe Tsotsi Law Offices**

WM Tsotsi (1914-2005) was the President of All Africa Convention from 1948 to 1958 (later known as the New Unity Movement) as well as a founder of the Cape African Teachers Association (CATA), but he is best remembered as a gifted lawyer and organiser of people at grassroots level, earning the jocular title of 'Chief of the Thembus'.

Trained as a teacher, he was the first principal of Freemantle High School, but he left teaching in 1948 to do his legal articles in Port Elizabeth. His legal expertise was legendary and distinguished by his shrewd use of procedural rules to win seemingly hopeless cases. Earlier on he became conscious that his chances of winning cases in a legal system where the magistrate and the prosecutor were both white, were limited. He relied on provoking the racist establishment into blunders, then winning his cases on appeal.

Tsotsi's offices were built according to his own design on land which he owned, an unusual situation in Cacadu currently known as Cacadu, at the time solely owned by white residents. His right to own land was indeed challenged, but Tsotsi was able to point to neighboring plot used by a local white trader to accommodate his hunting dogs. Does this mean, Tsotsi asked, that dogs have more right in Cacadu than black people? He won that case too.

Tsotsi's was often harassed by the police, but they could not make any charge stick until 1960 he received reliable information that he was about to be arrested. He fled into exile, and eventually established a successful legal practice in Maseru where he died at the ripe age of 91.

**Job creation**

**Expanded Public Works Programme (EPWP)**

Emalahleni municipality participates in the EPWP program from 2015/2016 financial year. In implementing the projects, inhouse staff team and local labour. The EPWP financial allocations are used to pay labourers, buy material (paving blocks, Kerbs, Cement, Dust Crush stone etc) and tools. For mass earthworks the municipality is using its own machinery. EPWP guidelines are currently implemented while the main purpose is job creation with Emalahleni.

**Community Works Program (CWP)**

The Department of Corporative Governance and Traditional Affairs (COGTA) has allocated 1100 additional work opportunities to South African Youth Movement (SAYM) as the implementing agent to start with useful work for Emalahleni Municipality for the Community Works Program (CWP) for 2018/19 financial year. The program has been implemented in all 17 wards of Emalahleni Municipality.

**Forestry**

Emalahleni area has got communal plantations in Maqhashu, Hala No 1, Cacadu, Mount Arthur; Mkhaphusi, Khundulu, Jojweni and Machubeni. There are natural forestry that are situated in the mountains of Hala No 1 i.e Longo forest and Cumakala Village i.e Khophe Forest. An assessment was made in these forests to check status core following that was the development management plan and establishment of forestry committees. Funding proposals were developed and submitted to potential funders. Currently to engage DAFF to assist with capacity building of committees and communities at large.

**Comparative and Competitive analysis**

| ***Comparative Advantages*** | ***Competitive Advantages*** |
|---|---|
| Quarry<br>Red Hubs<br>Shopping complex<br>Commercial Farming<br>Agro processing<br>2 highway roads cutting across Emalahleni<br>Wool production<br>Sweet Veld for livestock production<br>Rivers | Fly Fish in Xonxa Dam<br>Discovered Coal Mineral<br>5 Dams<br>Clay brick manufacturing due to proximity on coal mine<br>Sorghum Production |

**Municipal Transformation and Institutional Development**

**Background**

As part of the transformation agenda of government, municipalities are assigned to perform activities which will in turn assist government to realise its objectives for transformation of communities in our municipal areas.

Powers and Functions assigned to the Municipality

Legislated Powers and Functions

Schedule 4 and 5, Part B of the Constitution of the Republic states that; local government is required to execute the following:

Air Pollution

Building regulations

Child Care facilities

Electricity and Gas Reticulation

Fire-fighting services

Local Tourism

Municipal airports

Municipal Planning

Municipal Health Services

Municipal Public Transport

Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law

Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto

Storm water management systems in built-up areas

Trading regulations

Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems

Beaches and amusement facilities

Billboards and display of advertisement in public places

Cemeteries, funeral parlours and crematoria

Cleansing

Control of public nuisances

Control of undertakings that sell liquor to the public

Facilities for accommodation, care, and burial of animals

Fencing and fences

Licensing of dogs

Licensing and control of undertakings that sell food to the public

Local amenities

Local sport facilities

Markets

Municipal abattoirs

Municipal parks and recreation

Municipal roads

Noise pollution Pounds

Public places

Refuse removal, refuse dumps and solid waste disposal

Street trading

Street lighting

Traffic and parks

Childcare facilities

Fire-fighting services

Keeping of animals

Control of public nuisances

Control of undertakings that sell liquor

Powers and Functions Not Performed by the Municipality as per the Constitutional mandate

Air Pollution

Municipal Health Services

Municipal Public Transport

Abattoirs

Powers and functions performed on behalf of other spheres

Registration and licensing of motor vehicles

Disaster Management on behalf of the Chris Hani District Municipality; and

Library Services on behalf of the Department of Sport, Recreation, Arts and Culture

Municipal by-laws

Council developed the following By-Laws for implementation:

Heritage Resources

Commonages

Public Amenities

Liquor Trading

Keeping of animals

Local Tourism

Community Fire Safety

Childcare Services

Building By-Law

Street trading

Rates By-Law

Waste Management

e municipality has gazetted, promulgated, and gazetted the by-laws

Municipal Policies

The following policies have been reviewed old and others newly developed

| No | Name of the Policy |
|---|---|
| 1 | Acting Allowance and Enhanced Responsibility Allowance Policy |
| 2 | Absenteeism Policy |
| 3 | Mobile phone Allowance Policy |
| 4 | Bursary Policy |
| 5 | Car Allowance |
| 6 | Business Continuity Policy |
| 7 | Civic Funerals Policy |
| 8 | Communication Policy |
| 9 | Asset Disposal Policy |
| 10 | Employment Equity |
| 11 | Fleet Management and Procedure |
| 12 | ICT Governance Framework |
| 13 | Job Evaluation |
| 14 | Occupational Health and Safety |
| 15 | Promotion, demotion and transfer |
| 16 | Recruitment, selection and retention |
| 17 | Study Bursaries for community members |
| 18 | Substance Abuse Policy |

| No | Name of the Policy |
|---|---|
| 19 | Whistle Blowing |
| 20 | Code of conduct and Ethics |
| 21 | Facilities Management |
| 22 | Human resources Conditions of Employment |
| 23 | ICT Policies |
| 24 | Leave Policy |
| 25 | PMS Policy and Procedure |
| 26 | Public Participation Strategy and Policy |
| 27 | Sexual Harassment |
| 28 | Camping, Subsistence and Travelling |
| 29 | Training and study assistance Policy |
| 30 | Supply Chain Management |
| 31 | Credit Control and debt collection |
| 32 | Indigent Policy |
| 33 | Virement |
| 34 | Irregular, fruitless and wasteful expenditure |
| 35 | Records Management |
| 36 | Rates Policy |
| 37 | Asset Management |
| 38 | Investment and cash management Policy |
| 39 | Budget Policy |
| 40 | Tariff Policy |
| 41 | Ward Committee Policy |
| 42 | Petty cash Policy |
| 43 | Customer Care Policy |
| 44 | Fraud and anti-corruption prevention policy |
| 45 | Bereavement Policy |
| 46 | Patch Management |
| 47 | ICT User Access Management |
| 48 | ICT Backup Policy |

| No | Name of the Policy |
|---|---|
| 49 | Extended Public Works Policy |
| 50 | Roads Maintenance Policy |

**Human Resources**

Human Resources Plan

The main objective of having the Human Resources Plan is to have an accurate number of employees required, with matching skills to accomplish organizational goals. The Municipality approved its HR Plan in December 2017.

Organizational Structure

Council embarked on a Business Process Re-engineering project which had a direct bearing on the organizational design, and a complete organizational structure 2017-2022 was developed and approved by Council on the 31st May 2017 for implementation. Due to financial challenges that the municipality is facing and realization that the institutional structure is bloated, minimization of number of vacant positions is suggested. The intention therefor is to review the plan and address the challenges encountered.

**SWOT Analysis**

| Strengths | Weakness |
|---|---|
| HR Plan in place | Lack of skills |
| **Opportunities** | **Threats** |
| Capacity Building | Budget |

Skills Development and Training

Critical and Scarce Skills in Emalahleni LM

The following were identified as critical and scarce skills and it has been a challenge to recruit in these fields:

Civil Engineering

Electrical Engineering

Mechanical Engineering

Town and Regional Planning

Quantity and Land Surveying

Information Technology

**Agricultural Science**

The Municipality has awarded four students from the community and from the deserving families for the above-mentioned scares skills in 2016 academic year for the normal duration of the course and they have completed their qualifications.

**Employment Equity Plan**

There is an Employment Equity Plan (EEP) which was adopted by Council in 2018 for a period of five years and it lapses in 2023 and reviewed annually. The intention is to review it soon after the institution has reviewed the Organizational Structure.

The Employment Equity Plan is implemented concurrently with the recruitment policy and reports are submitted on a quarterly basis to the Corporate Services Standing Committee and to the Employment Equity Committee.

**Workplace Skills Plan (WSP)**

The Emalahleni Municipality has developed the Workplace Skills Plan (WSP) for the 2019/2020 financial year and was submitted in April 2019 to the LGSETA. The plan outlines the priority training needs of the institution that are critical for the implementation of the objectives set out in the IDP. There is a training Committee Consultative Forum that sits on a quarterly basis to monitor implementation of the WSP.

The Human Resources Development (HRD) Strategy has been developed and approved by Council in December 2016 and it also addresses the issue of scarce and critical skills. Currently the Municipality does not have a policy on succession planning in place; however, the following initiatives are undertaken by the municipality

Learnership for Electrical Engineering

Study Bursaries for employees

In-service training

**SWOT Analysis**

| **Strengths** | **Weakness** |
|---|---|
| HRD Strategy<br>Training Committee<br>Community Empowerment | Inadequate funding |
| **Opportunities** | **Threats** |
| Funding from external donors<br>Partnership with local institutions of higher learning | Lack of scarce skills<br>Lack of retention strategy |

**Code of Conduct and Enforcement**

The institution adheres to code of conduct for officials and councilors. It also implements the disciplinary code of conduct as defined by the South African Local Government Bargaining Council (SALGBC). All officials and Councilors sign a Code of Conduct on their first day of reporting at work and annually.

Performance Management System Framework (PMS) has been adopted by Council. In terms of the framework PMS has been cascaded to middle management and practitioners in the 2020/2021 financial year. The quarterly assessments are currently conducted for Managers (Section 54A, and 56), managers below Section 54 and 56 as well as practitioners. And reports are submitted to Council. As required by Sections 168 & 175 of MFMA the municipality has established a Municipal Disciplinary board which intends to investigate allegations of financial misconduct in the municipality & monitor the council proceedings against an alleged transgressor and assist council with the investigation of allegations of financial misconduct while at the same time providing recommendations on further steps to be taken.

**Labour Relation**

The municipality has a Local Labour Forum which is a consultative structure between the employer and labour components. Matters of mutual interest that are subject at local level in terms of the levels of bargaining are negotiated. LLF has been established in terms of the Labour Relations Act, No. 65 of 1995 and it is functional, operational and its meetings are held quarterly. Newly signed disciplinary procedure code and collective agreement was signed on 02 February 2018 for implementation and later annually.

**SWOT Analysis**

| Strengths | Weakness |
|---|---|
| Labour Stability<br>Functional Forum | Inadequate training for forum members<br>Compliance with relevant legislation<br>Labour unrest |
| **Opportunities** | **Threats** |
| Capacity building (SALGA, CHDM, LGBC) | Community Unrest |

**Occupational Health and Safety**

The Emalahleni Local Municipality is committed to ensure a Healthy and Safe environment for all its customers and employees and therefore the Municipality has developed an Occupational Health and Safety Policy. The municipality is improving safety conditions and handling methods in consultation with its customers and employees. This will be achieved through adherence to Emalahleni municipality policy and occupational health and safety Act. The Emalahleni Municipality has a full functioning Occupational Health and Safety section that support all other departments within the institution. The OHS Strategy was developed and approved in December 2016 by Council for implementation.

The Safety Health and Environmental (SHE) Representatives that forms part of the Safety Committee have been trained. First Aiders have been trained. Arrangements are made with the Chris Hani District Municipality to do Fire drills and Emergency preparedness. The OHS Committee has been established as per the OHS Act of 1993. The portfolio Head Corporate Services is the chairperson of the Committee. OHS Committee meetings are held quarterly.

**SWOT Analysis**

| Strengths | Weakness |
|---|---|

| | |
|---|---|
| OHS Strategy implementation<br><br>OHS Committee in place<br><br>Effective implementation of employee wellness programme | Limited resources Budget<br><br><br>Non-Existence of employee wellness strategy |
| **Opportunities** | **Threats** |
| Funding from the District Municipality for wellness programmes<br><br>Promotion of healthy lifestyle | Non-compliance by contractors<br><br>Current Municipal Buildings that are not in compliance with OHS standards.<br><br>Slow service delivery<br><br>High rate of employee absenteeism |

**Records management**

The municipality has a section dedicated to managing municipal records and has the following legislated documents in place for compliance.

**File plan**

Procedure Manual; and

Records Management Policy

Employees were trained on how to use the file plan and implement the Procedure manual. Workshop was conducted on the Records management policy. The Municipality is in a process of moving away from decentralized records management and the process is in progress.

The Municipality is currently using the paper-based filing system whilst EDMS is implemented. Disposal of records is done in line with the National Records and Archives Service Act of 1995 upon approval by the Provincial Archivist.

The municipality complies with National Minimum Information requirements (NMIR)

SWOT Analysis

| **Strength** | **Weakness** |
|---|---|
| Records Management Policy and Strategy<br><br>Electronic Document Management System in place<br><br>Strong Room | Decentralized records<br><br>Shortage of Staff<br><br>Loss of documents |
| **Opportunities** | **Threats** |
| Utilisation of EDMS | Loss of institutional memory |

| | |
|---|---|
| | |

**Council and Council System**

Council holds its ordinary council meetings once in each quarter for the four quarters in a year. The municipal council had Special Council meetings and ordinary council meetings.

The Executive Committee hold meetings as per Council Calendar of Events, which are chaired by the mayor.

Council has the following Section 79 of Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) committees:

| Council Committee | Performance |
|---|---|
| Municipal Public Accounts Committee | Functional |
| Corporate Services Standing Committee | Functional |
| Infrastructure Development and Human Settlement Standing Committee | Functional |
| Community Services Standing Committee | Functional |
| Planning, Economic, Development, Tourism and Agriculture | Functional |
| Budget and Treasury Office Standing Committee | Functional |

Council has the following Section 80 of Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) committees:

| | |
|---|---|
| Audit Committee | Functional |
| Performance Audit Committee | Functional |
| Local Labour Forum | Functional |
| Rules Committee – never had a meeting | Not functional |
| Remuneration Committee | Functional |
| Budget & IDP Steering Committee | Functional |
| Other Committees | |
| PMS Assessment & Evaluation Committee | Functional |

| | |
|---|---|
| Risk Management Committee | Functional |
| Incident Management Committee | Not Functional |
| Information and Communication Technology Committee | Functional |
| Employment Equity Committee | Functional |
| Occupational Health and Safety Committee | functional |
| Training Committee | Functional |

**Councillors and Traditional Leaders participating in Council**

The current Council was elected to Council in 2016 and had 34 Councillors and 7 traditional leaders sworn in to participate.

**Office Accommodation**

In its endeavours to ensure that services reach local communities, the municipality has its head office in Cacadu and two satellite offices in Indwe and Dordrecht. The Municipality ensures that services that are available in its head office are accessible from the units. There are not enough offices to accommodate the number of staff appointed.  The municipality makes use of park homes as offices which accommodate employees, and they are no longer in a good condition – health hazard.

**Development of Municipal Offices and Council Chambers**

The municipal council took a resolution to develop its main offices in Cacadu due to huge shortage of office space for both administration and Council. A developer was appointed to undertake the task. Council Chamber was prioritized to be developed first and then offices. The Council chamber was completed in 2016/2017 F/Y.

Municipal offices are arranged as follows: -

cacadu (Head Office) – 37 Indwe Road, Cacadu, 5410

Dordrecht Unit (Satellite Office) – Grey Street, Town Hall Building, Dordrecht, 5435

Indwe Unit (Satellite office) – 40 Fletcher Street, Indwe, 5445

Information and Communication Technology

The institution has a Disaster Recovery Plan which was approved by Council on the 27 June 2019, due to financial constraints, Disaster Recovery site has not been constructed but the municipality uses CIBECS for its back-ups

The municipality has appointed two officials to deal with Information Technology, these are ICT Manager, System Administrator and the vacant post of IT Technician. ICT division deals with all licenses of the systems in the institution, with the Network infrastructure, server management, desktop and technical support of the whole institution. The ICT division was established to ensure that there is improvement in the municipality's IT network Infrastructure including remote sites. Currently, network infrastructure is old and outdated and needs to be revamped. Emalahleni Municipality to the central server which ensures confidentiality and security. Server based systems within the municipality includes:

Financial Management System (Sebata)

HR Management System (Sebata)

Cemetery Management (External Host)

Electronic Document Management System (EDMS)

Contour (External Host)

The broadband project implemented by MTN as appointed by USAASA was complete in 2014 and ran for a period of 3 years. Currently the contract is no longer valid as it expired in 2017,

Main Building relates to a bandwidth of 16MBps and Indwe Unit (Remote site) including Dordrecht (Remote site) are also connected to the Main Building (Cacadu) with 1 MBps bandwidth. Currently there are 3 additional sites to our network i.e traffic station, water services and library. Traffic station and water services connect using 8 MBps bandwidth while library is connecting with 2 MBps bandwidth. With the upgrade in bandwidth the two connected sites have improved, and user satisfaction is pleasing. The server upgrade has contributed to the support of upgrade of network infrastructure.

Currently, Internet Service Provider is MTN as appointed by USAASA and Exchange licenses and hosting of emails the municipality has Vodacom to provide the service. The website is currently hosted by Delteq Technologies as DPSA no longer host website for local municipalities.

ICT Governance Framework was presented to council and adopted. It is being implemented across the institution.

**Information and Communication Technology SWOT Analysis**

| **Strengths** | **Weaknesses** |
|---|---|
| Effective network Maintenance<br>Effective ICT Steering Committee<br>Privacy and Data protection<br>Disaster Recovery Plan | Lack of disaster recovery site<br>Storage space for IT equipment<br>Limited Personnel<br>Old and outdated network infrastructure |
| **Opportunities** | **Threats** |
| Upgrade LAN network to the use of Cat6. | Lack of ICT equipment<br>Budget constraints |

**Integrated Development Planning**

In line with the requirements of the Local Government: Municipal Systems Act, municipalities are required to develop a strategic plan to be implemented over a period of five years, in line with each term of Council. That strategic plan is referred to as the integrated development plan.

As per the requirement mentioned above; the municipality developed and approved an IDP for the 2017 – 2022 which is in line with the current term of Council. The plan gets to be reviewed on an annual basis to ensure that the plan remains relevant to the needs of the municipal community. This is the newly developed strategic plan for the 2017 - 2022 term of council. Legislatively, the development and implementation of the IDP is assigned to the Mayor and ultimately the Accounting Officer. Operationally, according to the institutional arrangements, the municipality established a unit in the office of the Municipal Manager to coordinate the development and review of the municipality's IDP, manage and monitor its implementation, as well as reporting.

The municipality developed a framework, containing information and guidance on how the processes of the IDP development would be conducted, identification of stakeholders and their role in the review process. During the review of the IDP, a series of meetings were held, in the form of representative forums and roadshows to identify and confirm community needs. Sector departments were also awarded an opportunity to present programmes and projects to be implemented in the municipal area. Participation of Sector Departments in the form of representation in IDP meetings and platforms has remarkable improved. This was done to ensure community involvement in the municipal affairs, even more so in the development planning area.

**SWOT Analysis**

| **Strengths** | **Weaknesses** |
|---|---|
| Budget allocation for the review of the IDP<br>Functional IDP Structures (including IGR)<br>IDP developed and coordinated in house | Limited budget<br>Limited personnel<br>Limited understanding and participation of some IDP role players in the coordination of the IDP |
| **Opportunities** | **Threats** |
| Support from the District Municipality and Sector Departments<br>Funded projects for integration in the IDP | Minimal participation of External Role players in the IDP Processes |

**Performance Management System**

**Institutional Performance Management**

Chapter 6 of the Local Government: Municipal Systems Act, 2000 as amended requires each municipality to establish and develop its own performance management system, commensurate to its resources. In line with this requirement, the municipality has an approved performance management system framework, which is currently being implemented. The PMS Framework is currently not being fully implemented, as the institution is battling to implement some elements of the Framework. The institution has since activated a performance management system module in the municipal financial system to improve compliance with performance planning and reporting. All performance management system role players have profiles created to ensure access to the system for purposes of timely reporting.

The internal audit unit, as part of its operational plan perform regular performance audit to ensure quality assurance and compliance on the performance reports and performance information.

Individual Performance Management

On approval of the Service Delivery and Budget Implementation Plan, Section 56 and 57 Managers prepare and enter into Performance Agreements at the beginning of the financial year as legislatively required. Accountability Agreements are as well signed between Section 56 managers and officials below senior managers for purposes of cascading performance. A lot still needs to be done because PMS is the backbone for ensuring that people perform at the required levels to achieve the KPIs in their functional areas and in the municipality.

**Below is a SWOT Analysis for the PMS Unit**

| **Strengths** | **Weaknesses** |
|---|---|
| An approved performance management system framework in place<br><br>PMS Committees in place | limited personnel<br><br>Minimal budget allocation |
| **Opportunities** | **Threats** |
| Support from other spheres of government (Monitoring and Evaluation Unit – EC – CoGTA and The Office of the Presidency) | Continuous technological updates |

**Special Programmes**

Background

The Mayor’s Office through the Special Programmes unit is discharged with the responsibility to coordinate and implement programmes and projects designated to improve and/or enhance social cohesion in the municipal area, through the following focal areas:

Youth

Disabled

Women and Older persons

HIV/Aids

Gender; and

Children

All the SPU structures were elected, inducted, and budgeted for by the municipality. The structures are elected for a period of five years and are required to identify programmes for implementation on an annual basis.

| Focal Area | Project Name | Project Description |
|---|---|---|
| Youth | FIELD BAND FOUNDATION PROJECT | The band is an initiative which seeks to develop young people on skills such as Music and Dance with the social development aspect. The project has an intake of +- 250 participants both in Dordrecht and Indwe. A memorandum of understanding was signed between the municipality and the Field band foundation<br><br>Field band was launched in 2015. It is adequately resourced with staff and instruments as well as participates in the Cape Town carnival, regional and national championships annually. Life skills workshops which include HIV and AIDS programme have been conducted and continue to be facilitated on an annual basis. |
| | MAYORS CUP TOURNAMEN T | The concept is the initiative of the Council to develop Sport. The tournament is known as the Mayoral Cup which was instigated in 2005 to develop young people in Sport in the entire municipality. It includes various sports discipline such as the Football, Netball, Rugby, Boxing and Athletics.<br><br>This tournament promotes development of young people in sport and nurture talent. It is as well to inculcate a culture of using sport as an inhibitor to drugs, alcohol abuse and crime. The event is budgeted for on an annual basis. |
| | YOUTH COUNCIL | A youth development summit was held in November 2016 and a youth development strategy was developed. Youth council convened youth assembly to elect new office bearers in 2017. |
| WOMAN | WOMEN FORUM AND GENDER EQUALITY | The women forum was established in 2014. And were capacitated in leadership skills. In September 2017 a new forum was elected and inducted<br><br>Gender mainstreaming training was conducted to officials and councillors to ensure that issues of gender are mainstreamed in the municipal business. An implementation plan to mainstream gender issues in the municipal business is still to be developed<br><br>The programs implemented by the structure are budgeted for by the municipality. The forum identified and funded 1 women project in Qoqodala with garden tools in 2017/2018 financial year. |
| PEOPLE WITH DISABILIT Y | PEOPLE WITH DISABILITY (PWD) COUNCIL | A functional structure for PWD is in place and meetings are held on a quarterly basis as per the meeting schedule. The municipality has donated a site and a structure was constructed by public works to accommodate a sewing project (Vukuzenzele Project).<br><br>In 2017/2018 the municipality provided the libraries with newspaper reading machines for the Blind. In 2018/2019 Emalahleni Local Municipality in partnership with Department of Health and Social Development handed sunscreens to people living with albinism |

| Focal Area | Project Name | Project Description |
|---|---|---|
| ELDERLY | ELDERLY PERSONS | The municipality has a forum established to lobby and advocate for interests of older persons which also coordinates programmes for elderly The elderly persons have various programmes such as Nelson Mandela Day, Parliament for elderly and Golden games. |
| | NELSON MANDELA DAY | The Nelson Mandela Day has been declared as the international day in respect of this struggle icon where every citizen/government and non-government institutions are to dedicate 60 minutes of their time in community work. The council took a resolution to adopt and implement some of the community work programmes to honour this day.<br><br>The municipality in partnership with the provincial sector departments such as social development and SASSA; identified and provided blankets, sanitary towels and food parcels to child headed households. In 2018/2019 the municipality supported the Lupapasi Preschool with fencing and ablution facilities. |
| | SPORTS COUNCIL | The council is in place to facilitate development of sport and advise Municipal Council on sport related matters. The Council is part of the preparations for Mayors Cup and other Sports programs. |
| | CHILDREN'S ADVISORY FORUM | The municipality support the children's advisory forum in terms of:<br><br>Profiling<br><br>Support to early childhood development centres<br><br>Monitor support for the forum<br><br>MoU's<br><br>Social investment by corporate sponsors<br><br>The Forum is established under the Department of Social Development. |

**SWOT Analysis**

| Strength | Weakness |
|---|---|
| Established functional Forums | Inadequate Human Resource<br><br>Insufficient Budget |
| Opportunities | Threats |
| Relations with external stakeholders | Out of Pocket expense for Forum members.<br><br>Office bearer turnover |

**Good Governance and Public Participation**

The municipality has an internal audit unit established in terms of Section 165 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). The purpose of the unit is to advise Council and the Municipal Manager. The unit reports to the AUDIT of Council on a quarterly basis; on matters relating to internal controls, risk management and governance. The activities performed by the unit are in-line with the Approved Internal Audit Charter and a 3-year risk based rolling plan reviewed annually and approved by the Audit Committee.

The Internal Audit Function evaluates performance information on a quarterly basis to ensure conformity to the reporting formats, compliance with legislation and assess the reliability, validity and completeness of reported information, subsequently quarterly reports on the results of the audit with recommendations are submitted to the Municipal Manager and the Performance Audit Committee.

**SWOT ANALYSIS:**

**INTERNAL AUDIT**

| **Strengths** | **Weaknesses** |
|---|---|
| Approved Internal Audit Charter<br>Positioning of IA activity as per IIA standards<br>Approved Audit Methodology<br>Approved Quality Assurance and Improvement Policy<br>Chief Audit Executive in Place<br>Automated Audit Software | Inadequate tools of trade<br>Non-compliance with IIA standards<br>Continuous professional Development |
| **Opportunities** | **Threats** |
| COGTA Chief Audit Executive Forum<br>FMG Funding for tools of trade and software<br>Professional guidance for EC Treasury<br>Professional body accreditation | Negative perception on the role of Internal Audit<br>Shrinking budget allocation for Internal Audit Service<br>Information Systems migration by Municipalities |

**Audit Committee**

The Audit Committee was established in July 2015 as required by Section 166 of Local Government: Municipal Finance Management Act and the Municipal Planning and Performance Management Regulations. A new Audit committee of four members with different expertise ranging from accounting to performance management was appointed in March 2022 to serve for a period ending February 2025. The committee sits at least four times annually to review quarterly reports submitted by the Internal Audit, implementation of the Municipal Performance Management System, quarterly financial reports as well as risk management. The committee reports to Council on its activities as well as make recommendations on a quarterly basis.

The committee performs its activities in the line with the audit committee charter reviewed and approved on an annual basis.

**SWOT Audit Committee**

| Strengths | Weaknesses |
|---|---|
| Approved Audit Committee Charter<br>Signed Member agreement<br>Internal Audit as secretariat<br>Attendance in Council meetings<br>Diversified expertise | Continuous professional development<br>Inadequate budget for Audit committees<br>Delays in distribution of minutes and agenda packs<br>Slow implementation of AC resolutions |
| **Opportunities** | **Threats** |
| COGTA Chief Audit Executive Forum<br>SALGA and EC Treasury forums | AC familiarity with management |

**Audit Outcomes**

The municipality has received the following opinions from the Auditor General's findings

| 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 | 2020/2021 |
|---|---|---|---|---|---|
| Unqualified | Unqualified | Unqualified | Unqualified | Unqualified | Qualified |

**Risk Management**

Risk management committee was established in 2016/2017 financial year. The committee consists of an independent of the audit committee as the chairperson, all directors, the CAE and the risk practitioner as the secretariat. The committee operates according to the approved risk management charter.

Risk assessments are undertaken, strategic and fraud risk registers are developed and approved by Council on annual basis. This process involves analysing threats and opportunities which advances risk management beyond just driving down risk. Instead, it allows risk to be used as an optimization strategy to increase the certainty of achieving municipal objectives. On a quarterly basis, these risks are monitored by the risk management committee.

On an operational level, risks are identified and assessed on an annual basis and monitored quarterly, through the departmental standing committees.

| Strengths | Weaknesses |
| --- | --- |
| Risk Management Committee<br>Risk Management Annual Plan<br>Annual strategic and operational risk assessments<br>Quarterly risk monitoring | Limited office space<br>Lack of Risk awareness |
| Opportunities | Threats |
| Support from Directors | Legislative disregard |

**Fraud and Anti-Corruption Prevention**

The municipality approved a Fraud and anti-corruption plan and policy in the 2016/2017. The policy will be reviewed annual and in line with the policy framework. The policy details strategies to prevent, detect and respond to fraud and corruption within the municipality. Fraud prevention awareness sessions are conducted bi-annually during the municipal assemblies.

| **Strengths** | **Weaknesses** |
| --- | --- |
| Fraud and anticorruption plan<br>Fraud awareness conducted | Governance and corruption<br>Inadequate system for conducive, effective, value for money and accountability<br>Internal control weaknesses |
| **Opportunities** | **Threats** |
| Support from the Province and District | Legislative disregard<br>Lack of Fraud awareness |

**Communications**

The municipality has developed an effective Communication Strategy to guide municipal communication both internally and externally. This strategy enables the municipality to give effect to the legislative requirements as set out in the Constitution of the Republic of South Africa, Act 108 of 1996, Promotion of Access to Information Act 2 of 2000, the Municipal Systems Act 32 of 2000 as amended, Intergovernmental Relations Framework Act of 2005 and the National Framework for Government, 2009 issued by Government Communication Systems (GCIS). National Communication Policy as adopted by the National Assembly in 2018.

To give guidance on how the municipality should communicate; the policy on communication was reviewed and adopted by Council in June 2017. For the proper communication of the municipal programmes and government programmes in general, the Communication unit participate on the Provincial Government Communicators Forum as coordinated by the Department of Local Government and the Department of Communication which sits quarterly.

At the district level the District Communicators Forum exist and is having a schedule of quarterly planned meetings with special meetings arranged whenever there is a need. The District Communicators Forum where communication is actively participating is a platform established to support the communication activities at the district and local level by giving guidance on the development of the Communication Strategies. The Communication office is a member of the District Communicators Forum core team with the responsibility to support local municipalities of the district. The Local Communicators Forum is functional, it is composed of the Communication Unit, Public Participation Unit, sector departments and the Community Development Workers. The meetings of this forum are arranged quarterly, and special meetings are convened when necessary.

When communicating Council programmes, the communication unit of the municipality makes use of the following media platforms: Vukani Community Radio, The Representative, Isolezwe lesiXhosa and Udizindaba Newspaper that is based in Cape Town. The Daily Dispatch, Eastern Cape Today, Daily Sun, SABC Radio, Lukhanji FM, The Reporter, Groundup online, The Messenger, News24, Ntu news, Dicla radio and the Local Government Handbook are the other platforms that are currently used for communication purposes. The unit develops an external newsletter to communicate municipal news to the broader municipal community that is written in English with IsiXhosa translated copies.

On certain programmes/intiaitives and projects we develop digital poster with the message to inform the public using social media platforms i.e Official Facebook page and Whatsapp groups.

The municipality publicizes all the legislated meetings with the communities i.e., Mayoral Imbizo, IDP Roadshows, Stakeholder engagements, IDP Representative Forum, Intergovernmental Relations, Council meetings. The municipality has a website that is uploaded and updated with all the prescribed elements.

**SWOT Analysis**

| **Strengths** | **Weaknesses** |
|---|---|
| Approved communication policy<br><br>Draft Communication strategy<br><br>Crisis Communication chapter included on the Communication Strategy<br><br>Centralized internal communication<br><br>Member of the LGCF, DCF and the LCF in the form of roundtable | inadequate resources on both personnel and financial<br><br>The level of the position (Junior) to understand and attend to strategic issues. |
| **Opportunities** | **Threats** |
| Sound relations with the government communication fora<br><br>Sound relations with the media<br><br>Capacity building programme done by GIZ on social media development and engagement<br><br>Participation of the communication unit to all strategic session talking to the direction the organization is taking or intending to follow. | distorted information<br><br>Political instability<br><br>Political interference<br><br>Community unrest |

**Customer Care and Management**

The municipality has customer care unit established in terms of Batho Pele principles embedded by the Bill of Rights in the South African Constitution 1996 (as amended). The municipality developed and adopted a strategy and policy on customer care in the 2016/2017 financial year. The Municipality also adopted the Petitions Management Policy framework. The purposes of the unit are to ensure that customer services are met and customers are satisfied. Dissatisfaction or satisfaction of customers is measured through customer service standards monitoring and customer satisfaction surveys conducted annually. In cases of customer dissatisfaction, bill of rights suggests that customers are entitled to complain, and every citizen has a right to say what they think when they do not receive the treatment of services they are entitled to. Systems for dealing with complaints are created through customer complaints register and petitions management comittee.

The municipality has a systematic approach (complaints procedure) for receiving, resolving, and communicating complaints or enquiries or queries using customer complaints register. This includes complaints received from the presidential hotline system, walk-ins, and phone-ins.

Information sharing sessions and training for frontline staff on Customer Care.

SWOT Analysis (Customer care)

| Strengths | Weaknesses |
|---|---|
| Customer care policy and strategy<br>Complaints management procedure manual<br>Customer care committee<br>Petitions Management Policy<br>Institutional customer service standards | Limited financial and personnel resources<br>Lack of office space to attend to walk-ins<br>Lack of cooperation by Directorates on service delivery complaints<br>Lack of common courtesy among employees |
| **Opportunities** | **Threats** |
| Presidential hotline forum<br>Presidential hotline system<br>District customer care forum | Community unrest<br>Pressure group protests<br>Dissatisfied employees/negative representation of the organization |

**Public Participation**

Chapter 4 of the Local Government Municipal Systems Act NO. 32 OF 2000 requires the Development of Culture of Municipal Governance that complements formal representative government with a system of participatory governance. It further requires the Municipality to create conditions for the Local Community to participate in the affairs of the Municipality.

Public Participation is a unit seating in the Office of the Municipal Manager which currently consist of 1 Public Participation Practitioner, Public Participation assistant and strategic programmes secretary. Its activities are based on the Public Participation Strategy that was approved by Council in August 2015 and the strategy inclusive of petitions framework; used as a tool to mobilize stakeholders and was implemented successfully. The unit is currently responsible for coordination of:

170 ward committees,
7 traditional leaders,
09 Community Development Workers (CDW's)

The municipality has reviewed its ward-based plan that was developed through the service provider which was appointed by the Department of Cooperative Governance and Traditional Affairs.

The ward committees were as well established in all 17 wards of the municipality and traditional leaders were elected from seven traditional councils. Relations between the ward communities and ward committee are sound. They are currently getting an out-of-pocket expense monthly as per the Council resolution. The ward committees submit reports monthly to the Public Participation Practitioner and further submit the consolidated report on quarterly basis to the Council. Ward profiling on the capacity of Ward Committees has also been done, to establish training needs and skills gap, a training schedule has been developed, and roundtables for continuous engagements are facilitated on a quarterly basis.

Several public participation initiatives have been held, which include amongst others the following:

| Public Meeting | Purpose |
|---|---|
| IDP Roadshows / Mayoral Outreach | Conducted as per the IDP process plan adopted by council; to confirm needs identified for prioritization and inclusion in the reviewed IDP, draft IDP and Budget<br>To report municipal performance |
| Mayoral Imbizo's | To allow for members of the public to make comments on the approved draft annual report |

**Inter-Governmental Relations**

The municipality has consistent operational relations with other spheres of government including the district. To facilitate these relations an IGR structure was established which is mainly constituted by government (sector departments and the municipality) and this structure has scheduled meetings to discuss and monitor implementation of the integrated development plan. Terms of reference to guide inter-governmental strategy has also been developed and approved by Council.

The municipality as well participates in several inter-governmental structures such as the following:

SALGA Working Groups

DIMARFO

Roads and Transport Forums

MuniMec

**SWOT ANALYSIS**

| **STRENGHT** | **WEAKNESS** |
|---|---|
| IGR terms of reference | Lack of joint planning with Government departments and parastatals<br>Poor attendance by both internal and external stakeholders<br>Nonalignment with the District IGR |
| **OPPORTUNITY** | **THREAT** |

| | |
|---|---|
| Participation in District Forums | Nonalignment of delivery of services |

**Municipal Compliance**

Compliance

In terms of legislative requirements, Section 27 (1) of the MFMA, compliance with applicable legislation must be monitored and reported to Council on a quarterly basis. In this regard, the municipality, through the office of the municipal manager, has delegated the compliance function to the risk management practitioner. MFMA compliance and process compliance registers have been developed and are monitored on a quarterly basis or based on their legislative deadlines. The reports are tabled to Council on a quarterly basis.

| **Strengths** | **Weaknesses** |
|---|---|
| Set legislation | Limited office space<br>No support staffs<br>No budget |
| **Opportunities** | **Threats** |
| Support from Directors<br>Support from the Office of the Municipal Manager | Legislative disregard<br>Lack of compliance controls. |

**Governance**

The municipality is striving for a total compliance with all relevant legislation and laws. The municipality is also ensuring that it can preamps and mitigates any potential legal disputes. In this regard the municipality has established an MPAC through the Office of the Municipal Manager. Then municipality has engaged the services of Manager Legal Services and Administration in the absence of MPAC Coordinator. The primary duties of the Manager Legal Services and Administration are to ensure the overall functioning of the Municipal Public Accounts Committee (MPAC). The Manager Legal Services and Administration research for MPAC and analyse Council resolutions relating to MPAC and facilitate execution. The Manager Legal Services and Administration also assists MPAC with the preparation of oversight report to Council as delegated.

The Manager legal services ensures that there is compliance with relevant legislations and laws and formulation. Thus, the Manager Legal Services and Administration is responsible for the formulation of legal opinions and recommends guidelines to resolve issues. The Manager Legal Services and Administration is also responsible for monitoring litigation in the civil courts until the trial stage. The municipality has a Litigation Strategy implemented from July 2022 as well as a Litigation register where all cases are recorded with status update of each case as well as the financial implications incurred. The Manager Legal services also liaise with and give instructions to attorneys or advocates appointed to defend or initiate Council matters. The Manager Legal Services and Administration further provides research on legal related matters and performs any other functions delegated, from time to time, by the Municipal Manager.

| **Strengths** | **Weaknesses** |
|---|---|
| Appointed panel of attorneys | No support sFtaff |

| | |
|---|---|
| Litigation strategy in place<br><br>Litigation Register | Limited Budget |
| Opportunities | Threats |
| Support from MPAC Chairperson<br><br>Support from the Office of the Municipal Manager<br><br>Prompt response on legal cases | Legislative disregard<br><br>Lack of compliance and controls<br><br>Lack of capacity building on user departments |

**Financial Viability and Management**

**Background**

The objective of Financial Viability and Management is to secure sound and sustainable management of the financial affairs of the municipality and to comply with the accounting norms and standards. To render efficient and effective support services in a transparent, timeous, and accountable manner.

**Financial Diagnosis**

The municipality has adequate financial and human resources to continue with its operations for the foreseeable future. The Municipality is still functioning on the going concerned principle. The latter is based on key considerations such as sound cash flow, no major borrowings. The municipality however will have to manage its cash flow in manner that future cash flow problems are avoided to ensure that the municipality meets all its commitments and obligations and will have to drastically implement debt collection. The Municipality has financial systems which account for its revenue and expenditure management in line with legislative requirements. The municipality is constantly investing in human capital to ensure continuous improvement in capacity and to reduce reliance on consultants.

Internal and External Factors affecting financial viability of the municipality.

The municipality has a low-income base due to the low-income levels of its community and consequently highly dependent on grants. The municipality has a very low debt collection rate that has the potential to affect the long-term financial viability of municipality. The low collection rate can be attributed to the fact that people do not prioritize payment of their municipal accounts. Accounts cannot be delivered due to inadequate consumer address system and service delivery coverage plans from certain directorates. Human resource constrains to be addressed to enforce credit control and debt collection policy.

The high unemployment rate in the area has a negative impact on the financial viability of the municipality. The current economic outlook also has a negative impact on job creation and the affordability of consumers to pay their accounts. The extent of the revenue base of the municipality is also limited as most of the electricity revenue go to Eskom. The municipality is is registered with NERSA but electrifying certain areas without applying to NERSA for the licence of the new areas.

**Key Financial Indicators**

The economic downturn and the Eskom issues continue to play havoc with good financial management. The Emalahleni economy has been battered of late and all indications are that it will get worse before it gets better.

This is not because of bad or incompetent management, but because it is the nature of the business and the economy. I would therefore hope that National and Provincial bureaucrats take heed of this fact before making any incorrect or ill-conceived statements or judgements.

One indicator needing comment is that of repairs and maintenance. In recent years, there has been made many comments as to how low this ratio is. The ratio has remained constant due to increased expenditure on new assets, i.e., these have not been needing major repairs due to their current conditions.

**Revenue management**

The Municipality's revenue collection has declined in the last year mostly due to the mSCOA financial system implementation challenges, which lead to increased outstanding consumer debts over the short to medium term. The fact that the Emalahleni municipal area is a low wage economy also contributes to the uncollectable debt.

Most service consumers of the municipality are unemployed and cannot afford to pay for services consumed. Despite the latter, consumers do not come forward to apply for indigent support during the registration period to ensure that they receive subsidy on their refuse removal and property rates levies. The municipality's indigent register currently has in excess of 735 qualifying and subsidised refuse consumers and more than 3 750 indigents who receive 50 units of free electricity monthly.

The municipality's collection rate regressed further to 18% in the 2018/19 financial year compared to the 36.36 collection rate achieved in the 2017/18 financial year. It improved slightly during the current year (2019/20) to about 22% at mid-year. This drastic reduction was mostly due to the mSCOA system implementation that rendered the municipality unable to do billing timely and issue statements in time for the first quarter of the current year. The municipality has now been able to do its billing on time and is now able to again issue statements to consumers.

A positive achieved with the mSCOA system implementation was the improvement in the consumer data integrity as this system forced the municipality to do data cleansing.

The collection rate target for 2019/20 year, has been set at 60% and the municipality is positive that this target is achievable at year end given the actions and plans put in place to collect outstanding debt. The municipality has developed a revenue enhancement strategy and a revenue enhancement sub-committee has been established to drive and monitor the implementation of the strategy. Further, a debt collector has been appointed and given the debtors arrear book to assist the municipality in the debt collection process. The municipality is positively optimistic that these strategies will immensely improve the collection rate over the medium to long term.

The municipality continues to find measures to enhance municipal revenue and to ensure that the municipality continues to be financially viable. The traffic station in Cacadu is currently being further extended to provide for a motor vehicle road worthy testing station.

**Expenditure Management**

Section 65 of the Municipal Finance Management Act requires that a municipality maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds. The municipality has and maintains an expenditure management system that recognises expenditure when it occurs and as such accounts for all payments made by the municipality. Creditors are recognised and accounted for and are generally paid within the stipulated 30 days or as per agreed stipulations however major creditors like Eskom and Telkom send invoices via email to one individual. Late invoices result to late payments and the disadvantage to that is interest incurred which leads to fruitless and wasteful expenditure. The municipality therefore continues to have no major creditors outstanding to date. Typical major creditors such as Eskom and Auditor General are all paid up to date.

The municipality also seek to manage its working capital in such a way that funds available not required within the short term are invested in line with the cash management and investment policy to ensure maximum returns for the municipality but also ensures that sufficient working capital is available to meet its day-to-day operations. Creditor payments are also delayed and are paid as close to the 30-day payment requirement to enhance cashflow management.

**Supply Chain Management**

There has been improved functionality and compliance within the SCM Unit. The Unit has 3 functional bid committees being the Bid Specification Committee, Bid Evaluation Committee and the Bid Adjudication Committee that sit according to the demand management plan.

The unit develops a procurement plan annually that is approved by the accounting officer and noted by Council; it is a guiding document that reflects when the departments should procure their projects on a timely manner as per their targets on the SDBIP. The implementation of the SCM policy is reported monthly and quarterly to Mayor and Council in line with Section 6 of the SCM regulations and 32 of the MFMA. Procurement plan is monitored monthly and quarterly to improve compliance and turnaround time of procurement.

The Supply Chain Module is fully compliant with mSCOA requirements within the Enterprise Management System of the municipality.

**Asset Management**

The objective of the asset management section of the Municipality is to manage, control and maintain all the municipal assets in line with the governing accounting standards. The asset management unit safeguards municipal assets and ensures the asset register is prepared and kept in accordance with the requirements of GRAP 17. The Municipality continues to annually increase its repairs and maintenance budget as per asset management guidelines and will continue to implement asset management systems in line with prescribed accounting standards. The municipality performs at least once a year an asset verification in line with its asset management policy. The municipality continues to improve internal controls and procedures around asset management.

**SWOT Analysis**

| **Strengths** | **Weakness** |
|---|---|
| Asset Management Policy<br>GRAP compliant Fixed Asset Register | Safeguarding of assets<br>Management and control of asset movement<br>Non-appointment of Asset management champions in our directorates.<br>Poor communication between HR and Asset Management office during induction and exit of employees. |
| **Opportunities** | **Threats** |
| Procurement of Asset Management Scanners that can pull directly to the fixed asset register | Theft<br>Ownership disputes on assets without barcodes. |

**Budget and Financial Reporting**

The Municipality in accordance with the municipal Systems Act 32 of 2000, annually formulates an IDP/Budget process plan to guide the development of the annual budget and the review process of the IDP. This process enhances integration and alignment between the Integrated Development Plan and Budget, thereby ensuring the development of an Integrated Development Plan-based

Budget. The reporting process is a continuous process to ensure the early identification of problem areas and none or under performance. The municipality aims to continue with accountable and developmental orientated monetary management to sustain a sound fiduciary position and ensure compliance with all prescribed accounting standards.

It is in this regard that the Municipality annually reviews its budget policies, by-laws, and internal controls. The municipality has further taken a step to ensure that all budgetary and financial reports as required by the MFMA are submitted timeously and in accordance with the stipulated frameworks and legislation.

**Fleet Management**

There is a Fleet Management Policy which was approved by council in June 2019/2020 FY and is subject for review in 2020/2021 F/Y. There is a Fleet Management Joint Standing Committee consisting of representatives from Corporate Service, IDHS and Community Services and BTO to discuss fleet related matters. The unit consists of 4 officials. The unit provides fleet management support to all directorates.

The municipality is in possession of 12 plant machinery, 15 vehicles, 6 tractors and 7 trailers.

**SWOT Analysis**

| **Strengths** | **Weakness** |
|---|---|
| Fleet Management Policy | Shortage of fleet<br>Lack of Personnel<br>Skills gap |
| **9Opportunities**<br>Replacement of fleet | **Threats**<br>Budget<br>Accidents<br>Fleet management systems |

# CHAPTER 3 - Macro-Strategy of the Municipality

## 3.1 Introduction

The current reality analysis has shown that the municipality is faced with a daunting challenge marked by huge backlogs in service delivery, socio-economic problems of high unemployment and poverty levels. Solutions to these challenges can potentially conflict with or complement each other. For this reason, it is necessary for the municipality to have a macro strategy that will guide decision making when there are conflicting strategic options and provide a basis for the allocation of scarce resources.

The macro strategy gives a high-level interpretation of the vision and is based on the following key drivers:

**Maximising development impact:** The strategy, in line with the vision, recognizes the need to achieve optimal impact with current resources and set of known constraints. In terms of this driver, the limited available resources must be directed towards interventions that will maximize development.

The strategy identifies the infrastructure cluster as the principal cluster on which larger capital budget resources and investments should be deployed to realize greater impact or outcomes.

**Growing local economy:** The situational analysis concluded that the municipality has very limited space to increase local revenue, mainly because of high levels of poverty. Therefore, LED will not only help improve the lives of the citizenry, it will also improve the chances of their municipality to be a better resourced local government. However, it must begin with an organization that can think and coordinate and/ or manage significant initiatives in terms of LED.

It has to be able to get the municipality's initiatives to coordinate and synergise with others in a way that should lead to a major turnaround in the local economy.

**Maintaining financial viability:** The strategy identifies as central to turning around the current development situation, the need to maintain sound financial discipline and viability. This will ensure that available resources are protected from misuse and properly channelled to priorities. The strategy identifies the need to balance proportional split of budget between internal operational and external capital delivery needs.

These initiatives may include introduction of some short to medium term "belt-tightening" measures.

**Lobbying for authorities to compensate costs of delivery:** The situational analysis has demonstrated that most of the development initiatives that the municipality would like to see being implemented in the municipal area are a competency of other role-players and in particular the District Municipality and Provincial government. In some cases, the resources for implementation are in the hands of parastatals, such as ESKOM and TELKOM, and private, sector such cell phone services providers.

It has also noted that there is no structured lobbying program, nor the necessary skills set that should develop such a programme and support the political structures in delivering on it in systematic way. Building this capacity is seen as a major driver of capacity building.

**Capacity to regulate citizenry and deliver services:** It was also noted in the situational analysis that the municipality is running the risk of not governing the municipal area. There is no enforcement of appropriate by-laws, and the citizenry is beginning to act as if there is no local government. This is particularly the case about actions that may harm the health of the citizenry.

It was also noted that the municipality is not delivering on several its important powers and functions. There is clearly a need to build capacity in this regard.

## Municipal Vision, Mission, and Values

## Municipal Vision

An accountable, transformational, and financially viable municipality that delivers quality, sustainable and affordable services towards socio-economic growth and development of its communities.

## Municipal Mission

A municipality that accelerates quality services in consultation with its customers and stakeholders in a quest to attain sustainable livelihood.

## Municipal Values

**Accountability-** we will create participatory platforms for communities to have direct access and hold the municipality accountable.

**Value for mone**y- we will provide the citizens the best possible value for their money through delivering the right quality services, in the right quantity at the right time and at the right place.

**Responsiveness:** we will put in place systems to promptly respond to the needs, complaints, and enquiries of our communities.

**Cultural Diversity:** we will promote and enhance all cultures in our municipality.

**Commitment:** we commit ourselves to clean governance and administration.

**Dignity:** we will treat every client with dignity, respect, and disciplined manner.

**Honesty:** we will discharge our mandate with honesty.

**Innovation:** to encourage alternative and innovative systems to discharge service delivery.

## Context of Emalahleni Strategy

### Legal Context

Constitution of the Republic of South Africa, 1996
Development Facilitation Act, 1995 (Act 67 of 1995)
Local Government: Demarcation Act, 1998 (Act No 27 of 1998).
White Paper on Local Government of 1998.
Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).
Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998).
Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003).
Powers and Functions allocated by the Minister for Provincial and Local Government and MEC for Local Government in terms Sections 83 and 85 of the Municipal Structures Act, 1998 respectively.
Intergovernmental Relations Framework Act, 2005 (Act No 13 of 2005).
Municipal Property Rates Act 6 of 2004.
Supply Chain Regularities.
Performance Management Policy.

### National Context

Nationally, the Emalahleni strategy takes into cognisance and is aligned with national strategies and policies. These include the Reconstruction and Development Programme (RDP), the National Development Strategy (NDS), Spatial Development Framework (National Spatial Development Perspective) and the Accelerated and Shared Growth Initiative for South Africa (ASGISA). The national strategies emphasise the need to take advantage of the opportunities that exist in the area of tourism, forestry, biofuels, development corridors, Joint Initiative on Skills on Priority Skills Acquisition (JIPSA), etc.

### Provincial Context

Provincially, the Growth and Development Programme (PGDP), whose objectives includes the development of human capital, infrastructural development, and systematic eradication of poverty, emphasises the following:
Diversification of Manufacturing Sector.
Agrarian Transformation.
Strengthening of food security.
Pro-poor programming.
The Emalahleni Local Municipality considers the above and other policies and programmes that the provincial government comes up with in addressing the challenge of providing better life for all.

**Regional Context**

Regionally, the Emalahleni Municipal Strategy considers the programmes of the district including its Integrated Development Plan, the District Growth and Development Strategy as well as the advantages that are brought about by Chris Hani District Municipality to the area's development.

**ALIGNMENT MATRIX**

| Sustainable Development Goals | Agenda 2063 | National Development Plan 2030 | Eastern Cape Vision 2030 | Chris Hani District Municipality Strategic objectives | Emalahleni Local Municipality<br><br>Priority areas | District Development Model (DDM) |
|---|---|---|---|---|---|---|
| Promote sustained, inclusive, and sustainable economic growth. | Transformed Economies and Job Creation | An economy that will create more jobs | A growing, inclusive, radical, and equitable economy | To ensure provision of Municipal Health, Environmental Management and Basic Services in a well-structured, efficient, and integrated manner | SMME Development<br>Mining<br>Tourism Development | Economic Positioning<br>Structural restructuring and Environmental sustainability |
| Build resilient Infrastructure, inclusive and sustained industrialization, and foster innovation | High Standard of living, quality life and wellbeing for all | Improving Infrastructure | | To ensure development and implementation of regional economic strategies and effective Spatial Planning and Land Use Management approaches as drivers for economies of scale and social cohesion. | Provision of Electricity<br>Provision of Energy alternative sources<br>Human Settlements<br>Spatial Development<br>Job Creation | Infrastructure Engineering |
| End hunger, achieve food security and improved nutrition and promote sustainable agric. | Modern Agriculture for increased productivity and production | An inclusive and integrated rural economy | | | Agriculture Development<br>Agro - Processing<br>Re - Forestation | Economic Positionong |
| Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all | Well educated Citizens and skills renovation underpinned by science and technology and Innovation | 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. | Labour Relations<br>Human Resource Development<br>(Skills Development) | People Development and Demographics |

| | | | | | | |
|---|---|---|---|---|---|---|
| Ensure healthy lives & promote wellbeing for all ages | Healthy and Well-Nourished Citizens | Quality health care for all | A healthy population | To ensure provision of Municipal Health, Environmental Management and Basic Services in a well-structured, efficient, and integrated manner | Employee Wellness<br>HIV and Aids<br>Occupational Health and Safety | People Development and Demographichs |
| Make cities and human settlements inclusive, safe, resilient, and sustainable | High Standard of Living, Quality Life, and wellbeing for all | Building safer communities | Vibrant and equitable enabled safe communities | | | |
| | | Reforming the public service | Capable, conscientious, and accountable institutions | To Ensure an Effective, Efficient and Co-ordinated Financial Management that enables CHDM to deliver its mandate. | Cash Management<br>Revenue Management<br>Expenditure Management<br>Budget and Reporting<br>Supply Chain | Governance<br>Finance |
| | | Transforming society and uniting the country<br><br>Reversing the spatial effects of apartheid | | To create an Efficient, Effective, Accountable and Performance-oriented Administration. | Special Programs<br>Public Participation'<br>Integrated Development Planning<br>Customer Care<br>Intergovernmental Relations<br>International Relations and Partnerships | People Development |

**SWOT Analysis**

This part of the strategy deals with the examination of the internal and external environment as it affects the Emalahleni Local Municipality. Identifying the negative and positive factors assists the municipality to determine the way it can utilise its resources for improved service delivery.

The table below outlines the strengths, weaknesses, opportunities, and threats in relation to the Emalahleni Municipality.

**SWOT ANALYSIS POINTS RAISED**

| ***BISD*** | ***LED*** | ***MTID*** | ***GGPP*** | **FVM** |
|---|---|---|---|---|
| *4.6.1 KPA 1: Strengths:* | *KPA 2: Strengths:*<br><br>*Subsistence and commercial farming*<br>*Agro-processing facilities*<br>*Small-scale mining*<br>*Historical sites of attractioSn*<br>*R392 Route (From KZN Midlelands to Western Cape Midleland)*<br>*R410 Route (Cala to Queenstown via Cacadu)Tourism facilities* | *KPA 3: Strengths:*<br><br>*Qualified personnel in those positions currently filled*<br>*There is creative and innovative thinking capacity*<br>*High rate of labour turnover during the last financial year*<br>*Disaster Recovery Plan* | *KPA 4: Strengths:*<br><br>*Local and district Communicators Forum*<br>*Public Participation Systems*<br>*93% success rate of addressing complaints registered on the Presidential Hotline (as per Cabinet report)*<br>*Approved Strategies*<br>*Approved Internal Audit Charter & Audit Committee Charter,*<br>*Established Ward Committees for all wards.* | <u>KPA 5: Strengths:</u><br><br>Internal controls in place to avoid Fruitless and Wasteful expenditure and comply with section 65 and 66 in MFMA<br>Availability of policies and procedure manuals and controls |
| *KPA 1:Weaknesses:*<br><br>*Over reliance on grants*<br>*Lack of bulk infrastructure*<br>*Insufficient plant and equipment.* | *KPA 2: Weaknesses* | *KPA 3: Weaknesses:*<br><br>*Office Space* | *KPA 4: Weaknesses:*<br><br>*Decentralised Internal Communication* | mSCOA system development challenges lead to huge non-compliance to the municipality<br>Revenue collection target of 60% set for the year not achieved at midyear but departments remains positive that it will achieve the target by year end<br>Limited Budget |

| KPA 1: Opportunities: | KPA 2: Opportunities: | KPA 3: Opportunities: | KPA 4: Opportunities: | KPA 5: Opportunities: |
|---|---|---|---|---|
| *Eradication of electricity backlog*<br>*Improvement of quality on all infrastructure projects*<br>*Beautification of Emalahleni towns*<br>*EPWP*<br>*Massive Job Creation*<br>*Established & Operational Traffic facilities ( DLTC, RA & VTS*<br>*Approved IWMP & Designated WMO*<br>*Greenest Municipal Competition*<br>*Greening and Land Care Initiatives*<br>*Innovative and qualified staff* | *Interlink road (R56 and R400) between KZN – WC*<br>*Natural Resources like waterfalls*<br>*Reliable market for livestock*<br>*Cheese factory*<br>*Mining of coal, quarry and sand*<br>*Agro processing*<br>*Farms are available, some even belonging to ELM*<br>*Proximity to Queenstown for markets and State Support*<br>*Cultural places of entertainment and tourism.* | *Partnership with local institutions of higher learning*<br>*Support from the District Municipality*<br>*Capacity building (SALGA*<br>*Use of the appointed Panel of Legal Advisors* | *Strong relations with communities through Mayoral Imbizo, Ward Committees and CDW's, NGO's, SALGA Working Groups, CHDM and COGTA*<br>*Partnership and twinning agreement.*<br>*Presidential hotline forum and system*<br>*Include fraud awareness on the municipal for community education.*<br>*Good relations with sector departments* | Reviewing of operating procedures and policies (SCM Policy, SCM Procedure)<br>Automated SCM module in financial system<br>Partnering with key suppliers e.g. long term contracts with accredited suppliers<br>Improved document management<br>Raising of additional rates revenue by registering properties that are currently registered under Municipality to the relevant owners |
| *4.5.4 Threats:*<br><br>. | *Threats.*<br><br>*Unpredictable weather conditions*<br>*Severe climatic change may affect agricultural farming* | *Threats:*<br><br>*Lack of disaster recovery site*<br>*Invalid Wide Area Network contract* | *Threats:*<br><br>*Community unrest* | Threats:<br><br>High level of unemployment within the Municipality leading to high indigency rate<br>Outdated lease agreements for rental properties<br>The user departments not honest in the evaluation of the performance of service providers<br>The impact of the mSCOA legislation and the continuous change in budget versions by treasury. |

**Core elements of the Strategy**
**Infrastructural Resource**

**Problem statement**
The municipality is rural in nature and has been faced with several challenges with regards to its dilapidating infrastructure, be it in the form of road and bulk services infrastructure. This is applicable to all its three towns

**Possible solution**
The municipality has identified a bulk infrastructure project to respond to the status of the current infrastructure and uplift the community of the municipal area; by soliciting funding from the National Treasury. The objective of the project is provided sufficient bulk infrastructure to service the new Emalahleni Development Programme by upgrading infrastructure within the existing towns of Cacadu, Indwe and Dordrecht
This funding includes plans for the development of Council Chambers, 30 000$m^2$ shopping centre, housing development; bulk infrastructure including storage dams, water and wastewater treatment works, bulk storage reservoir, bulk lines, outfall sewers and reticulation system.

All gravel roads to be upgraded to surfaced roads within the towns as well as the district roads, upgrading of parks and cemeteries

**Financial Resource**

**Problem statement**

The Municipality is mostly dependent on grants and has limited sources of funding. There are high levels of poverty and unemployment and as well as low levels of education, which poses a challenge where revenue generation and collection are concerned.

**Possible Solution**
The Municipality must develop and/or review its revenue generation and collection strategies to improve own revenue and vigorously implement these.
The implementation of projects of the municipality must, where possible, be done using the Expanded Public Works Programme (EPWP) as a way of creating job opportunities.
Data Cleansing should be prioritised to ensure that there is accurate billing, which will in turn assure the municipality of collecting of some of its revenue.
Credit Control and related policies must be intensely implemented to ensure that those who can afford, do pay for the rates and services provided to them.
Implementation of high Impact LED programmes as identified in the IDP, Master Plan, SEA, and SDF. This will in turn have positive spin offs to the revenue base.

**Systems Capacity**

**Problem Statement**
The data in the system is not always accurate, rendering the billing sometimes incorrect.
The financial muscle of the municipality is not always accommodating of training on the systems because this is always very costly.
**Possible Solutions**
Data cleansing should be done to ensure that correct information is on the system.
More budget should be allocated to systems training (FMS) so that the municipality get value out of its investment.

Negotiations / service level agreements with the service provider for the system must be entered into to level the playing field and as well ensure that the municipality always knows what to expect.

**Social Factors**

**Problem Statement**

The state of the Municipality regarding socio economic matters is a challenge; most of the population in the area solely depends on grants for their well-being.

**Possible Solutions**

Development of strategies for job creation in all sectors of the economy would alleviate dependence on social grants.
Involvement of the Municipality in the form of facilitating and monitoring the Sector Departments and how they deliver services to the communities can also improve the current situation in the area.
The municipal area is well known for its natural resource called coal, it has a mining company called Elitheni, which has acquired over 650 km2 of mining and prospective rights in the municipal area. The company estimates that there is over 1 billion tons of coal available for mining which will benefit the community in the following areas:
Job creation
Improvement in the rail and road linkages
Establishment of subsidiary industries / businesses like accommodation for workers, mechanics (servicing), transport, security, etc.
Cheaper coal available for local market

**Climate Change**

**Problem statement**
Measured increases in average global temperature
Extreme events: Rainfall; heat waves; droughts; hurricane intensity
Glaciers/snow cap melt on land
Wildfires increasing in frequency and intensity
More intense longer droughts observed
Intense drying observed resulting to decreasing water availability

**Possible solution**
Understanding climate change challenges and response mechanisms there of
Identify, select, and prioritize projects that will respond to the climate change

**Strategic Objectives**

| KEY PERFORMANCE AREA | LONG TERM STRATEGIC OBJECTIVE |
|---|---|

| | |
|---|---|
| Infrastructure Development and Human Settlements | To provide, improve and maintain provision of basic services to local communities and/or households<br><br>To create a safe and clean environment for all people of Emalahleni Local Municipality<br><br>To ensure the availability of well-maintained and repaired buildings, amenities, and recreational facilities to which the public has full access |
| Community Services | To Facilitate and improve Social Services through Provision of Safety & Security Services, provision of clean & healthy environment and the maintenance of viable Public Facilities to the Community of Emalahleni Local Municipality |
| Local Economic Deelopment (LED) | To promote, facilitate and improve sustainable local economic development |
| Good governance and Publi Participation (GGPP) | |
| Muniipal transformation and Institutional Development (MTID) | |
| Financial Viability (FV) | To implement proper expenditure management in compliance with legislation by June 2027<br><br>To increase the amount of revenue collected annually by June 2027<br><br>To achieve clean administration by June 2027 |

# *CHAPTER 4 - Objectives, Strategies, and Indicators*

**4.1 Introduction**

The municipality is required to develop and include in the IDP, objectives and strategies that will be employed to realise and improve the situation that currently prevails in the area.
It is also required to realise the objects of local government as set out in Section 152 of the Constitution of the Republic of South Africa, 1996
Chapter 5 and 6 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000 as amended) requires municipalities to consult with its communities in identifying and developing the indicators that will serve as yardsticks for communities to monitor implementation of the plans to help improve the service standards and improve the lives of the people.

Below is a list of strategic focus with strategies, indicators: (listed on the SDBIP – will be brought in the IDP document after all activities are captured.

| Priority Area | Strategic Objective | Strategy | Key Performance Indicator | Baseline Indicator | OutcomeIn-dicator | Budget Alloca-tions | Funding Source | Indicator Code | Annual Tar-get 2022/2023 | Custodian |
|---|---|---|---|---|---|---|---|---|---|---|
| **KPA 1 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT** | | | | | | | | | | |
| Community Safety Pro-grammes | To Facilitate and improve Social Ser-vices through Provision of Safety & Se-curity Services by June 2024 | Process Learners and Driver's License Appli-cations received | Number of Vehicles Tested for Roadwor-thy | 36 vehicles tested for Roadworthy at the Cacadu Ve-hicle Testing Station | Functional VTS | R760 000.00 | Opex | 1-1-1.3-P006 | 36 vehicles tested for Roadworthy at the Cacadu Vehicle Test-ingStation by 30 June 2024 | Commu-nitySer-vices |
| | | Process Learners and Driver's License Appli-cations received | Number of Driving Lisante and Learners License tests con-ducted | 120 Driving License tests and 150 Learners li-cense tests conducted in | Function al Licensing Authorities | | Opex | 1_1_1. 4_P00 4 | 120 Driving Lisence tests and 150 Learn-ers Lisence tests con-ducted by 30 June 2024 | |
| | | Implement Pound Management Operations | Number of Animal Pounds functional | 12- reports on pound managementt operations | Reductio n of stray animals | R631 000.00 | Opex | 1_1_1. 5_P00 5 | 1 Animal Pound and 2 animal holding facili-tiesfunctional in by 30 June 2024 | |
| | | Collect Refuse in ur-ban and townshipar-eas | Number of urban and township areas with access to weekly re-fuse removal services | 3 Urban ar-eas and10 townships with access to refuse removal service | Improved , safe and healthy en-vironment | R 8 900 000.00 | Opex | 1_2_2 3_P00 8 | 3 Urban areas and 10 town-ships with ex-cess to weekly refuse removal services by 30 June 2024 | |
| | | Managemeng of waste disposal facilities in | Number of Landfill sites and Transfer Stations Managed | 2019-2020 Landfill Site Management Projects | Improved Environm ental Out-look | R 2 390 000.00 | Opex | new | 1 Landfilsite (Cacadu) and 2 trasfer Stations (Indwe | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | compliance with legislation | | | | | | | Dordrecht) utilised managed by 2024 | |
| Security services | To maintain a viable Public Facilities tothe Community of Emalahleni Local Municipality by June 2024 | Provision of Safety and Security Services for municipal movable and immovable assets and personnel | Number of municipal facilities with personnel safeguarded day andnight | 16 facilities with personnel safeguardedday and night | improved sercurity services | R10 800 000.00 | Opex | 1_2_2.11_P017 | 19 municipal facilities with personnel safeguarded dayand night by 30 June 2024 | |
| Facilitties | | Maintain existing municipal facilities (cemeteries, halls, municipal buildings) | Number of municipal facilities maintained | 4 municipal facilities maintained. | Well maintained municipalfacilities | R 4 390 000.00 | Opex | 1_12_12.1_P035 | 4 municipal facilities maintained (Phase 1 Indwe Stores, Plubing Cacadu Change Room, Greyspan Community Hall repairs and maintanance, Ngqanda community Hall Roof Repair and Ablution block) by 30 June 2024 | |
| Roads and Storm Water and Sport Field | To provide maintained basic infrastructureservice for local communities by June 2027 | Implement, monitor, and report on the approved Roads Infrastructure Plan | Percentage of work on Internal Streets completed by set date | 23.11 km of Paved roads | Improved access roads | R4 064 636.59 | MIG | 1-12-12-2-P038 | 1km Paved in Indwe Internal Street (woodhouse street) in ward 16 Completed by 30 June 2024 | IDHS |
| | | | Percentage of work on Internal Streets completed by set date | 23.11 km of Paved roads | Improved access roads | R8 868 786.38 | | 1-12-12-2.P039 | 1,6km Construction of Indwe Internal Street (Barkley street) in ward 16 Completed by 30 June 2024 | |

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|---|---|---|---|---|---|---|---|---|---|
| | | | Percentage of work on Internal Streets completed by set date | 23.11 km of Paved roads | Improved access roads | R 300 000.00 | | 1-12-12-2.P040 | 670m Construction of Gqebenya (Ikhala) Paved street in ward 6 by 30 June 2024 |
| | | | Percentage of work on Internal Streets completed by set date | 23.11 km of Paved roads | Improved access roads | R3 200 000.00 | | New | 700m sub-base layer and 500m of kerbing, channeling constructed of Indwe Internal Street (Xalanga street) in ward 16 Completed by 30 June 2024 |
| | | | Percentage of work on Internal Streets completed by set date | 23.11 km of Paved roads | Improved access roads | R4 079 584.73 | | New | 1,5km Construction of Indwe Internal Street (Van Zyl street) in ward 14 Completed by 30 June 2024 |
| | | | Percentage of work on Internal Streets completed by set date | 23.11 km of Paved roads | Improved access roads | R5 504 392.3 | | New | 2km Construction of Indwe Internal Street (Voortrekker street) in ward 14 Completed by 30 June 2024 |
| | | | Percentage of work on Internal Streets completed by set date | 23.11 km of Paved roads | Improved access roads | R4 000 000. 00 | | New | 1,6km Construction of Indwe Internal Street (Du Plesuis street) in ward 14 Completed by 30 June 2024 |
| | | | Percentage of work on Internal Streets completed by set date | 23.11 km of Paved roads | Improved access roads | R 500 000.00 | | New | 1,150km construction of Ngonyama Clinic Paving |

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|---|---|---|---|---|---|---|---|---|---|
| | | | Percentage of work on Internal Streets completed by set date | 23.11 km of Paved roads | Improved access roads | R 500 000.00 | | | 2km of Kerbing and Channeling and 2km of Pavement layers Constructed at Hala - Calabash Paving Road in ward 03 by 30 June 2024 |
| | | | Percentage of work on Internal Streets completed by set date | 23.11 km of Paved roads | Improved access roads | R 900 000.00 | CAPEX | 1_10_ 10.2_P 031.2 | 200 m paved in Cacadu internal streets by 30 June 2024. |
| | | | Percentage of work on Gravel road completed by set date | NA | Improved access roads | R 500 000.00 | MIG | 1-12- P041 | 11.5km of Wisile Gravel Road completed by 31 December 2023. |
| | | | Percentage of work on Sport Field constructed and completed by set date | 2 Exisiting Sport Fields | Improved Sport Facilities | R5 500 000.00 | MIG | 1_12_12. 5_P044 | Construction of one Indwe Sportfield completed by 30 June 2024 |
| Road Maintenance | To provide maintained basic infrastructureservice forlocal communities by June 2027 | | Number of Km of gravel road maintained | 15 km of gravel road in Wards maintained | Improved access roads | R 5000 000 00 | Opex | 1_10_ 10.3_P 033 | 21km of Gravel roads maintained in emalahleni LM wards( Ward 1, 4, 7, 9, 12, 16 and 17 ) by the 30 June 2024 |

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|---|---|---|---|---|---|---|---|---|---|
| Recreational Facilities | and repaired buildings, amenities and recreational facilities to which the public has full access by June 2027 | | Construction of Public Toilets | None | Improved Public infrastructure | R 1000 000 00 | MIG | 1_12_P046 | Construction of one Indwe Public Toilets completed by 30 June 2024 |
| | | | Construction of Public Toilets | None | Improved Public infrastructure | R 500 000.00 | MIG | 1_12_P045 | Construction of one Dordrecht Public Toilets completed by 30 June 2024 |
| | | | construction of Public Toilets | None | Improved Public infrastructure | R500 000.00 | MIG | 1_12_P047 | Construction of one Cacadu Public Toilets completed by 30 June 2024 |
| | To maintain and improve financial viability of the municipality by June 2027 | Implement, monitor, and report on the approved Electrification Infrastructure Plan | Number of households connected to by setdate | 446 Households electrified in 2022/2023 FY | Improved infrastructure on electrician program me | R24 881 000.00 | INEP | New | Connect of 183 households in Lupapazi in ward 15 by 30 June 2024 |
| | | Implement, monitor, and report on the approved Electrification Infrastructure Plan | Number of households connected to by setdate | 446 Households electrified in 2022/2023 FY | Improved infrastructure on electrification programme | R24 881 000.00 | INEP | New | Connect of 5 households in Branstone Ward 15 by 30 June 2024 |
| | | Implement, monitor, and report on the approved Electrification Infrastructure Plan | Number of households connected to by setdate | 446 Households electrified in 2022/2023 FY | Improved infrastruc ture on electrifica tion program me | R24 881 000.00 | INEP | New | Connect of 21 households in Mncwangele Ward 5 by 30 June 2024 |
| | | Implement, monitor, and report on the approved | Number of households | 446 Households electrified in | Improved infrastruc ture on | R24 881 000.00 | INEP | New | Connect of 40 households in Tsembeyi Ward |

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|---|---|---|---|---|---|---|---|
| Electrification Infrastructure Plan | connected to by set date | 2022/2023 FY | electrifica-tion program me | | | | 10 by 30 June 2024 |
| Implement, monitor, and report on the approved Electrification Infrastructure Plan | Number of households connected to by set date | 446 Households electrified in 2022/2023 FY | Improved Infrastruc-ture on electrifica-tion program me | R24 881 000.00 | INEP | New | Connect of 33 households in Buttelsdorrence Ward 10 by 30 June 2024 |
| Implement, monitor, and report on the approved Electrification Infrastructure Plan | Number of households connected to by set date | 446 Households electrified in 2022/2023 FY | Improved infrastruc ture on electrifica tion program me | R24 881 000.00 | INEP | New | Connect of 60 households in Luphidweni Ward 0 by 30 June 2024 |
| Implement, monitor, and report on the approved Electrification Infrastructure Plan | Number of households connected to by set date | 446 Households electrified in 2022/2023 FY | Improved infrastruc ture on electrifica tion program me | R24 881 000.00 | INEP | New | Connect of 15 households in Kurhaqu Ward 00 by 30 June 2024 |
| Implement, monitor, and report on the approved Electrification Infrastructure Plan | Number of households connected to by set date | 446 Households electrified in 2022/2023 FY | Improved infrastruc ture on electrifica tion program me | R24 881 000.00 | INEP | New | Connect of 29 households in Ndova Ward 00 by 30 June 2024 |
| Implement, monitor, and report on the approved Electrification Infrastructure Plan | Number of households connected to by set date | 446 Households electrified in 2022/2023 FY | Improved infrastruc ture on electrifica tion program me | R24 881 000.00 | INEP | New | Connect of 15 households in Maqhubela Ward 00 by 30 June 2024 |
| Implement, monitor, and report on the approved Electrification Infrastructure Plan | Number of households connected to by set date | 446 Households electrified in 2022/2023 FY | Improved infrastruc ture on electrifica tion program me | R24 881 000.00 | INEP | New | Connect of 15 households in Luqoqo Ward 00 by 30 June 2024 |

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|---|---|---|---|---|---|---|---|---|
| | Implement, monitor, and report on the approved Electrification Infrastructure Plan | Number of households connected to by set date | 446 Households electrified in 2022/2023 FY | Improved infrastructure on electrification programme | R24 881 000.00 | INEP | New | Connect of 15 households in Trust Ward 00 by 30 June 2024 |
| | Implement, monitor, and report on the approved Electrification Infrastructure Plan | Number of households connected to by set date | 446 Households electrified in 2022/2023 FY | Improved infrastructure on electrification programme | R24 881 000.00 | INEP | New | Connect of 11 households in Lamuni Ward 00 by 30 June 2024 |
| | Implement, monitor, and report on the approved Electrification Infrastructure Plan | Number of households connected to by set date | 446 Households electrified in 2022/2023 FY | Improved infrastructure on electrification programme | R24 881 000.00 | INEP | New | Pre- Engineering for Electrification of Hala 1 ward 03 by 30 June 2024 |
| | Implement, monitor, and report on the approved Electrification Infrastructure Plan | Number of households connected to by set date | 446 Households electrified in 2022/2023 FY | Improved infrastructure on electrification programme | R24 881 000.00 | INEP | New | Pre- Engineering for Electrification of Mthonjeni ward 00 by 30 June 2024 |
| | Implement, monitor, and report on the approved Electrification Infrastructure Plan | Number of households connected to by set date | 446 Households electrified in 2022/2023 FY | Improved infrastructure on electrification programme | R24 881 000.00 | INEP | New | Pre- Engineering for Electrification of Luthuthu ward 00 by 30 June 2024 |
| | Implement, monitor, and report on the approved Electrification Infrastructure Plan | Number of households connected to by set date | 446 Households electrified in 2022/2023 FY | Improved infrastructure on electrification programme | R24 881 000.00 | INEP | New | Pre- Engineering for Electrification of Maqhashu ward 00 by 30 June 2024 |

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|---|---|---|---|---|---|---|---|---|---|---|
| | To maintain and improve financial viability of the municipality by June 2027 | Implement, monitor, and report on the approved Electrification Infrastructure Plan | Number of Back up Generator | None | Improved quality of supply | R1 400 000.00 | CAPEX | New | Supply, delivery, and installation of 2 Mini Sub - Transformers by 30 June 2024 | |
| | To maintain and improve financial viability of the municipality by June 2027 | Implement, monitor, and report on the approved Electrification Infrastructure Plan | Number of households connected to be set date | 446 Households electrified in 2022/2023 FY | Improved quality of Supply | R2 000 000.00 | CAPEX | New | Supply, Delivery and installation of Solar panel for Indwe and Dordrecht by 30 June 2024 | |
| Indigent Support | To maintain and improve financial viability of the municipality by June 2027 | Provide free basic services to qualifying households | Number of reports developed on the implementation of indigent support programme | 4 quarterly reports on implement ation of the indigent support programm e | Improve d Service Delivery | R0 | Opex | 1_21_ 21.1_ P048 | 4 quarterly reports on implementation of the indigent support programme | |
| **KPA 2 : LOCAL ECONOMIC DEVELOPMENT** | | | | | | | | | | |
| | To promote, facilitate and improve | Formalize businesses | Number of SMMEs supported with production inputs | 7 SMME's supported with | Sustaina-ble SMMEs | R500 000. 00 | Opex | 2_22_ 22.2_P 050 | 10 SMMEs supported with production | PEDTA |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | sustainable local economic development by June 2027 | | | production input | | | | | inputs by June 2024 |
| | | SMME Development | Number of SMMEs facilitated for sub contraction in capital projects | 6 SMMEs subcontractedd in capital projects | Business growth | R0 | CAPEX | | 10 SMMEs facilited for sub contraction in capital projects in ELM by 30 June 2024 |
| | | | Number of business licenses issued | 15 Business licenses issued (5 Indwe, 5 Cacadu and 5 Dordrecht) | Compliance and Revenue generation | R0 | Opex | 2_22_22.3_P051 | 30 Business licenses issued (20 Cacadu, 5 Indwe and 5 Dordrecht) by June 2024 |
| Agricultural Development | | Provide agricultural development services | Number of Livestock branded | 1000 livestock branded in 2020-2021 | Stock theft prevention and identification | R 100 000.00 | OPEX | 2_23_23.1_P052 | 2000 livestock branded in Emalahleni subject to community requests farmers by 30 June 2024 |
| | | Provide agricultural development services. | Number of livestock projects supported | N/A (New project) | Improved livelihood | R500 000. 00 | OPEX | 2_23_23.1_P053 | 5 livestock production projects supported with production inputs by June 2024 |
| | | Provide agricultural development services | Number of rams delivered | N/A (New project) | Genetic improvement | R200 000.00 | OPEX | 2_23_23.1_P054 | 10 rams procured for 2 shearing sheds by June 2024 |
| | | | Number of Small scale Irrigation Scheme and Crop Production | 1 Irrigation scheme supported | Small scale irrigation scheme | R 500 000.00 | OPEX | 2_23_23.1_P055 | 1 Small Scale Irrigation Scheme and Crop Production |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | Processing Plan reviewed and implemented | | revitalize d. | | | | Processing Plan reviewed and implemented by 30 June 2024 |
| | | | Number of crop producers supported | 1 Crop producer supported. | Food security productio n | R500 000. 00 | OPEX | 2_23_ 23.1_P 056 | 5 crop production projects supported with production inputs by June 2024 |
| | | | Number of feedlot operational plans implemented | Operation plan implemented | Commer cial farming | R 200 000.00 | OPEX | | 1 feeflot operation plan implemented byJune 2024 |
| Tourism Development and Heritage Management | | Facilitation of Heritage event | Number ofheritage events conducted. | 1 Heritage event conducted | heritage preserve d | R 100 000.00 | Opex | 2_27_ 27.4_P 134 | 1 heritage event facilitated by 30 June 2024 |
| | | Promote the municipality as a Tourist Destination | Number of outdoor events (Hiking and Camping) facilitated | Outdoor activities events facilitated at Bozwana (Hiking) and Qwempe (Hiking & Camping) | Tourism and heritage promotio n | R 100 000.00 | Opex | 2_27_ 27.4_P 135 | 2 Outdoor Events facilitated at Bozwana (Hiking) and Qwempe (Hiking & Camping) by June 2024 |
| | | | Number of tourism projects supported. | 21 Tourism projects supported. | Tourism and heritage promotio n | R500 000.00 | Opex | 2_27_ 27.4_P 136 | 5 tourism projects supported with production inputs by June 2024 |

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|---|---|---|---|---|---|---|---|---|---|---|
| Local Eco- nomic De- velopment | | Lobby Investors to the Municipal Area | Number Investment Summits facilitated | LED Strategy | Local In- vestment | R500 000.00 | OPEX | 2_27_ 27.4_P 137 | 1 Investment Summit held in the Municipal Area by June 2024 | |
| Town Plan- ning | | Implementation of spatial planning and land use manage- ment (SPLUMA) | Complete reviewal of SDF | N/A New | Improved spatial planning. | R760 000.00 | OPEX | 4_55_ 55.2_P 109 | Emalahleni SDF reviewed by June 2024 | |
| | | | Number of LSDF developed. | N/A New | Improved spatial planning. | R400 000.00 | OPEX | 4_55_ 55.2_P 110 | Gqebenya Local Spatial De- velopment Framework developed by June 2024 | |
| | | | Number of GIS software installed | N/A New | Integrate d service delivery systems | R100 000.00 | OPEX | 4_55_ 55.2_P 111 | GIS software in- stalled by June 2024 | |
| Job Cre- ation | To promote, facilitate and improve sus- tainable local eco- nomic de- velop- ment byJune 2027 | Facilitate Community Works Programme | Number of local peo- ple employed in pro- jects and reportedon EPWP MIS system | 220 Local People em- ployed in Projects and Reported on EPWP MIS System | Improved livelihood | R 1 416 000.00 | EPWP | | 200 local People employed in Projects and Re- ported on EPWP and MIS System by 30 June 2024 | |
| **KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION** | | | | | | | | | | |
| Commu- nications | To ensure development and imple- mentation of improved system of communica- tion | Implement Communi- cation Strategy pro- grammes | Number of Communi- cation Strategy pro- grammesimple- mented | Approved Communicat ion Strategy | Informed Citizenry | R1 270 000.00 | Opex | 3_31_ 31.1_P 069 | 5 Communication Strategy pro- grammes im- plemented (8 digital adver- tisementsde- veloped, 24 | MM's OFFICE |

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|---|---|---|---|---|---|---|---|---|---|
| | , customer care, public participation and good governance in line with applicable laws and regulations to achieve clean admin-istration | | | | | | | | digital posters developed, 8 Radio Talk shows, 16 Radio Adverts and 4 Newspaper Adverts) by 30 June 2024 |
| Customer Care | To ensure de-velopmentand implementa-tionon of im-proved sys-tem of com-munication, customercare, public partici-pation and good govern-ance in line with applica-ble laws and regulations to achieve clean administration | Implement Petitions Management Policy | Number of Customer Care Strategy Pro-grammes Imple-mented | Approved Customer Care Strategy | Improved Cus-tomer Care Service | R30 000.00 | Opex | 3_32_ 32.1_P 070 | 2 Customer Care Strategy Programmes Im-plemented (Res-olution of cus-tomer com-plaints and Peti-tions Manage-ment) by30 June 2024 |
| Public Par-ticipation | to ensure development and imple-mentation | Implementation of public participation strategy | Number of public participation strategy programmes imple-mented | 4 Public Participation Strategy | Improved public participati on | R860 000.00 | | 3_33_ 33.1_P 071 | 4 Public Par-ticipation Strategy Programmes |

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|---|---|---|---|---|---|---|---|---|---|
| | of improved system of communicati on, customer care, public participation and good gov-ernance in line with appli-cable laws and regula-tions to achieve clean administration n | | | Programmes Implemented | | | | | Implemented (2 Mayoral Imbizos, 2 IDP Consultation Programmes, by 30 June 2024 |
| | | Implementation of ward committee capacity building programme | Number of Ward Committee Capacity Building Progmam-mes implemented | | | R3 100 000.00 | OPEX | 1_33_ 33.2_P 135 | 1 Ward Com-mittee Capacity Building Pro-gramme imple-mented by30 June 2024. |
| Internal Audit | To ensure effective Au-dit and Cor-porate gov-ernance function that will result in improved compliance and clean administratio n. | Review municipal in-ternal controls through execution of the Internal Audit Plan | Risk based Internal Audit Plan submitted to Audit committee. | 2019/2020 Risk based Internal Audit Plan | Function al inter-nal audit | R172 000.00 | OPEX | 3_35_ 35.2_P 076 | 2023/2024 Risk based Internal AuditnPlan sub-mitted to Audit Committeeby June 2024 |
| | | | Number of reports on progress against in-ternal audit plan | 4 reports in 2018/2019 | Improved audit out-come | | | 1_35_ 35_P1 36 | |
| | | Monitor the imple-mentation of theaudit outcome improve-ment plan | Number of Audit Committee meetings convened | Audit Committee Meetings held | Function al Audit Committe e | R585 000.00 | OPEX | 3_35_ 35.1_P 075 | 4 Audit Com-mittee meetings convened by 30 June 2024 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Convene regular audit committee meetings | Number of audit committee meetings | 4 Audit committee meetings in 2018/2019 | Functional audit committee | | | | 4 Audit committee meetings by June 2024 | |
| Risk Management | To ensure a developmentally orientated planning institution in compliance with legislative prescripts, laws and regulations applicable to local government. | Implement Risk Management Strategy and Operational Plan | Risk Management Strategy and Operational Plan Implemented | Risk Management Strategy and Risk Management Committee | Acceptable risk levels | R32 000.00 | Opex | 3_36_36.1_P079 | 2022/2023 Risk Management Strategy and Operational Plan implemented by 30 June 2024 | |
| Fraud Management | | Implement Fraud and Anti-Corruption prevention plan | Fraud and Anti- Corruption Prevention Plans Implemented | Fraud Prevention Plan | | R0 | Opex | 3_37_37.1_P081 | Fraud and Anti - Corruption Prevention Planimplemented by30 June 2024. | |
| **KPA 4: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT** | | | | | | | | | | |
| Hu-man Resources | | Implement the Human Resources Plan | Number of HRD Strategy Programmes implemented | 4 HRD strategy programmesimplemented | Skilled and capable workforce | R100 000.00 | Opex | 4_40_40.1_P084 | 4 HRD Strategy programme implemented by June 2024 | CORP. SERVICES |
| Individual Performance Management | | Implement PMS Framework Policy and Procedure Manual | Percentage of Performance and Accountability Agreements signedand implemented inline with the requirements of thereviewed PMS Framework and Policy Policy | performance and Accountability Agreements - 2023/2024 | Improved service Delivery | 50 000.00 | Opex | 4_41_41.1_P085 | 100% of Performance and Accountability Agreements signed and implemented in line with the reviewed PMS Framework and | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | policy by 30 June 2024 |
| Human Resource Plan | | Implement the Human Resources Plan | Human Resources Plan implemented | Approved Organizational structure that is responding to the needs of the institution as per the Municipal Staff Regulations | Improved Service Delivery | R 100 000.00 | Opex | 4_43_43.1_P087 | Reviewed Human Resources Plan that is responding to the needs of the institution by June 2024 |
| ICT | To provide an integrated ICT environment to ensure safety of information by 2027 | Implementation of ICT Projects | Number of ICT projects implemented | ICT projects implemented | Improved Network Environment | R 4 200 000.00 | OPEX | 4_45_45.1_p089 | 5 Information and Communication Technology (ICT) projects implemented (Wide Area Network connectivity solution), Maintenance of ICT infrastructure, Licencing of software, Telephone Management System (TMS) and backup solution) by 30 June 2024 |
| Occupational Health and Safety | | Implement OHS Strategy Programmes | Number of OHS Strategy Programmes Implemented | 05 OHS Strategy Programmes implemented | Healthy and Safe environment | 1 100 000.00 | Opex | 4_44_44.1_P088 | 3 OHS Strategy programs implemented by 30 June 2027 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | (Medical Examinations, Personal Protective Equipment and Ensuring Compliance with COVID-19 regulations) |
| Special Programmes | To streamline special programs by ensuring functionality of all special programmes structures | Implement the approved Special Programmes Strategy | Number of SPU strategy programs implemented | Approved SPU Strategy | Social Cohesion | R 580 000.00 | Opex | 4_52_52.1_P 100 | 5 SPU strategy programs Implemented (Women's Day, Nelson Mandela Day, Disability Day, Youth Day, Children programs) by 30 June 2024 |
| Employee Wellness | | Implement Employee Wellness Programs | Number of employee wellness programs implemented | 4 Employee Wellness programs implemented | Improved Institutional Performance | R 400 000.00 | Opex | 4_52_52.1_P 102 | 4 Wellness programs implemented (Life Skills/Welfare Programme for both Councillors and Officials, Team building programme, Wellness Day) by 30 June 2023 |
| IDP | | Develop and implement a responsive institutional plan. | IDP reviewed and submitted to Council for adoption | 2022-2023 IDP reviewed | Development Planning | R350 000 | Opex | 4_54_54.2_P 106 | IDP reviewed and submitted to Council structures for approval by 30 June 2024 |
| Strategic Planning | | | Strategic Planning Session Conducted | Institutional Strategic Planning Session | Coordinated Planning | R850 000.00 | OPEX | | Institutional Strategic Planning Session Conducted by end March 2024 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Annual reports developed, submittedto Council for adoption | 2021-2022 Annual report | Improved service Delivery | R0 | Opex | 4_55_ 55.1_P 107 | Annual Report for 2022/2023 developed, submitted to Council for approval | |
| Institutional Performance Management | | | Number of SDBIP coordinated and monitored | Institutional SDBIP coordinated and monitored | Improved service Delivery | R0 | Opex | 4_55_ 55.2_P 108 | Coordination and monitoring of the Institutional SDBIP by June2024 | |
| **KPA 5: FINANCIAL VIABILITY** | | | | | | | | | | |
| Supply Chain Management | To maintain and improve financial viability of the municipality by June 2027 | Compliance with Supply Chain Regulation and National Treasury Guidelines on Procurement Processes | Percentage of Irregular Expenditureon new procurement | 0% of Irregular Expenditure on new procurement | Improved compliance with SCM legislation | R0 | Opex | 5_56_ 56.1_P 109 | 0% of Irregular Expenditure on new procurement submitted to Council by 30 June 2024 | BTO |
| Grant Management | To maintain and improve financial viability of the municipality by June 2027 | 100% Expenditure on budget on received conditional grants Annual Financial Statements | % Expenditure of budget on received conditional grants | 100% expenditure of budget on received conditional grants | | R69 834 000 00 | MIG, INEP, EPWP, FMG and Library Subsidy | 5-57-P111 | 100% expenditure of received conditional grants by 30 June 2024 | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Budget and Reporting | To achieve clean admin-istration by June 2027 | Compile AFS that fairly present the fi-nancial position, fi-nancial performance and cash flows. | Number of recurring material audit queries raised by AG on the 2020/21 Annual Fi-nancial Statements. | 2020/21 GRAP compliant Annual Fi-nancial Statements | Improved complian ce with MFMA legislatio n | | Opex | 5_57_ 57.1_P 112 | Zero recurring material audit queries raised by AG on the 2021/22 Annual Financial State-ments. |
| Budget and Reporting | To achieve clean admin-istration by June 2027 | Respond to all request for in-formation by Auditor-General | Percentage of sub-mission of information requestedby AG for 2021/2022 audit 2020/2021 audit | 2020/2021 RFI Register | Clean Administr ation | | Opex | 5_57_ 57.2_P 113 | 100% submission of In-formation re-quested by AG for 2021/2022 audit by 30 June 2023 audit by 30 June 2022 |
| Budget and Reporting | To achieve clean administratio n by June 2027 | By budgeting according to IDP Priorities | % alignment of 2022/23 adopted Budget aligned to adopted IDP | 2021/2022 mSCOA Compliant Adjusted Budget | Improved complian ce with the MFMA and Budget and reporting regulatio ns | | Opex | 5_57_ 57.4_P 115 | 100% alignment of 2022/23 adopted Budget to the adopted IDP by 30 June 2024 |
| Budget and reporting | To achieve clean admin-istration by June 2027 | By budgeting ac-cording to IDP Priorities | mSCOA compliant budget adopted | 2021/2022 mSCOA Compliant Adjusted Budget | Improved compli-ance with the MFMA and Budget and reporting regulation s | | Opex | 5_57_ 57.1_P 116 | 2023/2024 mSCOA compliant budget adopted by Council by 31 May 2024 |
| | To achieve clean admin-istratio | Prepare MFMA re-ports as required by the MFMA legislation | Number of Monthly fi-nancial reports (Sec 71 and grant reports) & Quarterly (Sec 52d) | 2020/2021 MFMA/ mSCOA reports | | | Opex | 5_57_ 57.6_P 117 | 12 Monthly, 1 half year and 4 Quarterly MFMA/ mSCOA |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | n by June 2027 | | submitted to Mayor and Treasury on the 10th working day of each month. | | | | | | reports<br>developed and submitted Treasury for compliance by 30 June 2024 |
| Expenditure Management | To implement proper expenditure management in compliance with legislation by June 2027 | Pay Creditors within 30 days | % of expenditure in compliance with Section 65& 66 of the MFMA | 100% expenditure compliant with Section 65 & 66 of the MFMA for 2021/2022 | Improved Compliance with MFMA Legislation and Expenditure | | Opex | 5_58_58.2_P 119 | 100% expenditure compliant with Section 65 & 66 of the MFMA by June 2024 |
| Revenue Management | To increase the amount of revenue collected annually by June 2027 | By ensuring that all valued properties are billed timeously | % of billable properties included in the municipal billing system as per the supplementary Valuation Roll | 2020/2021 Supplementary. Valuation Roll | Improved Correct-ness of debtor's infor-mation on the billing system | | Opex | 5_59_59.1_P 120 | 100% billable properties included in the municipal billing system as per the GRV & latest supplementary Valuation Roll by June 2024 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Revenue Management | To increase the amount of revenue collected annually by June 2027 | By fully implementing the credit control and debt collection policy | % of billed income collected | 121% Collection rate | Improve the financial viability of the Municipality. | | Opex | 5_59_59.2_P121 | 95% of billed income collected by 30 June 2024. |
| Revenue Management | To increase the amount ofrevenue collected annually by June 2027 | Percentage collection of all budgeted revenue sources | % of billed income collected | 42% Collection rate | | | | 5_59_59.3_P122 | 95% of non-billed income collected by 30 June 2024. |
| | | | Cost Coverage ratio exceeding 2 | 2021/2022 cost coverageratio | | | OPEX | 5_60_60.1_P123 | Cost -coverage ratio exceeding 2 Cost by 30 June 2024 |
| Asset Management | To achieve clean administration by June 2027 | Compile and maintain a GRAP compliant fixed assets register | GRAP compliant fixed asset register for 2021/2022 compiled and maintained | GRAP & mSCOA 2020/2021 Fixed Assets Register compiled and maintained | Clean Administration | | Opex | 5_57_57.3_P114 | GRAP & mSCOA compliant fixed assets register for 2022/2023 developed and maintained by 30 June 2024 |
| | | | % compliance with SCM Turn Tound Policy | 2021-2022 Procurement Plan | Timeous Procurement | | n/a | new | 100% compliance with Supply Chain Management Turn Around Policy by June 2024 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Indigent Support | To maintain and improve financial viability of the municipality by June 2027 | Provide free basic services to qualifying households | Number of reports developed on the implementation of indigent support programme | 4 quarterly reports on implementation of the indigent support programme | Improved Service Delivery | R 3 000 000.00 | Opex | 1_21_21.1_P048 | 4 quarterly reports on implementationof the indigent support programme | |
| Fleet Management | | | Fleet functionality | 2021-2022 Asset register | Improved Service delivery | | Opex | | 4 Quarterly Reports on Implementation of Fleet Management Policy submittedto Council Structures for noting by 30 June 2024 | |
| | | | Number for Municipal vehicles procurement facilitated | Procurement process facilitated in 2021 | Improved Service delivery | | CAPEX | 4_51_51.1_P099 | Procurement for 5 vehicles facilitated by June 2024 | |

**3year Capital Plan -**
**MIG IMPLEMENTATION PLAN (AS AT 30 April 2021):**

| Name of Municipality | |
|---|---|

| MIS Form ID | National Registration Number (as on the MIG-MIS) | Project Title | Planned Expenditure Budget for FY 21/22 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | Total planned expenditure on MIG for 2021/22 | Total planned expenditure on MIG for 2022/23 | Total planned expenditure on MIG for 2023/24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 306786 | R/EC/16550/20/22 | Paving of Zakhele Location Phase 2 Ward 4 | R29,177.90 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R29,177.90 | R0.00 | R0.00 | R0.00 | R29,177.90 | R0.00 | R0.00 |
| 306867 | R/EC/16467/20/22 | Paving of Sinakho Location | R52,443.96 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R52,443.96 | R0.00 | R0.00 | R52,443.96 | R0.00 | R0.00 |
| 315988 | CS/EC15831/19/21 | Cemetery Development | R1,300,000.00 | R450,369.00 | R352,780.00 | R366,851.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R130,000.00 | R0.00 | R0.00 | R0.00 | R1,300,000.00 | R0.00 | R0.00 |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indwe (Ward 17) | | | | | | | | | | | | | | | | | |
| 316059 | CS/EC/15830/19/20 | Construction of DDX Sport Field Phase 2 | R7,372,739.06 | R250,000.00 | R350,364.00 | R568,523.00 | R1,102,036.00 | R985,632.00 | R856,932.00 | R1,136,932.00 | R1,475,236.00 | R0.00 | R0.00 | R450,000.00 | R197,084.06 | R7,372,739.06 | R0.00 | R0.00 | |
| 300415 | CS/EC/1534/18/19 | Rehabilitation of Indwe Sports Field Phase 1 | R300,000.00 | R0.00 | R0.00 | R0.00 | R0.00 | R250,000.00 | R0.00 | R0.00 | R0.00 | R50,000.00 | R0.00 | R0.00 | R0.00 | R300,000.00 | R8,345,049.58 | R0.00 | |
| 339330 | EC2019/20/11/139 | Jinginja Access Road at Nqoko Village (Ward 17) | R28,000.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R28,000.00 | R0.00 | R0.00 | R0.00 | R28,000.00 | R0.00 | R0.00 | |
| 339878 | R/EC/16985/20/22 | Dlamini Access Road (Ward 5, 6 | R8,374,190.75 | R850,365.00 | R1,564,236.00 | R1,496,523.00 | R1,854,863.00 | R1,169,832.00 | R700,364.00 | R288,007.75 | R0.00 | R0.00 | R0.00 | R300,000.00 | R150,000.00 | R8,374,190.75 | R1,895,750.00 | R0.00 | |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | and 7) | | | | | | | | | | | | | | | | |
| 340593 | R/EC/17439/20/22 | Gadlume Access Road (Ward 13) | R7,109,096.36 | R653,962.00 | R1,248,563.00 | R158,963.00 | R1,536,547.00 | R124,563.00 | R1,244,563.00 | R850,802.00 | R741,133.36 | R0.00 | R450,000.00 | R0.00 | R100,000.00 | R7,109,096.36 | R4,230,103.81 | R0.00 | |
| 340457 | R/EC/16986/20/22 | Wisile Access Road at Umhlanga (Ward 14) | R5,945,601.97 | R784,562.00 | R1,365,896.00 | R1,242,683.00 | R986,573.00 | R1,247,856.00 | R105,031.97 | R0.00 | R0.00 | R0.00 | | R0.00 | R213,000.00 | R5,945,601.97 | R6,474,398.03 | R0.00 | |
| 396871 | | Public Toilets - Cacadu | R3,000,000.00 | R0.00 | R0.00 | R0.00 | R560,365.00 | R458,326.00 | R432,586.00 | R602,643.00 | R364,759.00 | R198,321.00 | R200,000.00 | R0.00 | R183,000.00 | R3,000,000.00 | R3,000,000.00 | R0.00 | |
| | | Cacadu Landfill Site | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R6,873,948.58 | R0.00 | |
| 397479 | | Paving of Gqebenya (Ikhala ) | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R3,000,000.00 | R0.00 | |
| | ES/EC/17488/20/21 | Framework 2,5% | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | |
| | | New Projects to be | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R37,517,400.00 | |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | registered in 2022/23 FY Municipal IDP | | | | | | | | | | | | | | | | |
| N/A | N/A | PMU 5% | R1,763,750.00 | R355,837.76 | R355,837.76 | R355,837.76 | R355,837.76 | R340,398.96 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | R1,763,750.00 | R1,895,750.00 | R1,974,600.00 |
| | | | **#########** | **R3,345,095.76** | **R5,237,676.76** | **R4,189,380.76** | **R6,396,221.76** | **R4,576,607.96** | **R3,339,476.97** | **R2,878,384.75** | **R2,581,128.36** | **R435,498.90** | **R702,443.96** | **R750,000.00** | **R843,084.06** | **#########** | **R35,715,000.00** | **R39,492,000.00** |

**This must be equal to the allocations published in the DoRA for the MIG.**

# CHAPTER 5 – INSTITUTIONAL GOVERNANCE

## 5.1. Introduction

The Emalahleni Local **Municipal Council** is the ultimate political decision-making body of the municipality. The Mayor of Emalahleni Local **Municipal Council**, Councillor N Koni, takes overall strategic and political responsibility for the municipality, while the Municipal Manager Mr. V.C Makedama heads the municipality's administration and provides the link between the political and administrative arms of municipality government. Ward councillors are the municipality's key link between the municipal government and the residents whilst the heads of departments and officials are responsible for physically implementing policy

## 5.2 Political Governance

### 5.2.1 Council

The municipality has Thirty-Four Councillors (34): Seventeen (17) Councillors were elected in terms of the system of proportional representation and Seventeen (17) Councillors represent wards. The first Council Meeting held in 2021 elected the Mayor, Council Speaker, and Chief Whip. The mayor has an Executive Committee of five members.

**POLITICAL STRUCTURE**

| | | |
|---|---|---|
| Mayor | : | Cllr N. Koni |
| Speaker | : | Cllr Mtyhobile |
| Chief Whip | : | Cllr X Lali |
| MPAC Committee | : | Chairperson – Cllr Thwala |

### 5.2.1 Council Speaker

The following activities are performed by the Speaker of Council:

- Presides over meetings of Council.
- Ensures that council meetings are held at least quarterly.
- Ensures that council meetings are conducted in accordance with the rules of order of the council.

### 5.2.2 Chief Whip of Council

Performs duties that are delegated to him/her by Council.

### 5.2.3 Mayor and Executive Committee

The mayor presides at meetings of the executive committee, performs duties, including any ceremonial functions and exercise the powers delegated to the Mayor by Municipal Council or the executive committee.

The political decision making at ELM is supported by the Executive Management Committee. All recommendations from the Executive Management Committee are put forward to the relevant Portfolio Committees, who then make recommendations to the Executive Committee. Once the Executive Committee has accepted the recommendation, recommendations are made to the Council. Council is then able to take the final decision on the matter. In the few cases where there is no consensus on a matter within Council, the issue will go to vote. Once the Minutes of the Council meeting have been adopted, the responsibility lies with the Accounting Officer to ensure that actions are taken to implement such resolutions.

## 5.3 Administrative Governance framework

### 5.3.1 Role of Municipal Manager

The Municipal Manager heads the municipality's administration and provides the link between the political and administrative arms of municipality government.

### 5.3.2 Institutional Arrangements (Per Directorate)

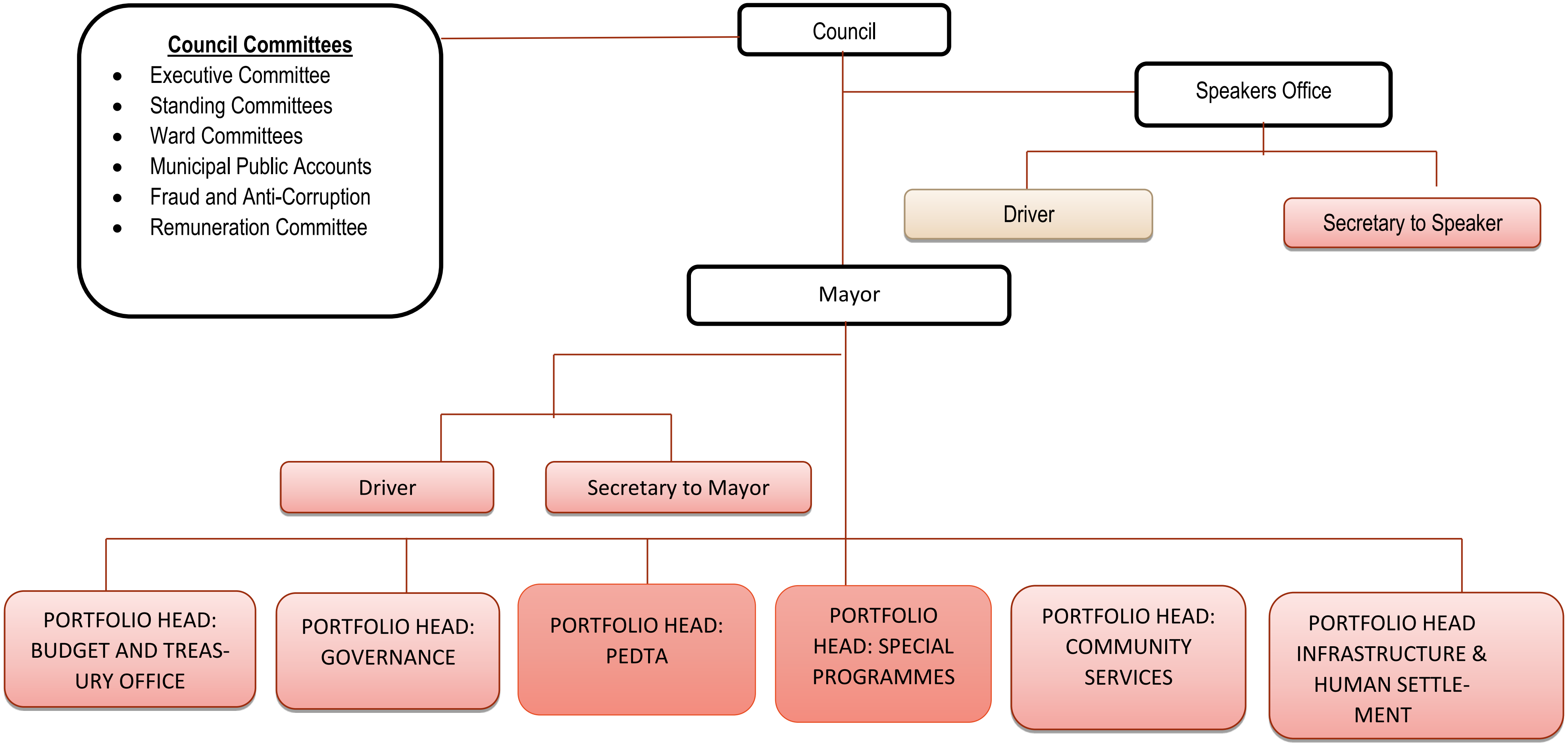
The institution has the following directorates that form part of the reviewed organisational structure and, a detailed structure is presented in the page following this one:

- ✓ Office of the Municipal Manager
- ✓ Corporate Services
- ✓ Budget and Treasury Office
- ✓ Community Services
- ✓ Planning, Economic Development, Tourism and Agriculture
- ✓ Infrastructure Development and Human Settlement Services

### 5.4 Organisational Structure

The current organisational structure was approved by Council in June 2022 for implementation for 2022/2023 financial year.

Below is a graphical presentation of the macro political structure of our municipality:


Council Committees
Executive Committee
Standing Committees
Ward Committees
Municipal Public Accounts
Fraud and Anti-Corruption
Remuneration Committee
Council
Speakers Office
Driver
Secretary to Speaker
Mayor
Driver
Secretary to Mayor
PORTFOLIO HEAD: BUDGET AND TREAS-URY OFFICE
PORTFOLIO HEAD: GOVERNANCE
PORTFOLIO HEAD: PEDTA
PORTFOLIO HEAD: SPECIAL PROGRAMMES
PORTFOLIO HEAD: COMMUNITY SERVICES
PORTFOLIO HEAD INFRASTRUCTURE & HUMAN SETTLE-MENT

# *CHAPTER 6 – COMMUNITY PARTICIPATION*

### 6.1 Introduction

The South African Constitution is underpinned by principles of good governance, also highlighting the significance of public participation as an integral part of successful good local governance. Section 152 of the Constitution of the Republic of South Africa, 1996; confirms several citizen rights and more specifically, the rights of communities to be involved in local governance.

The municipality is obliged to encourage the involvement of communities and community organizations in local government. This obligation extends to the entire way in which the municipality operates and functions.

The principle behind the public participation is that all the stakeholders affected by a public authority's decision have a right to be consulted and contribute to such decisions. Considering the above, this means that public participation provides the community an opportunity to contribute in the decision-making processes of a municipality in a structured manner.

Public participation forms part of building and deepening our democracy, by ensuring transparency and accountability. It is about involving communities in decision-making so that they can own the processes, buy-in and credibility, and lends legitimacy to decision-making.

### 6.2 Legal Background

Section 152 of the Constitution of the Republic of South Africa, 1996; states that citizens and communities have rights to be involved in local governance.

Chapter 4, Section 16, of the Local Government: Municipal Systems Act, 2000 (32 of 2000 as amended) depicts that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and for this reason must:

Encourage and create conditions for the local community to participate in the affairs of the Municipality including the: The preparation, implementation, and review of the Integrated Development Plan (IDP) in terms of Chapter 5 of the Municipal Systems Act. The establishment and Implementation of the review of its Performance Management System in terms of Chapter 6. The monitoring and review of its performance, including the outcomes thereof of such performance. Preparation of its budget and strategic decisions relating to the provision of the Municipal Services in terms of Chapter 8.

### 6.3 Community Participation Mechanisms

The municipality designed mechanisms that will facilitate the inclusion of all groups in the decision-making processes of the municipality to strengthen participation of the community in the municipal affairs.

### 6.3.1 Mayoral Programmes (Outreach)

The Imbizo's are held on an annual basis to afford the community an opportunity to have direct access with the mayor and interact with the members of the community on municipal affairs.

Several engagements were held in January 2022 to engage community members on the 2020-2021 annual performance report.

### 6.3.2 IDP/PMS and Budget Community Participation Programmes (Road shows)

In November 2020, the municipality had roadshows in all the wards, where community meetings were held to confirm the community needs and needs being included in the draft reviewed IDP 2021/2022.

In line with the legislative requirements, the municipality will adopt its draft IDP in March 2021, and in line with the same legislative requirements, the municipality will conduct IDP Roadshows in April 2021, following is the adoption of the final draft IDP at the end of May 2021.

Draft IDP 2021-2022 and Draft Budget 2021-2024 will be tabled to Council end March 2021 with prioritised development needs, budget allocations and new tariffs. Further aim to those engagements were to get inputs as well as comments on the adopted draft IDP.

### 6.3.3 Council Programmes

**(1) Ward Committees**

A plan for election of Ward Committees was adopted after the Inauguration of Councillors in August 2016 which resulted to the appointment of 170 Ward Committees. The Ward Committees were sworn in, inducted, and trained.

**(2) Traditional Leadership participating in Council.**

The municipality is one of the most rural municipalities in the Chris Hani District which makes it a requirement and possible to liaise with Traditional Leaders on matters affecting the members of the traditional authorities. The municipality is yet to establish protocols on how public participation can be integrated with traditional authorities to provide support where it is required in consultation with traditional council.

Council took a resolution back in 2016 to include traditional leadership in the Council of Emalahleni Local Municipality and 7 Traditional Leaders from the municipal area are participating in Council and Council standing committees of the Municipality.

**Community Development Workers**

The Community Development Workers (CDW's) are the officials employed by Department of Cooperative Governance and Traditional Affairs. The Community Development Workers forms part of the Ward Committee at Ward level and are involved in all ward committee processes and activities of the ward as whole. Community Development Workers are supposed to be involved in all council activities as they are the foot soldiers at ward level who understand and work close to the people.

Emalahleni Local Municipality currently have 10 functional CDW’s for Ward 1, 2, 3, 5, 7, 8, 9, 10, 14 and 15. Ward 4 and 6 CDW’s resigned while Wards 16 and 17 are awaiting new appointments. Community Development Workers for Wards 11, 12 and 13 were absconded and the matter is taken care of by the Department of Labour through CoGTA.

## 6.4 Ward Based Planning

With the assistance of the Chris Hani District Municipality, the municipality managed to develop a Ward Based Plan report for each ward, which highlighted the following priority areas, outcome anticipated by the community and strategies.

### Introduction

A Ward Development plan identifies the strengths and weaknesses of a defined area (the ward). It also provides practical actions that will result in an improved community. The Ward Development Plan does three essential things. First it provides a VISION of what the ward/community should look like over a period, sets out clear DEVELOPMENT OBJECTIVES which the municipality in conjunction with other stakeholders should pursue to achieve that vision, and gives/proposes an ACTION PLAN to reach those goals.

### Background

Emalahleni Municipality develops its Integrated Development Plan based on a credible community participatory planning process. All wards will produce a ward development plan, which will be inform by inputs from the Municipal Executive Management, the various Ward Committees, and the broader community per ward. These plans will ultimately inform the Municipality of the priorities of each ward, help the Municipality decide on the service delivery and developmental objectives for the whole area, and help guide the Ward in what it will do to take forward its own development programme, with support from a variety of stakeholders.

Councils approved IDP and Budget Process Plan makes provision for the development of Ward Plans as an outcome indicator based on the principles of Community Based Planning which are as follows:

- Poor people are included in the planning process
- Plans, and the planning process, must be realistic and practical
- Planning must be linked to legitimate structures like ward committees
- Planning should include implementation, monitoring, evaluation, and annual review
- The plan must be people-focused and empowering
- The plan should be built on strengths and opportunities rather than focus on problems
- Plans must be holistic and cover all sectors
- Planning must promote mutual accountability between communities and officials
- There must be commitment by councillors and officials to the whole process.



### 6.4.1 Legal Fremework

**Constitution of the Republic of South Africa (1996) requirements:**

Section 152 assigns a clear developmental role to local government amongst other thing it: • It mandates local government to provide democratic and accountable government for local communities. • Ensure the provision of services to communities in a sustainable manner. • Promote social and economic development. • Promote a safe and healthy environment. • Encourage the involvement of communities and community organisations in the matters of local government.

### 6.4.2 White Paper on Local Government, 1998:

Puts forward a vision of a developmental local government, which centres on working with local communities to find sustainable ways to meet their needs and improve the quality of their lives.

### 6.4.3 Municipal Systems Act, 2000:

Mandates municipality to develop a culture of municipal governance and create conditions for, the local community to participate in the affairs of the municipality. Mandates municipalities to develop and implement IDP. Municipal Systems Act, Chapter 4 prescribes: • Encourage and create conditions for community participation [Section 16 (1)] • Build the capacity of the community to participate effectively [Section 16 (1)] • Use of political structures / councillors as provided for in the Municipal Structures Act e.g., ward committees [Section 17(1)] • Establishment of mechanisms, processes, and procedures to accommodate participation.

The Ward Committee of this Ward was established in 2016 in accordance with Council's approved policy on the Establishment of Ward Committees. The election of Ward Committee Members was conducted in a democratic, fair, and transparent manner from amongst representatives of the various interest groups within ward. Ward Committee Meetings were held during which the Ward Committee identifies the service delivery needs, infrastructural and socio-economic development objectives and priorities relevant to the ward. The current capital budget of the municipality which also outlines the capital projects for the two outer financial years was used as a baseline to identify infrastructure improvement projects and to a greater extend were incorporated into this plan.

These preliminary service delivery needs and development objectives which emanated from the Ward Committee Meeting were presented to the broader community of the Ward during the IDP Public Participation Meeting which took place on in September 2011.  At this meeting, a total number of 101 people were present.

The following mediums/methods of communication were used to raise awareness around the IDP Public Participation Meeting.

IDP Public Participation Dates were published in the local media.

IDP Posters were erected on streetlamp poles.

IDP Public Participation Meeting Dates Advertisement were placed in local newspapers.

Loud hailing in all wards was done 2hours prior to IDP meeting.

## 6.5 Development needs and priorities 2022-2027 (to be reviewed annually)

| WARD 1 | CONTACTS | WARD DEVELOPMENT NEEDS |
|---|---|---|
| NQININGANA, RODANA, MPOTHULO TSOLOKAZI, TSHATSHU, RWANTSANA, QITHI, VEZAMBIZA AND NKOLONGA, SIKWANKQENI, NGXABANE, MTSALANE | Cllr WILSON BANGISA<br>082 751 8151<br><br>ANC | 1. Access Roads: (Fezekile JSS, Hlathikhulu, Nkolonga, Rodana, Rwantsana, Emakhumeni, Skwanqeni and Qithi) and all DR Roads<br>2. Fencing of Farming land - all villages<br>3. Bridges at Nqiningana and Causeway at Makhikhi, Tsolokazi, Mbetheni and Sikhwanqeni)<br>4. Toilets (Tshatshu, Rwantswana and extensions)<br>5. Storm Water in all villages<br>6. Dipping Tank- All villages<br>7. Building of Pre- schools- All villages<br>8. Pay Points<br>9. Network Pole – Hlatikhulu1<br>10. Bridge-Mpotulo, Hlatikulu, Xonxa next to Nqiningana<br>11. Old Age Centre - All Villages<br>12. Sports Fields- All Villages<br>13. Irrigation Scheme - Tshatshu, Qiti<br>14. RDP Houses<br>15. Mobile Police<br>16. Library- Tsolokazi<br>17. Tractors<br>18. Clinic<br>19. Fantesi<br>20. Eradication of Lapesi - Tshatshu, Rwantsana, Rodana<br>21. Desilting of Dams<br>22. Infills<br>23. Streetlights<br>24. Securities at Schools<br>25. Day Hospital at – Rwantsana<br>26. Mobile Police station |
| **WARD 2** | **CONTACTS** | **WARD DEVELOPMENT NEEDS** |
| QUTHUBENI, THAFENI, LANTI, LIGWA, NJOMBELA, LUTHUTHU, LUQOLO, ESIQITHINI, MTHONJENI, UPPER MAQHASHU, | Cllr NOKUBONA M. SONGO<br>079 839 8907<br><br>**ANC** | 1. Access road all villages<br>2. Electricity- Extensions and infills all village<br>3. RDP Houses all wards<br>4. Bengu and Lanti Scheme<br>5. Fencing – farming land, agricultural land and graveyards.<br>6. Mobile Police Station<br>7. Renovation Preschool- Noluvuyo and Quthubeni<br>8. Preschool- lanti, mthonjeni, quthubeni'<br>9. Playgrounds- all villages<br>10. Dipping tank<br>11. Community hall toilets,<br>12. Storm Water- all villages<br>13. Boarding school- Bengu Agricultural school<br>14. Scholar transport- agricultural school<br>15. Job creation for youth<br>16. Library books<br>17. Computer school<br>18. Textbooks for SPS<br>19. Old age home- all villages<br>20. Renovation of Bengu shearing shed<br>21. Access road- all villages<br>22. Bridge- maqhashu, quthubeni |

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| | | 23. Shearing Shed- Bengu, maqhashu, quthubeni, Lanti<br>24. Water at schools<br>25 Support for farmers (feed, tractors, livestock improvement, Quthubeni and Bengu Coops)<br>26. Laboratory equipment<br>27. Travelling allowing for SGB<br>28. Development support – community projects<br>29. Clinics- , Masakhane , Njombela,<br>30. Abbarto- Masakhane<br>31. Library and library books- Masakhane, Lanti<br>32. Multipurpose for the youth (skills, job creation)<br>33. Maternity room at Lanti Clinic<br>34. Mobile clinic- Lanti, luqolo, Luthuli,<br>35. Eradication of Allien Plants- lanti, mthonjeni, lthulu<br>36. Windmill – Eshlabeni<br>37. House numbers – Eshlabeni,<br>38. Shearing shed tools – Elithuthu<br>39. Forestation at Quthubeni<br>40. Computers at Quthubeni Agricultural School<br>41. 24 hr. service at Bengu clinic<br>42. Tourism Centre<br>43. Building of Math's School at Zothe, Mthonjeni<br>44. Building of Community Hall at Mthonjeni<br>45. Network pole – Njombela<br>46. Access Road and foot bridge to Njombela Graves<br>47. Network Pole<br>48. Renovation - Kwamhlontlo tribal<br>49. Bridge - Maqhashu Clinic, Mthonjeni, Kwazothe –Lubisi.<br>50. Water, sports ground, gardening tools, sports equipment at St. Peters JS School in Lanti |
| **WARD 3** | **CONTACTS** | **WARD DEVELOPMENT NEEDS** |
| LAMOEN, MAQHUBELA, GREYSPAN, HALA NO.1, HALA NO.2, TRUST, PERCY NTLALONTLE AND QAQENI | SINGATWA S. MALOTANA<br>073 038 2189<br><br>**ANC** | 1. Access roads all villages and Paving Hala No. 2<br>2. Storm water- lamuni, Hala 2,Hala 1,Maqhubela & Trust<br>3. Water at Ntlalontle and Hala No. 2, and Sanitation in extensions and infills<br>4. Electricity Extensions and Infills in all villages<br>5. RDP Houses in all villages<br>6. Dam Desilting<br>7. Fencing of Grave yards - all villages<br>8. Shearing Shed- Hala 2, Hala 1, Ntlalontle, Trust<br>9. RDP Houses - All villages<br>10. Windmill – Greyspan and Hala<br>11. Deeping Tanks – Hala 2, Trust, Ntlalontle & Greyspan Deeping Tank.<br>12. Fixing of Water Infrastructure- Maqhubela, Ntlalontle<br>13. Nguni Bulls<br>14. Motor Gate<br>15. Mobile Clinic- Greyspan<br>16. Pre-School – all villages except Maqhubela & Pesi.<br>17. Youth Development Programs- Drug abuse/ Job Creation |
| **WARD 4** | **CONTACTS** | **WARD DEVELOPMENT NEEDS** |
| CACADU, CACADU EXT, BONGOLWETHU, | Cllr AFIKA HLANGANYANA<br>078 248 8596 | 1. Roads –paved road all village, Bridges and foot bridge at Zakhele Location & Cacadu town, access roads to graveyard |

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| LADY FRERE TOWN AND LOCATION, PHUMLAMQESHI | **ANC** | 2. Multi purpose Centre<br>3. RDP Houses all villages and towns<br>4. Shearing shed<br>5. Water including household taps as well as Sanitation – Bongolwethu and Cacadu Ext<br>6. Bulk Infrastructure at Cacadu Town<br>7. Electricity (Infills and extensions) – all villages<br>8. Storm water pipes in sub village<br>9. High School (Lady Frere Jss to be High School<br>10. Sportfield in all villages and townships<br>11. Job Creation projects/Programmes<br>12. Early childhood development Centre<br>13. Public Toilets –middle class sites<br>14. Dipping tanks and renovation of Cacadu Ext Dipping tank<br>15. Fencing Graveyard (KwaZakhele townships)<br>16. High Mast lights Zakhele Location Cacadu village & Cacadu extension<br>17. Renovation of the old Age homes- at Zakhele township and Cacadu town<br>18. Shopping Mall in Cacadu<br>19. Additional banks<br>20. Sand mining in ward 4 (revenue generation)<br>21. Identification of church sites<br>22. Land sites in town and townships<br>23. Livestock grazing land in town<br>24. Rates- Clearing of old municipal accounts |
| **WARD 5** | **CONTACTS** | **WARD DEVELOPMENT NEEDS** |
| CUMAKALA, TOPU, MTSHEKO, KAVALA, DE-HOOP, NOLUTHANDO, GCINA, ZINGXONDO, MACKAYSNEK, FREE MANTLE | Cllr UNATHI S. MZANDISI<br>078 157 3819<br><br>**ANC** | 1. Water at Mission and Zingxondo) & Sanitation at Mjikweni<br>2. Access Roads (Paving at Kharavi) and Maintenance (CWP Gravel)<br>3. Electricity infills and extensions all villages<br>4. RDP Houses all villages<br>5. Eradication Alien Plants (Mtsheko and Myksneck)<br>6. Storm Water- all villages<br>7. Sports Grounds- All villages<br>8. Mobile Clinics- Noluthando, Cumakala, Mzi, Dopu, Mission<br>9. Pre-School- Cumakala, Mzi, Topu, Mission, Makai Snak, Mtsheko, Mzi<br>10. RDP Houses (per household) move to No.3<br>11. Fencing- Cumakala, Mzi, Makaisnak, Mission,<br>12. Shearing Sheds- Mzi, Noluthando, Khavala, Zingxondo,<br>13. Colbert's- Makaisnak, Mzi, Cavala,<br>14. Farmer Support- Tractors- Mzi, Cumakala, Makaisnak<br>15. Renovation of Dipping Tanks- Mzi, Noluthando and Zingxondo<br>16. Construction of Dams for livestock- All villages<br>17. Tourism Centre- Mzi<br>18. Fremantle Boys High School- Access Road from Indwe Road, Temporary Classrooms Grade 8,<br>19. Deeping Tanks<br>20. Support on Orphans and Vulnerable Children<br>21. Bridge- Cumakala |
| **WARD 6** | **CONTACTS** | **WARD DEVELOPMENT NEEDS** |
| SMALL FARM, ROMA MATYANTYA, VULINDLELA GQEBENYA, SOKOLANI, DLAMINI, HOLANI, GANDO | Cllr. ZOLA BIDI<br>060 584 23029 | 1. Water (Gqebenya, Khundulu, Xonxa, Gando and Mxhiki Sokolani) and Sanitation extensions in all villages<br>2. Access Roads – Maqolombeni Road, Noshumi, Sokolani, Emazimeni Road to School and Clinic, paving to Ikhala FET College. |

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| MXHIKI, XONXA<br>KUNDULU | **ANC** | 3. Fencing -Fields, grazing camps in all villages including Xonxa Dam, Gandu and Dlamini)<br>4. Construction of Multi-Purpose Sport Centre at Gqebenya and maintenance of Sports Fields.<br>5. Shearing Shed and dipping tanks – Vulindlela, Emazimeni, Sokolani.<br>6. Stormwater at Vulindlela and Gando<br>7. Construction of Livestock Dams – all villages<br>8. Early Childhood Development Centre<br>9. Old Age Centre – Xonxa and Gando<br>10. Land Care<br>11. Nonesi Cultural Village<br>12. Annual Festive Tournament<br>13. Electricity<br>14. Khundulu Shearing Shed<br>15. Farmer Support- Cooperatives for Women, Gran Miller<br>16. Tools of Trade for War Rooms<br>17. Water at Masikhule and Mtirara Schools<br>18. Mobile Clinic<br>19. RDP Houses<br>20. Library at Ikhala<br>21. water and sanitation at schools<br>22. Bridges and Colbert<br>23. Ambulance<br>24. Motor gate,<br>25. Temporal Classes at Mtirara<br>26. Tiger Brand Project<br>27. Speed Signs<br>28. Mix breed on sheep<br>29. Mining<br>30. Matriculates support at Mtirara<br>31. Xonxa Aqua Cultural and Tourism Centre<br>32. Xonxa Rural Nodes<br>33. Eradication of Alien Plants<br>34. Xonxa Irrigation Scheme.<br>35. Nonesi Cultural Festival |
| **WARD 7** | **CONTACTS** | **WARD DEVELOPMENT NEEDS** |
| MAQWATHIN, XUSHA, ELUXENI, MAYALULWENI, BOWDEN, LALINI, FANI MANELSPOORT, MAZONGOZINI, NZOLO, MANGWENI, SIGANGENI, DUBENI, BOZWANA, BLANGWE, MAHLATHINI, QOQODALA | Cllr VIVIAN V. MACITHI<br>071 826 0542<br><br>**ANC** | 1. Access Roads & Causeways- Ndungwana & Tambekeni, Dubeni, Noluphondwana bridge<br>2. Fencing of arable land or grazing along Tar road<br>3. Water (Sabalele) & Sanitation (Fani) (as well as expansion of dams)<br>4. Annual Tournament and Sportsfield- central in the ward<br>5. Storm water<br>6. Electricity Extension all villages & Infills<br>7. Eradication of Allien plant<br>8. Mobile Clinic- Dubeni<br>9. Qoqodala skills Adult centre<br>10. RDP Houses<br>11. SDF App & upgrading of network<br>12. Community Hall Dubeni, Bozwana<br>13. Support SMMEs<br>14. Vuyolwethu JSS Toilets & water |
| **WARD 8** | **CONTACTS** | **WARD DEVELOPMENT NEEDS** |
| MGQUKHWEBE, BOQO, JOJWENI, NGONYAMA, EJEKENI, UPPER NGONYAMA, | Cllr NOSIBULELO NQONO<br>082 686 5824 | 1. Water at all villages and Sanitation (Deep Level, JOJO, & Boqo)<br>2. Electricity extensions in all villages<br>3. Access Roads- District Roads all villages and paving at Ngonyama |

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| VAALBANK, XUSHA, KUBHADI, AGNESS REST | **ANC** | 4. Shearing Shed Ngonyama and Jojweni<br>5. Economic growth (agriculture in all villages)<br>6. Fencing of grazing Land<br>7. RDP Houses<br>8. Libraries<br>9. Police Station<br>10. Construction and renovation of Bridges<br>11. Sport Fields<br>12. Renovation and Construction of Bridges- Boqo, Qhing? connect to Jojweni, Deep level<br>13. Annual Festive Tournament<br>14. Bus Shelter<br>15. Community Hall<br>16. Dipping Tanks<br>17. Connection of Water- Diesel engines<br>18. Network Poles<br>19. Clinics / Mobile Clinics<br>20. Pay Points<br>21. Construction of Dams for Livestock<br>22. Scholar Transport<br>23. Shopping Mall<br>24. Wi-Fi<br>25. Bus to Lady Frere- Qhuqwarhu, Boqo, Marhwaybeni,<br>26. Eradication of Alien plants<br>27. Additional Classrooms, Toilets, Library and Sport fields at Ntsonkotha.<br>28. Reopening of Vaalbank Clinic<br>29. Sport fields – Boqo<br>30. Youth Development Strategy |
| **WARD 9** | **CONTACTS** | **WARD DEVELOPMENT NEEDS** |

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| ZWAARTWATER, MDENI, DUM-DUM, GOVA, QUMBU, TABASA, SDWADWENI VAALBANK, EZINGCACENI, BAPTISE, DUKATHOLE, MAYEYE, EZIDENGENI, NYASHE, MAGEMFANENI AND PITOLI | Cllr ZANOXOLO S. QALI<br>060 457 1385<br>083 666 3433<br><br>**ANC** | 1. Access Roads ( all villages)and causeways<br>2. Water and Sanitation- Zwelitsha as well as Backup Borehole, Dum Dum & Mdeni Village<br>3. Youth Skills Programs : Tools for Farming, Machinery, Seeds for Farming, Machinery for baking, Awareness Campaign<br>4. Upgrade of Bridges – Gantsho and Bridge to Sizamile School Shearing Shed, Thozamisa, Qimbu, Dumdum, Laduma,Ilanga,Elapesini,Baptise,Buffelosdorings to Mayeye .<br>5. Dam Construction, Dam Desilting and Irrigation Schemes inKwabhadi, eLapesini, Esilaysini, Lalweni, Mayeye, Ekunene & Masaka.<br>6. Project Support – all projects including brick makers and farmers (fencing) in Sdwadweni, Tabase, Qumbu, Dukathole,Khowa, Hempe, Mcwangele, Masibambane,<br>7. Sdadweni & Thabo Mbeki Ext<br>8. Network Tower- Vodacom - Gantsho<br>9. Mobile Police Station<br>10. Additional Classrooms, Teachers, Scholar Transport, Caretaker and Security, Gardeners?<br>11. Phase 2 RDP Houses |
| **WARD 10** | **CONTACTS** | **WARD DEVELOPMENT NEEDS** |
| BANKIES, NDIMANGENI, NGCALASOYI, BUFFELOSDORINGS, GXOBHO-TSAWULAYO AND TSEMBEYI | Cllr YONWABA N. SIBEKO<br>073 638 0967<br>835 321<br><br>**ANC** | 1. Access roads all villages and DR08654<br>2. Bridges at Mcwangele<br>3. Toilets at Zisoyini, Bankies, Bufflesdorings, Mcwangele, Mateyise, Trust and KwaQithi<br>4. Electricity (Infills and extensions)<br>5. Water at Mayeye & Mateyise<br>6. Fencing for Agriculture land & Irrigation<br>7. Electrification of Hall at Zisoyini<br>8. Five Tractors<br>9. Stock Dam- All Villages<br>10. Closing of Gabions<br>11. RDP Houses- all villages<br>12. Sports field – All villages<br>13. Fencing of R392- from Qoqodala to Bankies<br>14. Bush Clearing – All villages<br>15. Mining- Coal, Sand, Bricks,Quaries & Crush stone<br>16. Network Tower- Mcwangele 7 Willow park<br>17. Service Centres<br>18. Creches- Mcwangele,Helushe, Ndimangeni<br>19. Themba –Zumana Annual Tournament and Amavarara support |
| **WARD 11** | **CONTACTS** | **WARD DEVELOPMENT NEEDS** |

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| MUNIKVILLE, HARRY GWALA, EXT.1, HARRY GWALA EXT. 2, MARAMASTAD, ZWELETHEMBA, ROBINVILLE, UPPER TEMBISA | Cllr MXOLISI P. MASIZA<br>082 067 2370<br><br>**ANC** | 1. Electricity (streetlights) Housing electricity at Tyoksville<br>2. Building of RDP Houses<br>3. Roads-Paved Sinako road ( Internal streets )<br>4. Education –Tvet College and Chris hani full service school<br>5. Middle income houses and allocation of sites<br>6. Clinic at Zwelethemba<br>7. Home Affairs, Sassa Offices, Police station, Post office, satellite etc<br>8. Resource centre ( youth rehabilitation, youth empowerment)<br>9. Sanitation – flushing of toilets all areas<br>10. Agriculture ( Cheese factory, commonage feedlot, cooperative)<br>11. Harry Gwala, Hall renovation, Municville hall, Munnikville hall<br>12. Art Centre<br>13. Plantation<br>14. Garage<br>15. Shopping Centre<br>16. Security at Cemeteries |
| **WARD 12** | **CONTACTS** | **WARD DEVELOPMENT NEEDS** |
| MOUNT ARTHUR, MOUNT HILL, RONENI, GOMORO, NGQANDA, HALA, BAKANENI, MQITHI, GOLI, NGXINGWENI, NZOLO, GXUBANA, SDAKENI, CLINIC, MDANTSANE, QWEMPE, NEW BRIGHTON, GUGULETHU, EMJIKELWENI, LUXENI, MTUNZINI, PARADESI, NCALUKENI, BOMENI, MKAPHUSI | Cllr: THANDIWE NDLELA<br>082 878 1432<br><br>**ANC** | 1.Water (Ndangatyeni, Eziplatini, Engxigweni, Eparadesi) and Sanitation – Tyutyutyu, Encalukeni, Mjikelweni, Kwa C, eMayirheni, Gugulethu, Thafeni, eGoli, eZintulweni, Eziplatini, eGxojeni, KwaNzolo, eBhakaneni, Eluxeni, Ngxigweni, Paradesi, Qaqeni and Mt Arthur High School)<br>2.Access Roads- All Villages<br>Bridges at Gali Bridge and Causeways in all villages<br>3.Shearing Shed Nqanda<br>4.Storm Water all village<br>5.RDP Houses<br>6.Electricity – Extensions & Upgrade - Mt Arthur and All Villages<br>7.Sport Fields-All Villages and Mt Arthur<br>Mt Arthur- Renovation, Security, Fencing, Trees, Additional Classrooms, Septic Tank<br>8.Day Care Centers<br>9.Job Creation for Youth<br>10.Storm Water<br>11.Cleaners at Clinic<br>12.Forestation at Mkhaphusi<br>13.Law enforcement on selling of drugs and imfuyo eyabulayo<br>14.Mobile Clinic Ngqanda<br>15Appointment of male candidates for cooking at schools<br>16.Sorghum Production/ Buyambo Cooperative Support<br>Nguni Bulls<br>. |
| **WARD 13** | **CONTACTS** | **WARD DEVELOPMENT NEEDS** |
| PLATKOP, GADLUME, QOBOSHANE, TRUST TSHAMAZIMBA, | CLLR VUSUMZI E. MATYOBENI<br>073 849 0324 | 1. Main Road paving & Access Road (Luxeni, Helushe, Mazangweni)<br>2. Bridges at Mission and Helushe and causeway in all villages<br>3. Maintenance of the main line water pipe and Sanitation – Luxeni, Platkop, Gxojeni |

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| GXOJENI, KUHELUSHE, TALENI BOOMPLAAS, KWASTOCKS XHUMABHOKHWE, MBOLOMPENI, DYOBUDAKA, MACHUBENI | **ANC** | 4. Multi purpose centre Qoboshane<br>5. Electricity Extensions<br>6. Machubeni Dam desilting and fencing<br>7. RDP Houses – all villages<br>8. Fencing grazing land all villages<br>9. Community Library<br>10. Pay Point equipment<br>11. Multi- Purpose Centre (central in the Ward)<br>12. Slab Bus Shelters<br>13. Catchment Dams<br>14. Soyisele Women's Garden (Gxojeni)<br>15. Construction of Mud made schools – Nobandla, Vuasani & St Cyprians<br>16. Police Station<br>17. Taxi Rank – Nkangala<br>18. Alien Plant Eradication<br>19. Fencing of Agricultural Land |
| **WARD 14** | **CONTACTS** | **WARD DEVELOPMENT NEEDS** |
| MHLANGA, CHIBINI, BLAAUWKRANTZ LOCATION, EMTHINI MROSHO, NTLANJENI, MANGWENI, NKALWENI, CHIBINI, BONISWA, KALFONTEIN, QAQENI, BANKINI, ZWELITSHA, LAPESINI, TAFILE, UITKYK, CHANCELE, DORDRECHT TOWN ZOLA, BONGWENI, NXOMFU, TEMBISA AND VILLAGES | Cllr MCEDISI QOMOYI<br>073 3593 079<br>082 6129 119<br><br>**ANC** | 1. Access Roads at Mangweni to Nkalweni, Clark station to Kalfontein Zwelitsha, Qoboshane to eNtlanjeni, Sosebenza,Mgqobozi Nqonti to Tafeni, Nxomfu to Zola, crossway from Tafini to Sosebenza and Bridge from DDX town to eRoma<br>2. Shearing shed<br>3. Electricity<br>4. Dordrecht Sports ground<br>5. Sport Grounds in Sosebenza<br>6. Water and Sanitation<br>7. Solar Streetlights<br>8. Zola, Zwelethemba, and Sinako Paving<br>9. Community Hall<br>10. Pre Schools- Mrosheni and pre school in the rest of the ward<br>11. Clinic in Machubeni/ Boniswa Clinic<br>12. Youth Centre<br>13.Kalkfontein Clinic<br>14.Pay point in Mhlanga<br>15.Art Centre in Dordrecht |
| **WARD 15** | **CONTACTS** | **WARD DEVELOPMENT NEEDS** |
| MAYUYA, MZAMOHLE, IDA, COLD STREAM TUGELA, MANYANO LUPAPASI, CEGCIYANA, GUBA FARMS | Cllr VUYOKAZI MNYUKO<br>067 769 6108<br><br>**ANC** | 1. Water (Lupapasi, Maqwathini) and Sanitation at Maqwathini<br>2. Storm Water and channels at Manyano and Mzamomhle<br>3. Access Roads all villages & paving at Mavuya and Mzamomhle<br>4. Shearing Shed – Luphaphasi<br>5. RDP- Houses all villages<br>6. Bulk Infrastructure (Mzamomhle)<br>7. Sportfields<br>8. Tractors -Lupapasi<br>9. Mobile Clinic- Ida, Guba Farms, Thembelihle and Cegciyana<br>10. Clinic- Ntsinga, Lupapasi<br>11. Fencing- Grazing land- all villages |

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| | | 12. Nguni Bulls – Lupapasi<br>13. Network Pole- Mzamo, Ntsinga, Maqwatini and Ida<br>14. Extension and fencing of grave yard<br>15. Tar Road Indwe to Lady Frere, Ida School to Barckly East<br>16. Electricity Ext-all villages<br>17. RDP Houses<br>18. Pre-school- Mzamomhle<br>19. SAPS Visibility<br>20. Pay point- Luphaphasi<br>21. Bridges and Crossways<br>22. Service Points<br>23. Fencing of Bricks yard @Indwe, fencing of Ntsinga, Maqwati and Tembelihle<br>24. Ceiling of Indwe Hall<br>25. Multi-Purpose Centre<br>26. Grave Yard<br>27. Overhead Bridge<br>28. Manyano Water Upgrade from Ntsinga<br>29. Maintenance of Streets<br>30. Water Channels away from grave yards<br>31. Feedlot<br>32. Upgrade of Tar road at Manyano<br>33. Title Deeds- all villages<br>34. Upgrade of Maqwathini and Thembelihle Road<br>35. Maintenance of Boreholes  Cleaning of tanks<br>36. Indwe Annual Tournament<br>37. Idasa Farm Access Road |
| **WARD 16** | **CONTACTS** | **WARD DEVELOPMENT NEEDS** |
| PUMLANI, INDWE TOWN, SONWABILE, UPPER AND LOWER MGWALANA VUKANI GUBAHOEK, NKENKULU, CHIBINI | Cllr NKOHLA C. PETER<br>083 872 0424<br><br>**ANC** | 1. Access roads whole ward & paving in town, tar roads to Elitheni, tar roads from Indwe to Cacadu<br>2. RDP Houses whole ward<br>3. Sport field<br>4. Electrical Extensions<br>5. Bulk Infrastructure at Indwe, Water & Sanitation (all villages)<br>6. Coal Mine must be open<br>7. Playing ground to be fixed in all wards<br>8. Skills Centre<br>9. Clinic – Chibini<br>10. Bulk Infrastructure |
| **WARD 17** | **CONTACTS** | **WARD DEVELOPMENT NEEDS** |

| | | |
|---|---|---|
| MAQHASHU, NTSINGA, NGCUKA, STONEY CROFT BHAKUBHA ZINGQOLWENI AND NGQOKO | Cllr BABALWA MXATHULE 078 301 0662<br><br>**ANC** | 1. Water and Sanitation- Lower Maqhashu, Bhakubha, Ngcuka, Ngqoko, Zingqolweni<br>2. Electricity Infills and extensions all villages.<br>3. Access Roads in all villages and paving in Ngcuka.<br>4. Youth Development Centre at Ngcuka<br>5. RDP Houses – All Villages<br>6. Storm Water all villages<br>6 Plant Ngcuka and Nqoko<br>78 Pay Points- All villages<br>9, Deeping tanks- all villages<br>10, Development and Destilling of Dams<br>11, Eradication of Lapesi<br>12, Fencing of Agricultural Land - Ngcuka and Ngqoko, Sewerage Lower Bongolwethu<br>13.Youth Development Centre<br>14.Electricity infills and extensions - All villages<br>15.Mobile Police – Bhakubha<br>16.Playground- All villages<br>17.Preschool- ngqoko, ngcuka, bakubha, Lower Maqhashu<br>18.Bridges and cross ways- all villages<br>19.Renovation of Pre-Schools- Zingqolweni, Kulile<br>20.Job Opportunities for Youth<br>21.Gardening Projects<br>22.Painting of Schools<br>23.Eradication of Alien Plants |

The top 5 priorities as per review conducted were:

- ROADS - (Access roads, Causeways, Bridges)
- Electricity (Extensions and Infills)
- Water and Sanitation
- RDP Houses
- Eradication of alien plants.

# CHAPTER 7 - EXECUTIVE SUMMARY OF THE SPATIAL DEVELOPMENT FRAMEWORK 2018 REVIEW

**Background**

A Spatial Development Framework is a framework that seeks to guide, overall spatial distribution of current and desirable land uses within a municipality to give effect to the vision, goals, and objectives of the municipal IDP. The aims of a Spatial Development Framework are to promote sustainable functional and integrated human settlements, maximise resource efficiency, and enhance regional identity and unique character of a place.

In terms of Section 26(e) of the Local Government: Municipal Systems Act, No. 32 of 2000 requires that all municipalities to compile Spatial Development Frameworks (SDF) as a core component of the Integrated Development Plan (IDP). The Spatial Development Framework is also a requirement of the Spatial Planning and Land Use Management Act 16 of 2013.

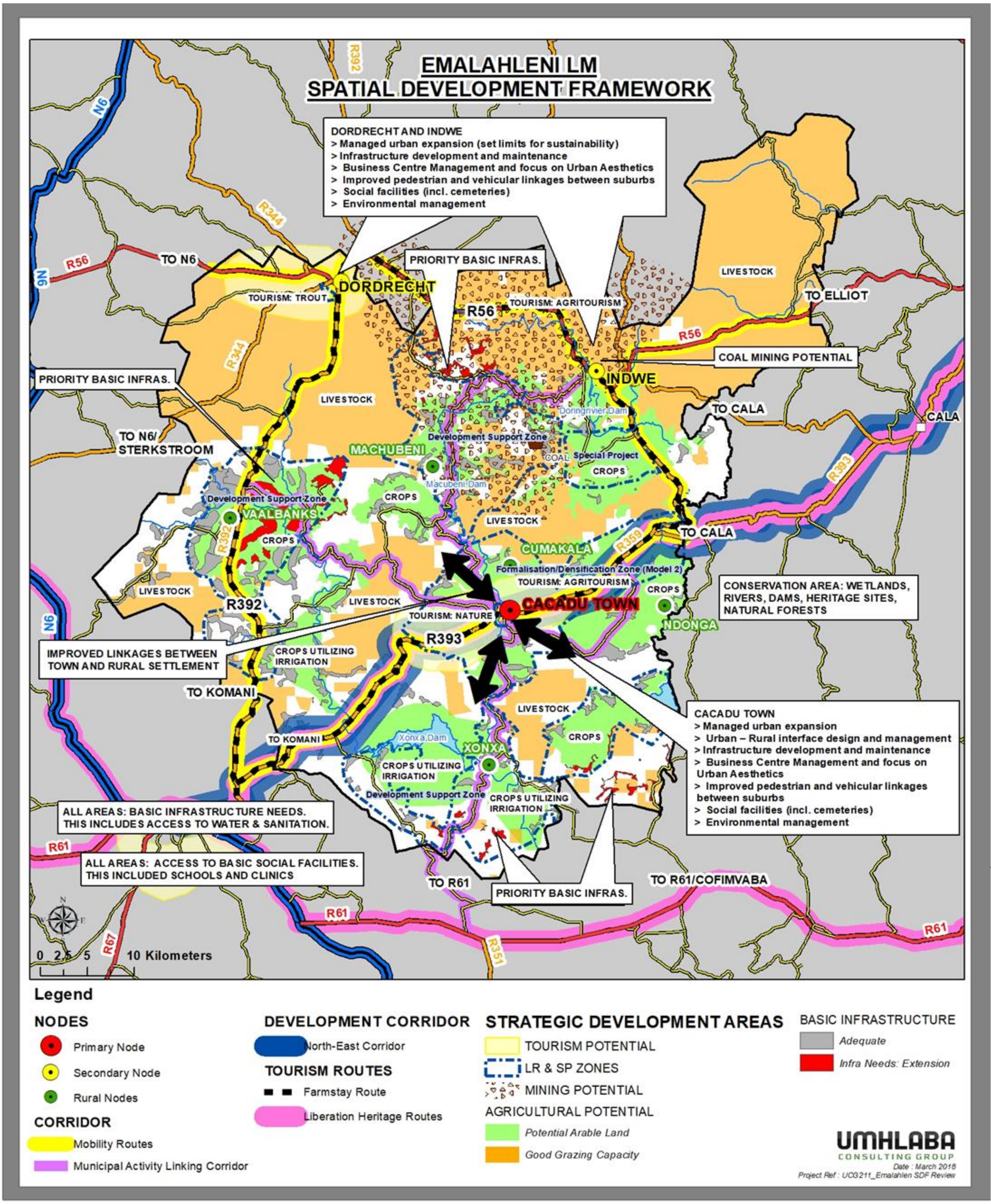
The Reviewed Emalahleni Spatial Development Framework, 2018, covers the entire area of jurisdiction of the Emalahleni Municipality and was completed in accordance with the DRDLR Guidelines. The SDF was prepared with the understanding that it provided a long-term framework (approximately 20 years) and that it is subject to review every 5 years. The reviewed Emalahleni Spatial Development was necessary to ensure alignment with the Emalahleni Municipal IDP and the Spatial Planning and Land Use Management Act 16 of 2013.

**Development Nodes**

Development nodes are considered as those towns where a number of functions which are believed to be urban are found, it is where there is activity and there is infrastructure to support it, such as – Residential, Commercial, Retail buildings. They are located on transport routes to provide new growth and development. As such, they are areas where the following should be prioritised: - Appropriate levels of development investment in infrastructure and appropriate land use management to promote preferred development outcomes.

| NODE | NAME | ROLE | SPATIAL DEVELOPMENT PRIORITIES |
|---|---|---|---|
| **PRIMARY URBAN DEVELOPMENT NODE (Sub-District Service Centre)** | CACADU TOWN (Formerly known as Cacadu) | ❑ Main Retail, Commercial, Industrial & Administration (Govern. Services) Node<br>❑ Main Centre for Social Services<br>❑ Residential Function for permanent and temporary residents<br>❑ Potential for agro-industrial processes<br>❑ Promote diversity of tourism: leisure, heritage<br>❑ Key linkage to Komani (Queenstown) – Main regional centre in the District. | ▪ Managed urban expansion and Public Funded Housing Expansion<br>▪ Urban – Rural interface design and management<br>▪ Infrastructure development and maintenance to support businesses and residential property<br>▪ Business Centre Management and focus on Urban Aesthetics<br>▪ Improved pedestrian and vehicular linkages between suburbs in town and between towns (key economic towns/nodes). Prioritise linkage to higher order nodes.<br>▪ Social facilities: Focus on Education/Health and ECDC's, cemeteries.<br>▪ Environmental management and conservation |
| NODE | NAME | ROLE | SPATIAL DEVELOPMENT PRIORITIES |
| **SECONDARY URBAN DEVELOPMENT NODES (Local Service Centres)** | DORDRECHT & INDWE | ❑ Local-scale retail, industrial and administration nodes<br>❑ Service centres to rural areas<br>❑ Cater for permanent and temporary residents<br>❑ Potential for value-<br>❑ adding agro-industrial mining processes<br>❑ Potential for tourism services and facilities | ▪ Managed urban expansion and Public Funded Housing Expansion<br>▪ Infrastructure development to support business, tourism and residential expansion potential<br>▪ Business Centre Management and focus on Urban Aesthetics<br>▪ Improved pedestrian and vehicular linkages between suburbs in town<br>▪ Social facilities: Focus on Education/Health and ECDC's, cemeteries/agricultural schools.<br>▪ Environmental management and conservation |
| **RURAL NODES (Sub-Local Service Centres)** | VAALBANKS, XONXA, NDONGA, MACHUBENI, CUMAKALA | ❑ Commercial and Social Facilities serving surrounding rural areas | ▪ Basic level of service provision and extension<br>▪ Augmentation and upgrade of existing commercial / agricultural infrastructure<br>▪ Local planning to maximise use of resources<br>▪ Appropriate land use management and Administration: Local land use schemes to be negotiated.<br>▪ Environmental Management is critical<br>▪ Community engagement: participatory planning and project programmes |
| **Rural Settlements** | ALL OTHER RURAL SETTLEMENT | ❑ Providing residents with necessary infrastructure and services | ▪ Ensure proper access to higher order nodes to access higher order services and facilities<br>▪ Ensure necessary basic services, infrastructure and social facilities.<br>▪ Planned settlement edges for expansion<br>▪ Environmental Management is critical |
| **Mobility Routes** | ❑ R393 (Queenstown –Cacadu Town – Cala)<br>❑ R392 (Dordrecht – Queenstown)<br>❑ R56 (N6 – Dordrecht –Indwe –Elliot) | | ▪ These routes carry passing traffic and provide access between local areas in Emalahleni and centres further afield.<br>▪ Spatial Planning Priority is to manage settlement development along the Primary and Secondary Movement corridors to mitigate impacts of settlement on the road |
| **Municipal Activity/ link Corridor** | ❑ Vaal Banks –Cacadu Town (former - Cacadu)<br>❑ Cacadu Town –Xonxa –R61<br>❑ Cacadu Town – Machubeni –Indwe<br>❑ Cacadu Town -Zingqolweni | | ▪ Linking areas of development potential to Movement Corridors and Urban centres |
| **Development Corridor** | ❑ North -East Corridor | | ▪ Corridor of district and municipal-level economic importance |
| **Special Routes (Tourism)** | ❑ Farm-stay Route (Queenstown –Dordrecht-Indwe – Cacadu Town (former Lady Frere)–Queenstown)<br>❑ Liberation Route (R393) | | ▪ Routes of District and Regional Economic Importance.<br>▪ Upgrade and Improve accessibility to promote tourism potential / initiatives in the area |

Municipalities need to identify nodes in order to allocate appropriate levels of investment in infrastructure and services and to be able to implement appropriate land use management strategies. The following classes of nodes have been identified and/or are proposed for Emalahleni LM:



**Key Spatial Development Issues**

The following key spatial development issues are drawn from the summary key planning informants, and are highlighted as follows: -

- Focused strategic development and planning must not be done in isolation of local need and should be guided by local knowledge and the lifestyle practices inherent to the communities living there.
- For under-developed rural areas, the importance of linkages and accessibility to areas of opportunity is fundamental.
- Fragmentation of jurisdiction over land management functions in urban and rural areas. There is a lack of formal control over most of the land area of Emalahleni LM, outside of the proclaimed town areas.
- Inefficient Urban and Rural Settlement Patterns vs Providing Services to Meet Basic Needs. Low density dispersed rural settlement patterns renders service provision costly and inefficient. This necessitates strategic approaches in dealing with the difficulties posed by the sprawling, low density settlement patterns found in the area as well as the lack of local productive economies to provide residents with the means to contribute toward the cost of provision.
- Given the importance of the natural environment in the development of the Emalahleni space economy, implementing environmental management (wise land use) becomes critical to ensuring the sustainable use of the available resources and natural endowments (i.e., the natural environment, agricultural lands, residential settlement, etc.).

# CHAPTER 8 – EXECUTIVE SUMMARY LOCAL ECONOMIC DEVELOPMENT STRATEGY

Emalahleni L.M. LED Strategy was firstly developed by External Service Provider, adopted in December 2010 for a period of five years. It has been reviewed internal under the guidance of Centre For Municipal Research and Advice and adopted in December 2015 for a period of five years as well and it need further review before December 2020 in order to foster high level buy-in and funding support by critical stakeholders (Sector Departments and Private Investors) the review also suggests mechanisms for the successful roles and responsibilities among expected implementing agencies for the successful delivery of the reviewed LED strategy. The review proposes that the municipality takes strategic decisions on key driving sectors of the local economy that Council must invest heavily on and identifies other sectors where the municipal role will be to facilitate participation by other role players.

LED Strategy is aimed at providing a framework for municipal interventions and planning for sustainable economic development in the municipality jurisdiction. This also serves to encourage community involvement and ensure maximum participation in the municipal affairs. Existence of the Strategy is for guidance on issues of Socio-Economic.

**Profile of the Municipality**

Emalahleni is a category B municipality situated within the Chris Hani District of the Eastern Cape Province. It consists of the three main urban nodes being the towns of Cacadu, Indwe and Dordrecht surrounded by a large rural settlement and many surrounding villages.

The Vision of the directorate is: A municipality with an attractive environment for job creation, investment, and sustainable local economic growth. Mission Statement: We shall create this vision of LED through the creation of an environment that attracts business investments and contributing to sustainable opportunities for job creation and economic upliftment.

**Programmes and Priority Areas**

SMME Development

Agriculture Development

Tourism and Heritage Management, Mining

Integrated Development Plan (IDP)

Performance Management System



**Smme Development**

- Business Development (Facilitate financial Support)
- Business Support (Direct provision of production inputs)
- Capacity Building (Information Dissemination and Training)
- Brick-makers programs on capacity building
- Business Licensing
- Monitor large scale mining.
- Informal Trading Support
- Agriculture Development

**CROP Production**

- Sorghum Production

- Maize Production at limited scale due climatic conditions
- Agro-Processing –Ibuyambo Mill Plant
- Land Care Project at Machubeni
- Fundraising for Small Irrigation Scheme
- Participating in CHDM Rural Agro-Finance Industry
- Commencing the Aqua-Culture Project.

**Livestock Production**

- Livestock Branding
- Livestock Marketing
- Genetic Improvement
- Wool Production (Infrastructure Provision in a form of Shearing Shed)
- Bartering program for Merino breed
- Animal Health program
- Milk Processing (Dairy Development in Ida Farms)

**TOURISM AND HERITAGE**

- Market Local Tourism Products
- Facilitate tourism infrastructure (Queen Nonesi Cultural Village
- Conduct heritage programs.
- Coordinate Tourism Training
- Facilitate Tourism support by other spheres of governments.

**Highlights of LED Strategy**

- Alignment of LED Strategy with SDF, IDP, SDBIP
- Forging Partnership with Commercial Farming
- Cordial relations with relevant stakeholders (Woolgrowers Association, Sanral, ECDC, Makana Bricks and relevant Government Department
- Agric Infrastructure in form of Shearing Shed
- Engagement with DME, its entity call Geoscience, and DTI for Elitheni Coal Mine for possible investor
- 14km from R56 to Coal Mine is under construction
- Noticeable growth in Enterprise Development

# HUMAN SETTLEMENTS SECTOR PLAN REVIEW

# (2018 – 2022)

**EMALAHLENI LOCAL MUNICIPALITY**

## 7.1 BACKGROUND

Emalahleni Local Municipality (ELM), like all other municipalities, is required to prepare a Human Settlements Sector Plan (HSSP) as a component of the Integrated Development Plan (IDP), in terms of the Municipal Systems Act (MSA) 32 of 2000 and the National Housing Act 107 of 1997. These are to ensure that the inhabitants within its area of jurisdiction have access to adequate human settlements on a progressive basis by setting human settlements delivery goals, identify suitable land for human settlements development and planning, facilitating, initiating and co-ordinating human settlements development in its area of jurisdiction.

Towards this goal, the Chris Hani District Municipality (CHDM) has embarked on a programme to develop an Integrated Human Settlements Sector Plan (IHSSP) and an Emergency Human Settlements Policy for the District and the Local Municipalities under its area of jurisdiction.

There are local challenges that are facing CHDM in terms of human settlements developments and these challenges require urgent attention to ensure that government objectives are achieved. There are numerous difficulties encountered by the Local Municipalities (LMs) within the district in fulfilling the need for human settlements infrastructure, social development, the availability and ownership of land, bulk infrastructure and other factors.

As one of the planning tools for local government in terms of its developmental role, the HSSP aims at ensuring, orientating, and refocusing the municipality's vision and mission in the performance of its development role of human settlements development. The Housing Act (Act 107 of 1997) also guides and informs the preparation of Human Settlements Sector Plans.

### 7.1.1 PROJECT PURPOSE

The purpose of this document is to analyse the human settlements situation and then compile a well credible researched human settlements sector plan with all social, economic, and demographic indicators impacting on human settlements planning and delivery with an emergency human settlements policy for the CHDM.

The main purpose of this assignment is two ponged, that is:

- To determine the current state of human settlement throughout the district in terms of the of the current delivery status and in order to determine the human settlements demand to guide the compilation of the human settlements status quo report; and
- To develop a new integrated human settlements sector plan for CHDM to incorporate with the development of emergency human settlements policy for CHDM.

This HSSP will therefore aim to outline the needs and demands for housing, respond to issues underlying provision of human settlements and make proposals for strategic human settlements interventions. Amongst others, the objectives of a Human Settlements Sector Plan will be as follows:

- To accelerate the delivery of houses as key for poverty alleviation.
- To utilise provision of human settlements as a major job creation strategy.
- To leverage growth in the economy.
- To combat crime, format social cohesion and improve quality of life for the poor.
- To support the function of the entire single residential property market to reduce duality within the sector by breaking the barriers between the first economy residential property boom and the second economy slump.
- To ensure the effective allocation of limited resources (specifically financial and human) to a large pool of potential development interventions.
- To provide a formal and practical method of prioritising human settlements projects and obtaining political consensus from for the sequencing of their implementation.
- To ensure more integrated development through bringing together the relevant cross-sectoral role players to coordinate their development interventions.
- To provide greater spatial linkages between the spatial development framework and the physical implementation of projects on the ground
- To ensure that there is definite human settlements focus for the IDP.

This document sets the context of the existing situation in ELM area, the legal and policy setting and the various plans for human settlements delivery. It also provides a desktop situation analysis of the local municipality giving the current reality in terms of the demographic characteristics, social, economic, and environmental situation. Again, the participatory planning process is also outlined. The various challenges facing housing delivery are described according to the information obtained from the survey and relevant documents.

This section outlines the current human settlements legislation and policies as they affect human settlements delivery in the municipalities.

## 7.2 LEGISLATIVE AND POLICY MANDATES

### 7.2.1 LEGISLATIVE FRAMEWORK

The following is a summary of the main pieces of legislation, as well as policy directives, applicable to the integrated human settlements development environment.

| Legislation | Purpose and Specific Provision |
|---|---|
| **The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)** | This Act forms the basis for the executing the mandate of the Department of Human Settlements with reference to Section 26 and Schedule 4.<br>Section 26 guarantees the rights to have access to housing as a basic human right and the State is mandated to take steps to achieve the progressive realization of this right.<br>Schedule 4 ensures that the National and Provincial governments have concurrent legislative competence. This schedule guides the assignment of delegations of section components of the housing functions to municipalities. |
| **The Housing Act, 1997 (Act No. 107 of 1997)** | This Act lays down general principles applicable to housing development in all spheres of government. The Act defines the functions of national, provincial, and local governments in respect to housing development and provides for financial arrangements for housing development.<br>This Act further creates the provision for all spheres of government to give priority to the needs of the poor in respect of housing development. |
| **Prevention of Illegal Eviction from Unlawful Occupation of Land Act, 1998** | This Act repeals the Prevention of Illegal squatting act (Act 52 of 1951) and makes provision for a fair and equitable process to be followed when evicting people who have unlawfully invaded land, from their homes. The Act makes it an offence to evict without following the due process of law. |
| **The Housing Consumer Protection Measures Act,1998** | The Act provides for the establishment of a statutory regulating body for homebuilders. The National Home Builders Registration Council (NHBRC) registers builders engaged in certain categories of housing construction and regulates the home building industry by formulating and enforcing a code of conduct. |
| **The Rental Housing Act, 1999 as amended** | The Rental Housing Act repeals the Rent Control Act (1976) and defines government responsibilities in respect of rental housing property. The Act establishes the Rent Tribunal to regulate and promote sound relations between landlords and tenants. There is a clear requirement to stimulate the rental housing market. |
| **Social Housing Act, No.16 of (2008)** | The Act provides for the establishment of affordable rental accommodation for low to medium income households in designated Restructuring Zones i.e., places of economic opportunities, enabling spatial and social integration. |
| **Home Loan and Mortgage Disclosure Act, 2000** | This Act provides for the establishment of the Office of Disclosure and the monitoring of financial institutions serving the housing credit needs of communities to disclose information and identifies discriminatory lending patterns. |
| **Sectional Titles Act, 1986 (Act No. 95 of 1986) as Amended** | This Act provides for the division of buildings into sections and common property and for the acquisition of separate ownership in sections coupled with joint ownership in common property. |

| | |
|---|---|
| **The Deeds Registries Act, 1937 (Act No. 47 of 1937)** | This Act governs the entire set of procedures and requirements for registering ownership and transfer of land. |
| **National Building Regulations and Building Standard Act, No. 103 of 1997 (Act No. 103 of 1997)** | The Act provides for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities, and for the prescribing of building standards. |
| **Municipal Systems Act** . | |
| **Interim Protection of Informal Land Rights Act, IPILRA, 1996 (Act No. 31 of 1996)** | This Act aims to protect a category of rights to land – called 'informal rights' – held by people living in rural areas of the former homelands and South African Development Trust (SADT) areas. |
| **State Land Disposal Act, 1961 (Act No. 48 of 1961)** | The Act provides for the disposal of certain State land and for matters incidental thereto, and to prohibit the acquisition of State Land by prescription. |
| **Land Administration Act, 1995 (Act No. 2 of 1995)** | The Act provides for the delegation of powers and the assignment of the administration of laws regarding land matters to the provinces. It also provides for the creation of uniform land legislation. |
| **Public Finance Management Act, 1999 (Act No. 1 of 1999)** | This Act regulates financial management in National Government and Provincial Government, to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively. |
| **Promotion of Access to Information Act , 2000, Act No. 2 0f 2000), as amended** | The Act underlines the importance of access to information for an open, democratic, transparent society. The Act gives legislative form to Section 32 of the Bill of Rights of the Constitution and should be interpreted as legislation giving effect to a constitutional right. |
| **Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)** | The Act aims at promoting the achievement of the constitutional right to equality by increasing broad-based and effective participation of Black people in the economy. It also sets parameters for the development of the Property Charter and the Construction Charter as mechanisms to secure commitment from stakeholders in the construction and property industries. |
| **Division of Revenue Act (DoRA)** | Makes provision for the equitable division of revenue raised nationally, among the National, Provincial and Local spheres of government and the responsibilities of all three spheres pursuant to such division and for matters connected therewith. The Integrated Housing and Human Settlement Development Grant is managed in terms of the DoRA. |
| **Inter-governmental Relations Framework Act of 2005** | Establish a framework for National, Provincial and Local spheres of government to promote and facilitate the settlement of intergovernmental disputes and matters connected therewith. |
| **Skills Development Act & Skills Development Levies Act** | This Act regulates the training and Development of the employees and the funding thereof. |
| **Preferential Procurement Policy Framework Act, No 5 of 2000** | This Act gives effect to Section 217, Chapter 3 of the Constitution by providing a framework for the implementation of the Procurement Policy contemplated in Section 217, Chapter 2, of the Constitution and to provide for matters connected therewith. |
| **Disaster Management Act, 2002** | This Act mandates each province as well as each district and metropolitan municipality is, in terms of sections 28 |

| | |
|---|---|
| | and 42of the Disaster Management Act, 2002, to "establish and implement a framework for Disaster Risk Management (DRM) aimed at ensuring an integrated and uniform approach to DRM" in its jurisdiction by all provincial and municipal organs of state, etc. |
| **Occupational Health and Safety Act** | It regulates the health and safety issues in the workplace |

**Policy Framework**

| Policy | Brief Description of the Policy |
|---|---|
| **White Paper: A new Housing Policy and Strategy for South Africa, 1994** | Commits Government to the establishment of socially and economically integrated communities situated in areas allowing convenient access to economic opportunities as well as health, educational and social amenities. |
| **National Housing Code, 2000 (Revised in 2009)** | Provides administrative guidelines for implementation of national housing policy. It sets the underlying policy principles, guidelines and norms and standards which apply to government's various housing assistance programmes. |
| **The Comprehensive Plan for the Development of Sustainable Human Settlements (Breaking New Ground (BNG), 2004)** | A multi-dimensional plan focusing on improving the quality of living environments, new tenure options, integration, fast track delivery, capacity building and anti-corruption measures. The comprehensive Plan is supplemented by seven business plans:<br>• Stimulating the Residential Property Market.<br>• Spatial Restructuring and Sustainable Human Settlements.<br>• Social (Medium-Density) Housing Programme.<br>• Informal Settlement Upgrading Programme.<br>• Institutional Reform and Capacity Building.<br>• Housing Subsidy Funding and System Reforms; and<br>Housing and Job Creation. |
| **Policy on Emergency Housing Assistance within urban and rural contexts** | Facilitate programmes that will ensure speedy provision of temporary housing relief to people, in urban and rural areas within the province of the Eastern Cape, who find themselves in emergency situations. These include the following categories of households:<br>Those whose existing shelters have been destroyed or damaged by natural causes, (e.g. tornados, flooding, fire, etc.);<br>Those whose existing houses are located in prevailing situation that poses an immediate threat to their lives, health and safety, (buildings that are not conducive for human habitation, environmentally unsafe areas, etc.)<br>Those evicted or face a threat of imminent evictions (e.g. farm-dwellers and worker, tenants, etc.) |
| **Policy on Housing People Infected with and affected by HIV and AIDS / people with disability** | The policy overcomes the barriers affecting housing delivery to HIV and AIDS victims and orphans who are always left destitute as well as people with disability, by enhancing their sustainable human settlements. Ensure that there is uniform and equitable approach in the utilization, provision and management of facilities that are funded and managed under the ambit of this policy. |
| **Supply Chain Management Policies and Procedures** | Procurement Policy for Urgent Interventions for Housing Delivery in the Eastern Cape- deals with elimination of |

| | |
|---|---|
| | backlog in housing delivery and accelerated housing delivery. |
| **Acquisition Management Manual** | It provides guidelines that regulate procurement of goods and services by organs of state in a fair, competitive, cost-effective, transparent and equitable manner. |
| **Compliance and Risk Management Policies** | Compliance to policies and eliminate risks in the procurement of goods and services to fulfil the provisions of the Public Finance Management Act. |

## 7.3 HOUSING INSTITUTIONAL FRAMEWORK

The Housing Act, 1997 (Act No. 107 of 1997) assigns the three spheres of government the responsibility of ensuring that: “the need of the poor in respect of housing development is given priority by government; government consults meaningfully with individuals and communities affected by housing development; housing development is economically, fiscally, socially and financially affordable and sustainable”.

The Housing Act further clarifies the role and responsibility of the national, provincial, and local spheres of government about housing development but when it comes to the local sphere of government, the Housing Act does not differentiate between the District and Local Municipality. Constitution of 1996, however, defines Category C municipality as a municipality that has municipal executive and legislative authority over an area that includes more than one local municipality. This, in effect, means that the immediate constituency of a district municipality is its local municipality not communities.

In terms of the Municipal Structures Act No. 117 of 1998, a district municipality is expected to build the “capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking. A district municipality may provide services to citizen directly when that affects significant proportion of municipalities in the district.

The table below summarizes the roles and responsibilities of the various spheres of government in relation to housing delivery:

| National | Provincial | Municipality |
|---|---|---|
| **To establish and facilitate a sustainable national housing development process (Sect. 3(1))**<br>National housing policy<br>***Goals*** - setting broad national housing delivery goals; facilitating setting of provincial housing delivery goals; where appropriate, facilitating setting of municipal housing delivery goals in support of national and provincial goals - Sect. 3(2)<br>***Funding*** - negotiate for the national apportionment of the state budget for housing and based on | **To promote and facilitate the provision of adequate housing in the province, within a framework of national policy, after consulting the provincial organizations representing municipalities (Sect 7(1))**<br>*Provincial policy* determined - Sect. 7(2)(a)<br>***Provincial legislation*** to ensure effective housing delivery - Sect. 7(2)(b)<br>***Capacity Building*** – support and strengthen municipalities - Sect 7(2)(c) and (e)<br>***Housing development*** – to co-ordinate housing | **As part of the process of integrated development planning, to ensure within the framework of national and provincial housing legislation and policy, that the right to have access to adequate housing is realized on a progressive basis (Sect 9(1))**<br>***Housing delivery goals*** – to be set for municipal area in annual housing Plan Sect 9(1)(b)<br>***Housing development*** - initiate plan, co-ordinate, facilitate, promote, and enable appropriate housing development in municipal area - Sect 9(1)(f) |

| National | Provincial | Municipality |
|---|---|---|
| DORA formula, determines conditional grant allocations - Sect 3(4)<br>***Performance Monitoring*** - monitors performance of all three spheres of government against housing delivery goals and budget- Sect3 (2)(c)<br>***Capacity Building*** – assists provinces to develop administrative capacity – Sect 3(2)(d) and, supports and strengthens municipalities - Sect 3(2)(e)<br>***Consultation*** – promotes consultation between National and housing sector, including other spheres of government - Sect 3(2)(f)<br>***Communication*** – promotes effective communication i.r.o. housing development- Sect 3(2)(g) | development in the province - Sect 7(2)(d)<br>***Intervention*** – when municipality fails to perform functions i.t.o. Housing Act - Sect 7(2)(f)<br>***Planning***- Multi-year plan to be prepared - Sect 7(2)(g)<br>***Municipal Accreditation*** - Sect 10 | ***Land for housing*** – identify and designate land for housing development- Sect 9(1)(c); plan and manage land use and development- Sect 9(1)(h)<br>***Health and safety*** – Sect 9(1)(a)(ii)<br>***Efficient Services*** - water, sanitation, electricity, roads, storm water drainage and transport to be provided in economically efficient manner - Sect 9(1)(a)(iii)<br>***Public environment*** - to be created and maintained to be conducive to housing development- Sect 9(1)(d)<br>***Conflict resolution*** - in respect of conflict arising in housing development - process - sect 9(1)(e)<br>***Bulk and revenue generating services***- to be provided by municipality where not provided by specialist utility suppliers – Sect 9(1)(g) |

## 7.4 HOUSING PROGRAMMES

The Housing Act, 1997 (Act No. 107 of 1997) outlined the various housing development programmes that serve as instruments for the implementation of the national housing policy. The following represents the various housing programmes.



| National Housing Programme | Policy Objective |
|---|---|
| Individual subsidy | To assist beneficiaries to acquire ownership of fixed residential properties for the first time and to enable them to buy existing homes or homes in projects not approved by the Provincial Department of Human Settlements. |
| Project-linked subsidy | To assist beneficiaries to acquire ownership of fixed residential properties for the first time and to enable them to buy homes in projects approved by the Provincial Department of Human Settlements |
| Project-linked Consolidation subsidy | To enable beneficiaries who have only received serviced sites under the previous dispensation and who hold ownership rights to such sites to provide or upgrade a top structure on such site. |
| Discount Benefit Scheme | To promote home ownership among tenants of State-financed rental stock, including formal housing and serviced sites. In terms of this Scheme. Where |

| National Housing Programme | Policy Objective |
|---|---|
| | the discount amount equals or exceeds the purchase price or loan balance, the property is transferred free of any further capital charges. |
| Institutional Subsidy | To provide subsidised accommodation through institutions, to persons who qualify for individual ownership subsidies on the basis of secure tenure such as rental, instalment sale, share-block, etc. This subsidy type is utilised through social housing |
| People's Housing Process (PHP) | To support people who want to build or manage building of their homes themselves to access consolidation, project-linked, institutional and rural housing subsidies as well as other support measures. |
| Housing for the Disabled | To enable disabled persons to access housing |
| Consolidation Subsidy Programme | Available to beneficiaries of previous government housing assistance schemes who received services stands in ownership. Beneficiaries of such stands may apply for further assistance to construct a house on their stands or to upgrade their house they have constructed from their own resources. |
| Rural Housing subsidy: Informal Land Rights | Facilitate project based housing development for beneficiaries on communal land. Can be addressed through appropriate funding, institutional, decision-making and management framework for the programme. |
| Emergency Housing Programme | It provides temporary assistance in the form of secure access to land and/or basic municipal engineering services and/or shelter in a wide range of emergency situations. |
| Informal Settlement Upgrading | To facilitate the structures in-situ upgrading of informal settlements as opposed to relocation to achieve tenure security, health and security and empowerment. |
| Social Housing | Contribute to the government vision of economically empowered, non-racial, and integrated society living in sustainable human settlement through national priority to address structural, economic, social and spatial dysfunctionalities. |
| Community Residential Units (CRUs) | CRU aims to facilitate the provision of secure stable rental tenure for lower income persons, households with income between R800 and R3 500 per month who are not able to enter the formal private rental and social housing market. |

## 7.5 PARTICIPATORY PROCESSES AND METHODOLOGY



Public participation as it is the most powerful tool that shapes development practices will form one of the principles of this Human Settlements Sector Plan (HSSP). This process will ensure involvement of different actors, especially the Local Municipality, District Municipality, and other stakeholders such as the Provincial Department of Human Settlements. The quality of this HSSP process is dependent on the level of involvement and participation of the interested and affected parties, most especially the Local Municipalities, who will have to adopt the HSSP into their IDPs. This is a democratic process through which municipalities were requested to identify their needs, voice their demands in order contribute to the improvement of the livelihoods of their people.

These major actors will be involved in all the phases of planning process. This means that the process promotes decentralization of resource allocation and enhances transparency and accountability in the management of public goods. It is also an important factor in the efficiency and effectiveness of the project design and implementation. Although the process itself can be time consuming, the involvement gives the local municipality a sense of ownership and a sense of responsibility thereby guaranteeing better project performance. The human settlement sector planning process of the development of this HSSP follows that of the IDP and will be undertaken in five phases (See Figure 3.1) as follows:

**Phase 1: Inception and Analysis**

At this stage, the project vision was identified, and a detail project plan was developed. This was followed by a project introductory session, whereby the project was introduced to both local and district office of the Department of Human Settlements by CHDM. Institutional Arrangements were discussed to guarantee the involvement of various local municipalities. A project Inception report was then developed and submitted to the CHDM.

The analysis stage involved two processes, namely, desk-top analysis and field interview involving administration of questionnaire from relevant data sources. The broad aim of this phase was to identify human settlements demand.

The desk-top analysis gives an overview of the legislative framework on human settlements as well as the municipality's current situation with regards to human settlements development and management. Taking into consideration the legislative and policy documents relevant to human settlements delivery as well as the municipality's IDP and SDF, information on the human settlements needs and demands were revealed. A report was then compiled, which enables an informed assessment of the level of human settlements development to be undertaken within the municipality. This report was presented to provide the municipality with information on the status and also to get an understanding of the current human settlements and related conditions.

The phase of the situation analysis also involved the development and administration of questionnaire. Unlike the previous phase, this phase was more interactive. It aimed at acquiring more detailed and updated information on the municipality's human settlements situation. This included an investigation of human settlements backlog / need, land availability, access to infrastructure, human resource capacity to deal with human settlements issues within the municipality, and other issues relevant to human settlements delivery. Fieldwork was also undertaken to physically engage with the key issues affecting the municipality as well as investigations on particular issues of critical importance to human settlements. This was followed by a workshop at a local level, which aimed to identify and discuss all the key issues and challenges affecting human settlements development. A District Coordinating Committee Meeting where all the municipalities were represented was held. All the information was then analyzed and collated to form a consolidated situation analysis report.

**Phase 2: Formulation of Human Settlements Strategy**



After all key issues have been identified; the vision and mission statements indicating where the municipality would like to go in terms of human settlements delivery were developed. Objectives and strategies on how to achieve this vision were thereafter developed. Careful consideration of all the above challenges and available resources and potential needs were considered. These were meant that the municipality finds more appropriate, innovative, and cost-effective solutions for resolving the identified human settlements issues as targets for human settlements delivery were specified and the methodology for their achievement clarified in this phase. Again, local and district municipality's workshop / forum was held, and a report was then produced detailing the human settlements vision, goals, objectives, and strategies.

**Phase 3: Projects Identification**

Human settlements projects will be formulated at this phase, and these must fundamentally relate to the achievement of the objectives and strategies developed in phase 2 above. Information on human settlements demand must be obtained from the municipalities and other sources.

**Phase 4: Integration**

The compilation of sector programmes and plans is meant to ensure that the collective impact and resource requirement of individual human settlements projects makes most efficient use of all available resources.

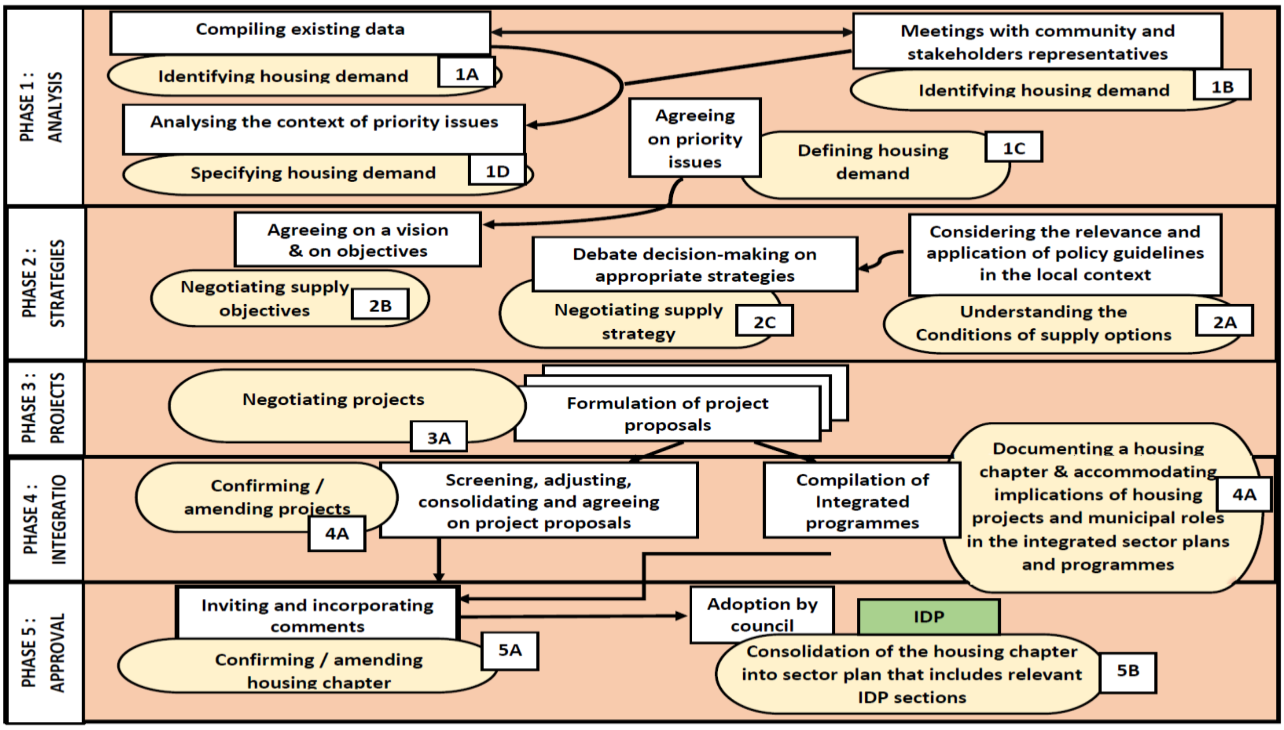
**Phase 5: Final Human Settlements Sector Plan and Approval**

This final phase deals with the identification of actions that will be undertaken to achieve realistic solutions for effective human settlements development within each local municipality. A draft Human Settlements Sector Plan (HSSP) will be prepared, with an implementation plan. Amongst others, the phase will involve the following:

- Alignment with overall IDP objectives and strategies
- Consolidation of the requirements of individual human settlements projects from resources available
- The technical, financial, environmental, and institutional viability of projects
- The achievement of coherence and integration between the projects of different sectors
- The process of closing off with the documentation of housing related information into a 'human settlements chapter' within the IDP.

In support of the above, a workshop will be held to discuss and agree upon, the quantum targets and budget requirements for all the Key Performance Areas will be indicated. This ensures an implementable HSSP. The draft HSSP will then be presented to Council for approval and will be reviewed annually.

Figure 3.1: Human Settlements Sector Planning Process

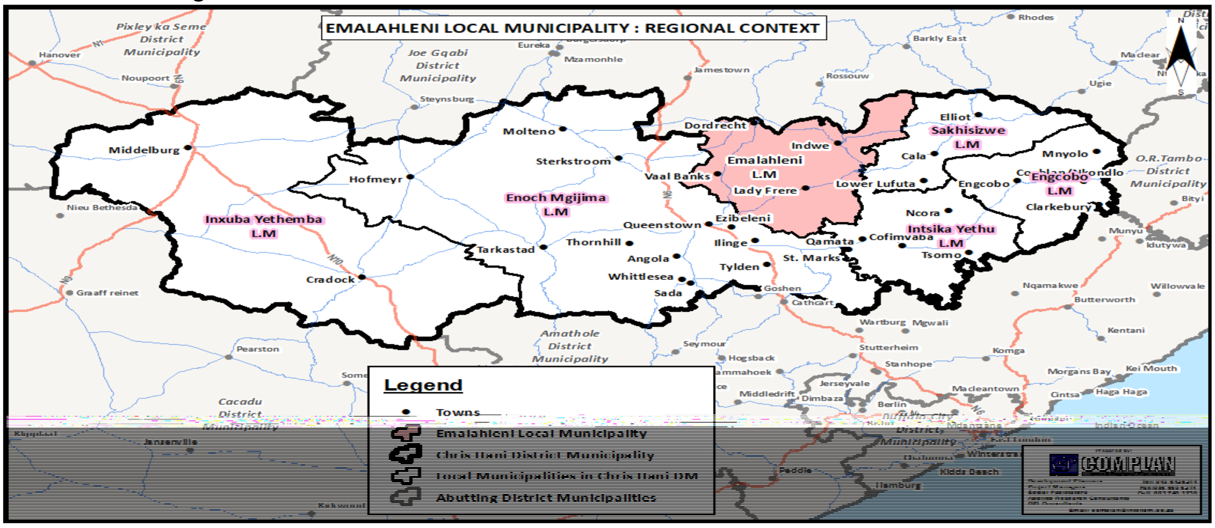



Adapted from Municipal Housing Sector Manual, 2006

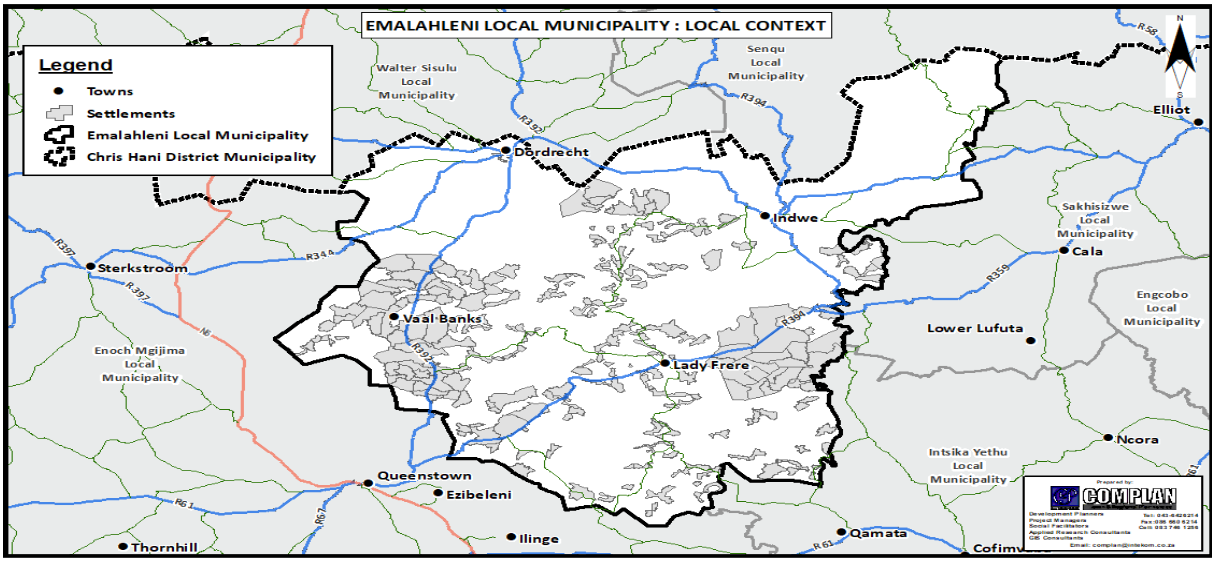
## 7.6 LOCALITY AND DESCRIPTION

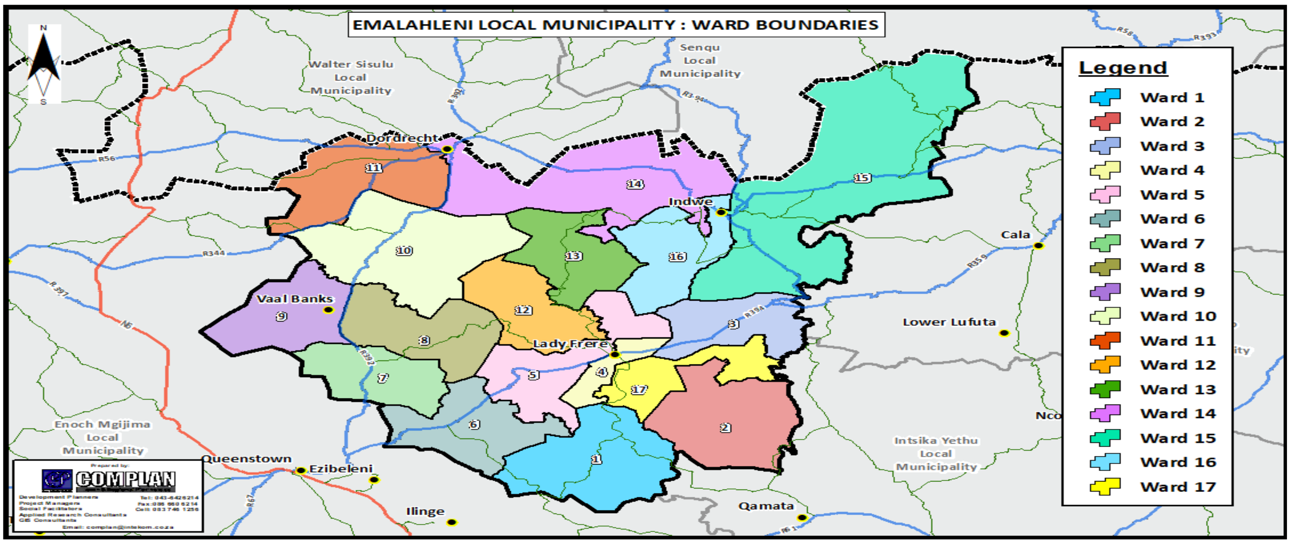
The Emalahleni Local Municipality (ELM) is located on the northern central part of the Chris Hani District Municipality (CHDM) with major centres in Cacadu, Dordrecht and Indwe. It is approximately 16km Northeast of the town of Queenstown which is the District's administrative centre. It has seventeen (17) wards and consists of an extensive rural component. The Emalahleni local municipality is comprised of 17 ward boundaries.

Plan 7.5-1: Regional context

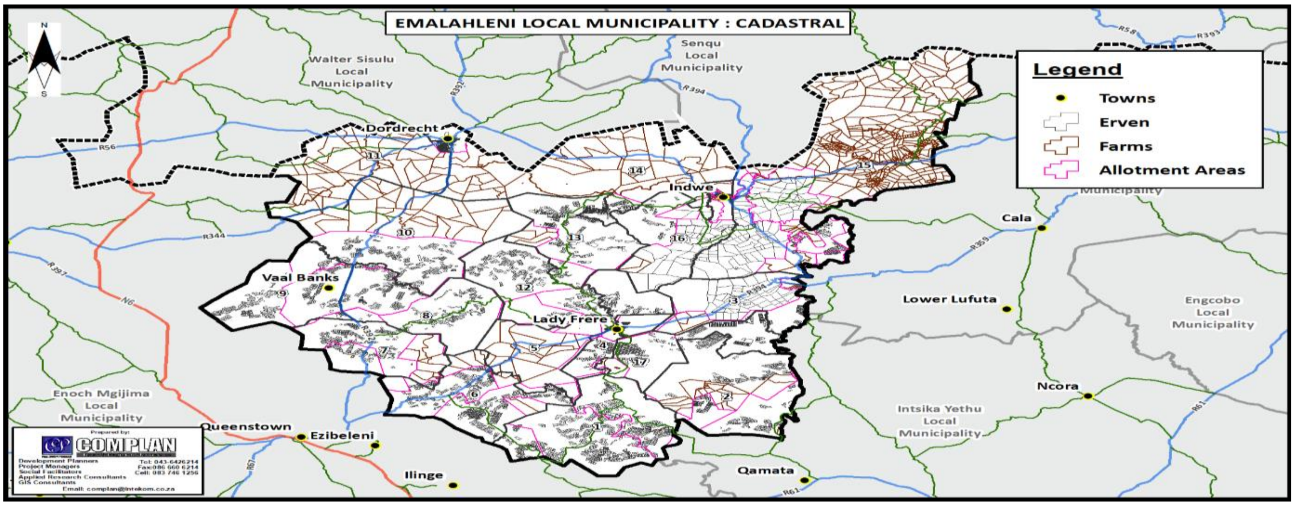



Plan 7.5-2: Local context






Plan 7.5-4: Cadastral




## 7.7 DEMOGRAPHIC INDICATORS

The population of Emalahleni Local Municipality is approximately 124 532 people which spread across seventeen (17) wards. The population growth rate over the past five years is estimated at -0.5% per annum. There are an estimated 27 008 households in the municipal area. The average household size is estimated at 4.1 for ELM. Comparisons between Census 2001, 2011 and Community survey 2016 indicate that the population of the municipal area decreased from 121 820 in 2001 to 119 461 in 2011 and again increased to 124 532 in 2016 and between 2011 and 2016 the population increased by 5 017 people which is approximately 4.1%.

In 2016 the average household size has decreased from 31 681in 2011 to 27 008 in 2016. Increased average household size has important implications on in terms of demand and allocation of resources i.e., housing, social amenities, and economic opportunities.

*Table 7.5-1: Population growth*

| | Census 1996 | Census 2001 | Census 2011 | Community Survey 2016 | Av. growth per annum 1996 - 2011 |
|---|---|---|---|---|---|
| Population | 129 027 | 121 820 | 119 461 | 124 532 | -0.51% |
| Household | 26 722 | 27280 | 31 681 | 27 008 | 1.14% |
| Average HH Size | 4.8 | 4.5 | 3.8 | 4.7 | |

Source: Census 1996, Census 2001, Census 2011 and Community Survey 2016

### 7.7.1 Population Projection

The HSSP should provide a trend analysis to inform future growth. Population projections have become very important in predicting the development of a particular area in terms of housing provisions. Through population projections, the municipality will know how many houses, schools, job opportunities, community facilities need to be developed to provide for the Emalahleni local municipality's population for future purposes.

Based on the present age-gender structure and the present fertility, mortality, and migration rates, Emalahleni municipality is population is projected to grow at an average annual rate of 0.70% from 125 000 in 2016 to 130 000 in 2021. Therefore, housing officials, planners, municipal and government officials need to plan for the municipality according to such figure.

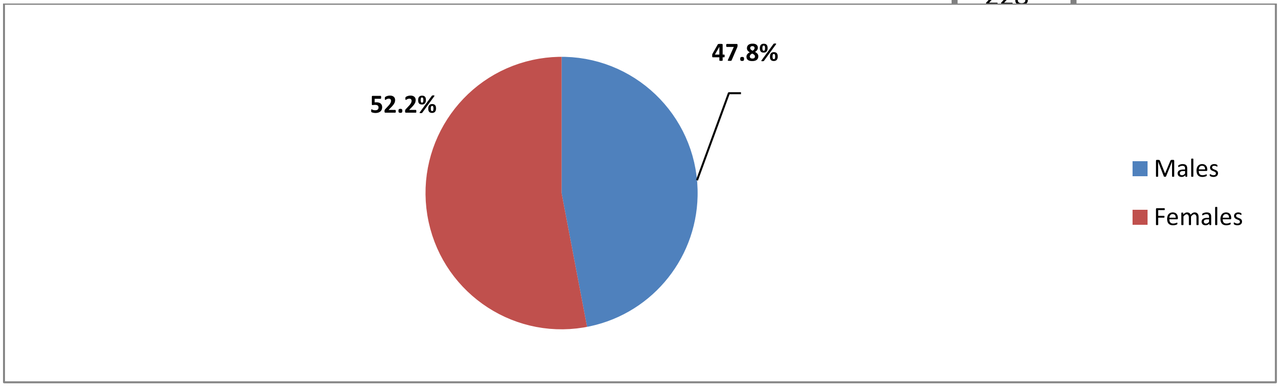
| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|
| Population | | | | | | | | |

### 7.7.2 Gender Distribution

In terms of gender distribution, females dominate with 52.2% (65 042) while males account for 47.8% (59 490). This means that there are more females in the study area than males. The different in the ratios might be attributed to high mobility of the male population to other places of employment in search of job opportunities. The above suggest a need to implement a gender-sensitive approach to local economic development initiatives and housing provision to suit both male and female households. The economic development initiatives for the area must also include skills development for both males and females to enable them to provide for their families in terms of building or buying houses for themselves.

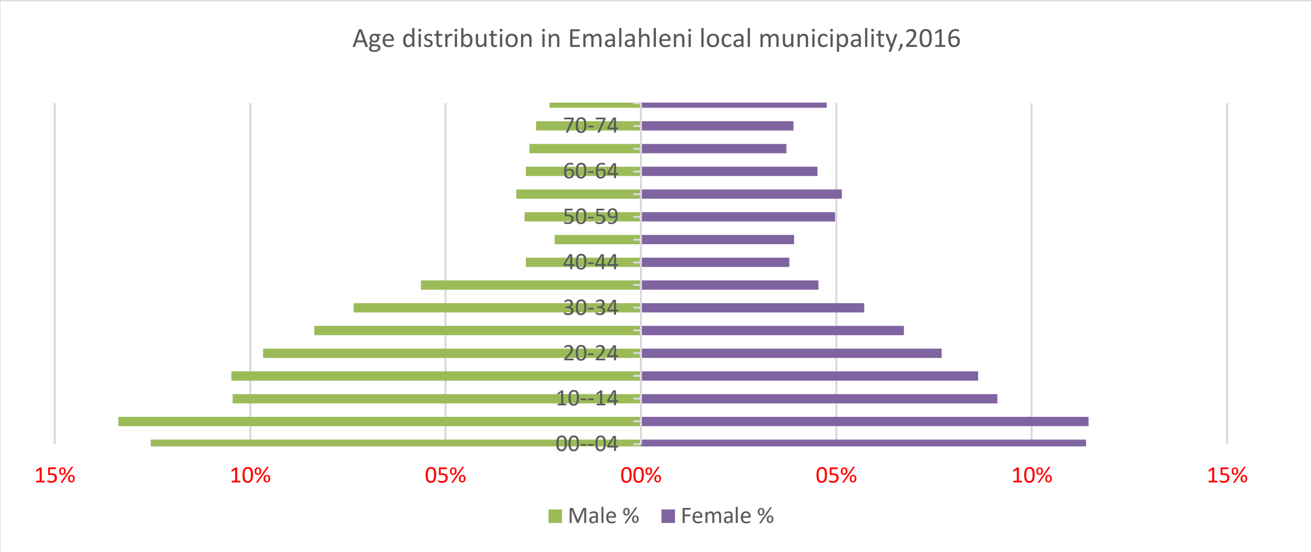
*Figure 7.5-1: Gender Distribution*






Source: Community Survey, 2016

### 7.7.3 Age-Gender Distribution




Source: Community Survey, 2016

Like many municipalities in the Eastern Cape, the study area has predominantly a youthful population in terms of age distribution**.** The youthful population (0-19years) in the municipality amounts to approximately 86%. The working-class population (20-64years) accounts for 52.5%. The percentage of the population above 65+ years accounts for 7.4%. The dependency rate within the municipality accounts for 90.5% (youth population 0-15years and population above 65+ years).

There is generally a prevalence of young people in the area. This suggests that rapid expansion is needed for job opportunities which allow them to buy or build their own houses. These job opportunities can be achieved through implementation of municipal developmental programmes. Also, more social facilities are also needed to meet the needs of this category of the population in the future. This therefore suggests that service provision and social development initiatives should be targeted at youth and should be an important consideration for integrated sustainable development decisions.

### 7.7.4 Employment status

About 14.2% of working-class population is employed and 85.8% of economic active population is unemployment and rely on the government subsidies.

| Employment status | Number of people | % |
|---|---|---|
| Employed | 9 344 | **14.2** |
| Unemployed | 56 380 | **85.8** |
| **Total (economic active population)** | **65 724** | **100.0** |

Source: Community Survey, 2016

### 7.7.5 Income level

Household income is an important determinant of welfare of a region. The ability to meet basic needs such as food, shelter and basic services largely depends on the level of household income. Poverty is associated with lack of resources to meet these basic needs. Poverty in the community is indicated by the number of households with an income below the poverty line.

Although, the number of households that received no income decreased from 34.18% in 2001 to 15.15% in 2011, the majority of the households fall under very low-income category. The bulk of the households, 71.8%, earn R3 200 and below. There is high dependency on governmental support, an indication of high poverty levels and inequality in the area and this affect the household's ability to pay for municipal services.

*Table 7.5-2: Monthly Household Income*

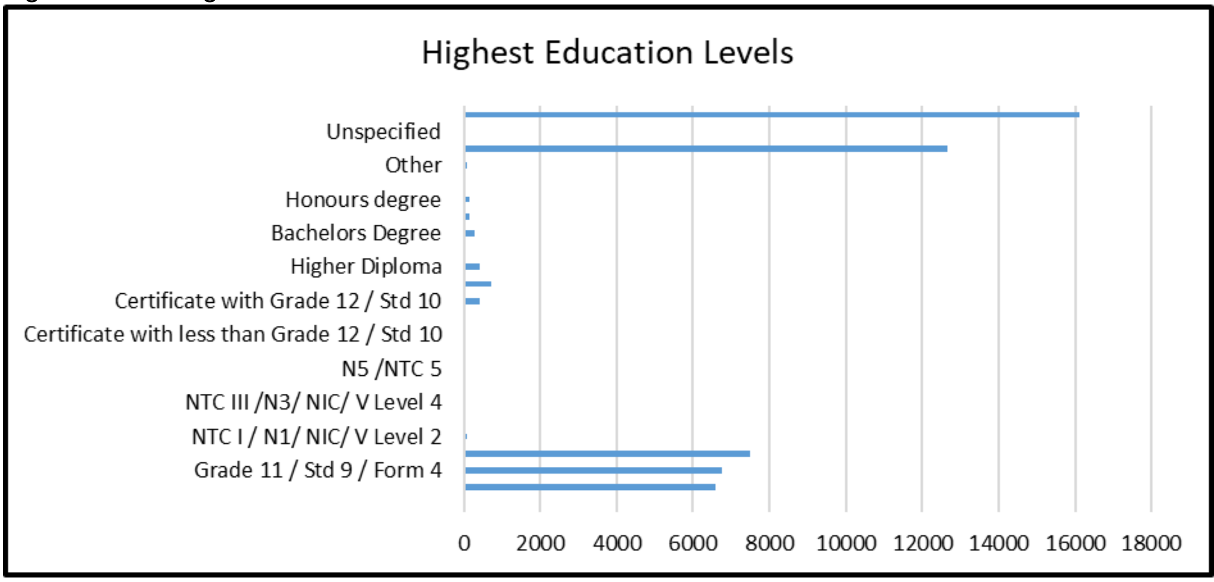
| Monthly household income | 2001 | | 2011 | |
|---|---|---|---|---|
| | No | % | No | % |
| No Income | 8911 | 34.18 | 4803 | 15.15 |
| R1-R400 | 1961 | 7.52 | 2037 | 6.42 |
| R400-RR800 | 8332 | 31.96 | 3471 | 10.95 |
| R800-R1600 | 4127 | 15.82 | 9414 | 29.70 |
| R1600-R3200 | 1486 | 5.70 | 7836 | 24.72 |
| R3200-R6400 | 751 | 2.88 | 2292 | 7.23 |
| R6400-R12 800 | 337 | 1.29 | 975 | 3.07 |
| R12 800-R25 600 | 101 | 0.38 | 546 | 1.72 |
| R25 600-R51 200 | 12 | 0.04 | 234 | 0.73 |
| R51 200-R 102 400 | 15 | 0.05 | 42 | 0.13 |
| R102 400-R204 800 | 27 | 0.10 | 18 | 0.05 |
| R204 800 and more | 6 | 0.02 | 21 | 0.06 |
| Total | 26 066 | 100.1 | 31 689 | 100.0 |

Source: Census 2001 and 2011

### 7.7.6 Education level

About 35% of the entire population has no schooling whilst only 5% of the population has matric (Grade 12) qualification and above. The level of educational attainment is relatively very low. This situation presents a major challenge for future economic growth because essential skills for growing the economy are limited and will be further reduced by this situation in which 37% of population has no schooling at all.

Figure 7.5-2: Highest education levels




Source: Statistics SA 2011

## 7.8 SOCIO-ECONOMIC INDICATORS

The ELM is located on the central northern part of the CHDM. The LM consists of three urban development nodes, Cacadu, Indwe, Dordrecht and five rural development nodes. Many households in Emalahleni can be deemed as being indigent.

According to the Census 2011 figures there is one grant for every 2.5 persons in the population. The socio-economic situation was summarised as having:

- High unemployment and poverty
- High dependency on Social Grants
- Emalahleni is an area of social transfers.

The economic profile was described as:

- On both District and national scale, Emalahleni's contribution to the economy is small. Emalahleni contributes less than 1% to the National Gross Value Added (GVA).
- Cacadu is the hub of the economic activities within the Local Municipality.
- Community services sector is the largest economic driver within the LM. Despite its contribution to GVA, the community services sector is not an economic growth sector.

This is since the products that drive this sector are not tradable and therefore do not result in increased economic output. As a result, they are unlikely to attract investment and by implication, cannot be relied upon to impact positively on unemployment.

## 7.9 INFRASTRUCTURE ASSESSMENT

**Bulk water and sanitation projects**

The most significant sources of water in the ELM comes from the Munnik, Anderson, Macubeni and Doringrivier (Indwe) Dams with abstraction for municipal use estimated at 3 580Ml/a. The groundwater abstraction in rural areas is estimated at 3 130 Ml/a. In addition to these water resources a significant amount of water is available from the Xonxa Dam (4 131 Ml/a) and the Hogsett Dam could provide a yield of approximately 200 Ml/a if it could be repaired or rebuilt. A re-allocation of Lubisi Dam's water could also be availed for municipal use as the irrigation scheme is not fully utilising its allocation. Water reuse opportunities in the area are limited.

### 7.9.1 Water Supply

**Cacadu**



The town of Machubeni (Cacadu) in the Chris Hani District is currently supplied with potable water by a water treatment works situated to the north of the town. This water treatment works obtains raw water from a pumped water supply from the Machubeni Dam. The current volume of water being processed by the water treatment works has been measured at approximately 3.5M_/day (or 40 l/s). During severely dry winters, the water level in the dam drops but it has never been empty. Water from the water treatment works is pumped to an off-site reservoir from where it gravitates through a pipe network that extends North, West and to the South of the works to a network of domestic, commercial, and institutional connections in Cacadu and the surrounding townships and villages.

No pumps are necessary, water gravitates from the dam. Good Source Cacadu River to Macubeni Dam - Treatment Capacity of 40 l/s. Reservoirs No. 3, each 600 k_ Good Control (meters) Metered -The WTW is in good condition and not in need of substantial refurbishment.

**Indwe**

The town of Indwe in the Chris Hani District is currently supplied with potable water from a water treatment works situated in the town on the corner of Graham and Dunn streets. This water treatment works obtains raw water from a pumped water supply from the Doring River Dam. The current volume of water being processed by the water treatment works has been measured at approximately 0.75M_/day (or 8.6_/s). During severely dry winters, the water level in the dam drops, but it has never been empty. Water from the water treatment works is pumped to two off-site reservoirs from where it gravitates to a network of domestic, commercial, and institutional connections in the tow.

Water is pumped from the dam to the purification works. Poor Source Doring River Dam, Extraction – 780,000 m3/year. Treatment Capacity of 90 m3/hr. Poor Reservoirs No. 2, 2,200 m3, 1,100 m3 Control (meters) Metered in Town Centre, Lower Town, and some in Mavuya. The Indwe WTW is an old facility that needs substantial refurbishment.

**Dordrecht**

The town of Dordrecht in the Chris Hani District is currently supplied with potable water by a water treatment works above and to the east of the town. The treatment works receives raw water through a pumped system from the Anderson and Munnik Dams.

Pumps Source Anderson Dam, Capacity of 2.2 M Treatment WTW Needs refurb Reservoirs No. 3, 2x 1M_, and 0.6 M_ Control (meters) Metered in Dordrecht Central. The current volume of water being processed by the water treatment works is at present unknown as the meter is inoperative. Water from the treatment works gravitates through a network of domestic, commercial, and institutional connections to Dordrecht town and the hospital. Water is pumped to two off-site reservoirs from where it gravitates to a network of domestic, commercial, and institutional connections in Munniksville, Senako and Tyoksville villages.

**Rural Schemes**

Villages in Emalahleni are currently supplied through several standalone rural water supply schemes and larger multi-village schemes. Using MIG and RBIG funding, Chris Hani DM is currently implementing a programme on water infrastructure construction based on several geographical clusters.

### 7.9.2 Household access to water supply

There has been a great improvement in the provision of water supply in the ELM between 2001 and 2011 as only 7.4% of the household have no access to piped (tap) water in 2011 compared with 46.9% in 2001. Secondly, 92.5% of the households have access to piped (tap) water supply in 2011 compared with 53.2% in 2001. Additionally, it is estimated that approximately 17.6% of households had access to piped water either inside their houses or yards in 2001 compared with 29.2% in 2011.

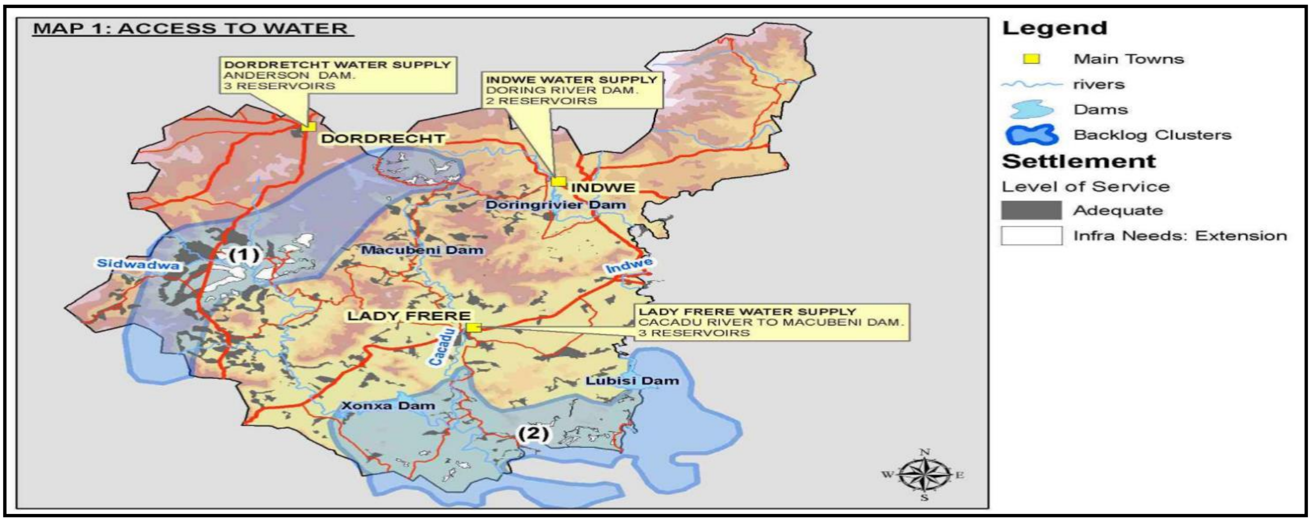


*Table 7.5-3: Household access to Water Supply*

| | 2001 | | 2011 | | 2016 | |
|---|---|---|---|---|---|---|
| Water Supply | No | % | No | % | No | % |
| Piped water inside dwelling | 824 | 3.2 | 2766 | 8.7 | 1 730 | 6.4 |
| Piped water inside yard | 3761 | 14.4 | 6510 | 20.5 | 5 080 | 18.8 |
| Piped water on community stand: distance less than 200m from dwelling | 4477 | 17.2 | 14400 | 45.4 | 10 600 | 39.2 |
| Piped water on community stand: distance greater than 200m. from dwelling | 4791 | 18.4 | 5667 | 17.9 | 3 330 | 12.3 |
| No access to piped ( tap) water | 11747 | 45.1 | 2340 | 7.4 | 6 268 | 23.2 |
| Other | 466 | 1.8 | - | - | - | - |
| Total | 26 066 | 100.0 | 31680 | 100.0 | 27 008 | 100.0 |

Source: Census 2001 & 2011 and Community Survey, 2016

Plan 7.5-5: Access to water




Source: Emalahleni IDP 2016/2017

### 7.9.3 Sanitation Supply

**Cacadu**



Sewage from the town of Cacadu and its townships in the Chris Hani District is currently treated at a wastewater works on the outskirts of the town. The treatment works includes screens, anaerobic and maturation ponds. 20 houses that currently use buckets are being converted to water-borne sewers under a bucket eradication programme being implemented by the LM and the Department of Human Settlements

**Indwe**

Sewage from the town of Indwe in the Chris Hani District is currently treated at a wastewater works on the outskirts of the town. The treatment works includes screens, anaerobic and maturation ponds. No final effluent is discharged. Households that currently use buckets are being converted to water-borne sewers under a bucket eradication programme being implemented by the LM and the Department of Human Settlement

**Dordrecht**

Sewage from the town of Dordrecht and the Munniksville, Senako and Tyoksville townships is pumped to the wastewater works on the outskirts of the town. The treatment works includes screens, oxidation and maturation ponds.

**Rural Areas**

Villages are currently served with sanitation through VIP Latrines. Coverage is not comprehensive, but the DM is currently rolling out an ambitious programme of prefabricated latrines.

### 7.9.4 Household Access to Sanitation

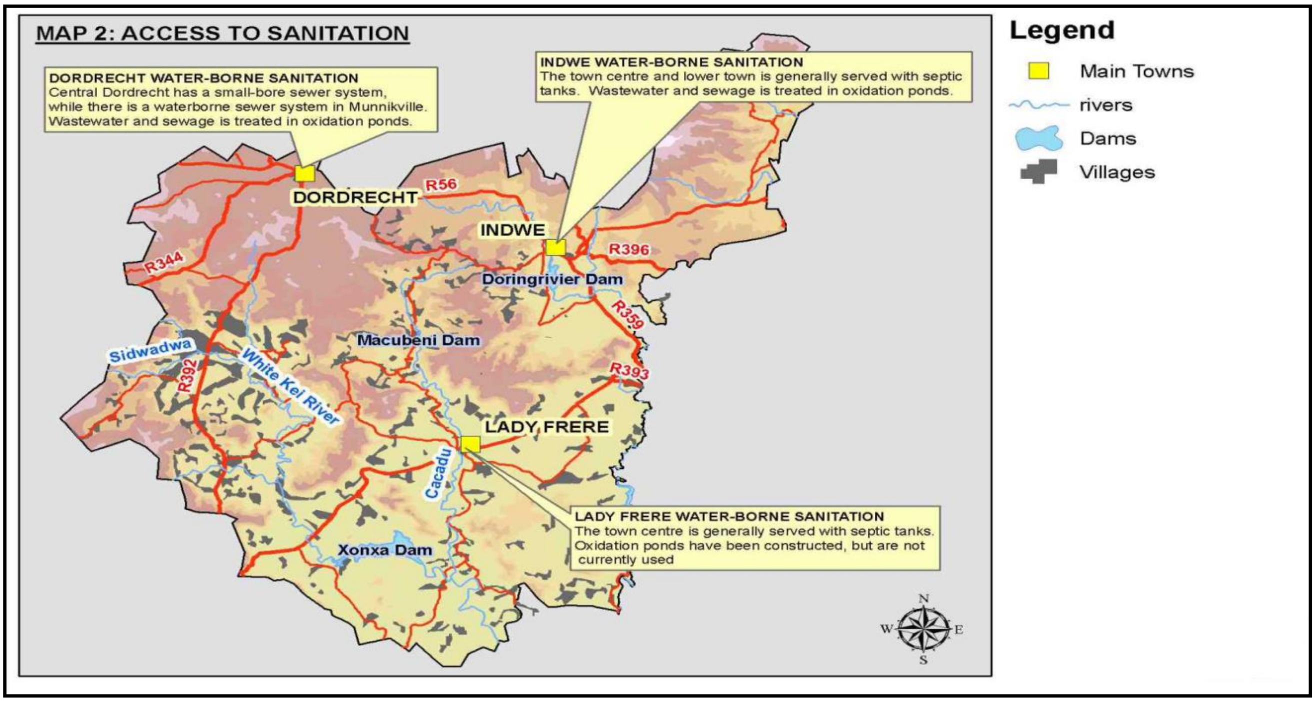
In accesses to sanitation services, there has also been a great improvement in Emalahleni LM. Households without access to sanitation services have decreased from 31.6% in 2011 to 29.2% in 2016. Households with access to sanitation facilities in form of flush toilets either connected to sewerage system or with septic tanks increased from 13.2% in 2011 to 17.8% in 2016. Sanitation backlog in the municipality currently stands at about 46.6%

*Table 7.5-4: Household Access to Sanitation*

| | 2001 | | 2011 | | 2016 | |
|---|---|---|---|---|---|---|
| Sanitation | No | % | No | % | No | % |
| None | 14 743 | 56.6 | 10023 | 31.6 | 7 895 | 29.2 |
| Flush toilet (sewerage system) | 988 | 3.8 | 3729 | 11.8 | 4 595 | 17.0 |
| Flush toilet (septic tank) | 217 | 0.8 | 459 | 1.4 | 217 | 0.8 |
| Chemical toilet | 638 | 2.4 | 2469 | 7.8 | 198 | 0.7 |
| Pit toilet with ventilation (VIP) | 1543 | 5.9 | 5997 | 19 | 9,400 | 34.8 |
| Pit toilet without ventilation | 5953 | 22.8 | 7719 | 24.4 | 4,250 | 15.7 |
| Bucket toilet | 1984 | 7.6 | 285 | 0.9 | 453 | 1.7 |
| Other | - | - | 999 | 3.2 | - | - |
| Total | 26 066 | 100 | 31680 | 100.0 | 27 008 | 100.0 |

Source: Census 2001 & 2011 and Community Survey, 2016

Plan 7.5-6: Access to sanitation




Source: Emalahleni IDP 2016/2017

### 7.9.5 Access to refuse disposal services

About 8.3% of households have their refuses removed by the municipality at least once per week in 2011 and increased to 10.3% in 2016. The municipality collects household refuse from all urban areas on a weekly basis. Approximately 0.9% of households have their refuse removed by local authority less often. The backlog in terms of refuse removal services in the municipality amounted to 91.1% in 2011 and decreased to 88.8% in 2016. This means that 88.8% of households in the municipality rely on their own methods of solid waste disposal. People dump their waste anywhere and this can cause air and ground pollution and can also lead to serious health problems.

*Table 7.5-5: Refuse removal*

| Refuse disposal | 2001 | | 2011 | | 2016 | |
|---|---|---|---|---|---|---|
| | No | % | No | % | No | % |
| Removed by local authority at least once a week | 2 825 | 10.8 | 2637 | 8.3 | 2 780 | 10.3 |
| Removed by local authority less often | 221 | 0.8 | 165 | 0.5 | 232 | 0.9 |
| Communal refuse dump | 467 | 1.8 | 528 | 1.7 | 727 | 2.7 |
| Own refuse dump | 12 183 | 46.7 | 20163 | 63.6 | 20 679 | 76.6 |
| No rubbish disposal | 10370 | 39.8 | 6885 | 21.7 | 2 590 | 9.6 |
| Unspecified /other | - | | 1302 | 4.1 | - | - |
| Total | 26 066 | 100.0 | 31 680 | 100.0 | 27 008 | 100.0 |

Source: Census 2001 & 2011 and Community Survey, 2016

### 7.9.6 Electricity Supply

Electricity in the municipality is the main energy source for lighting. In 2011, 79.4% of the households had access to electricity which was slightly increased to 79.4% in 2016 indicating an improvement by 0.4%. The remaining 20.6% of the household use alternative energy sources which include, gas, candles, solar and majority using paraffin.

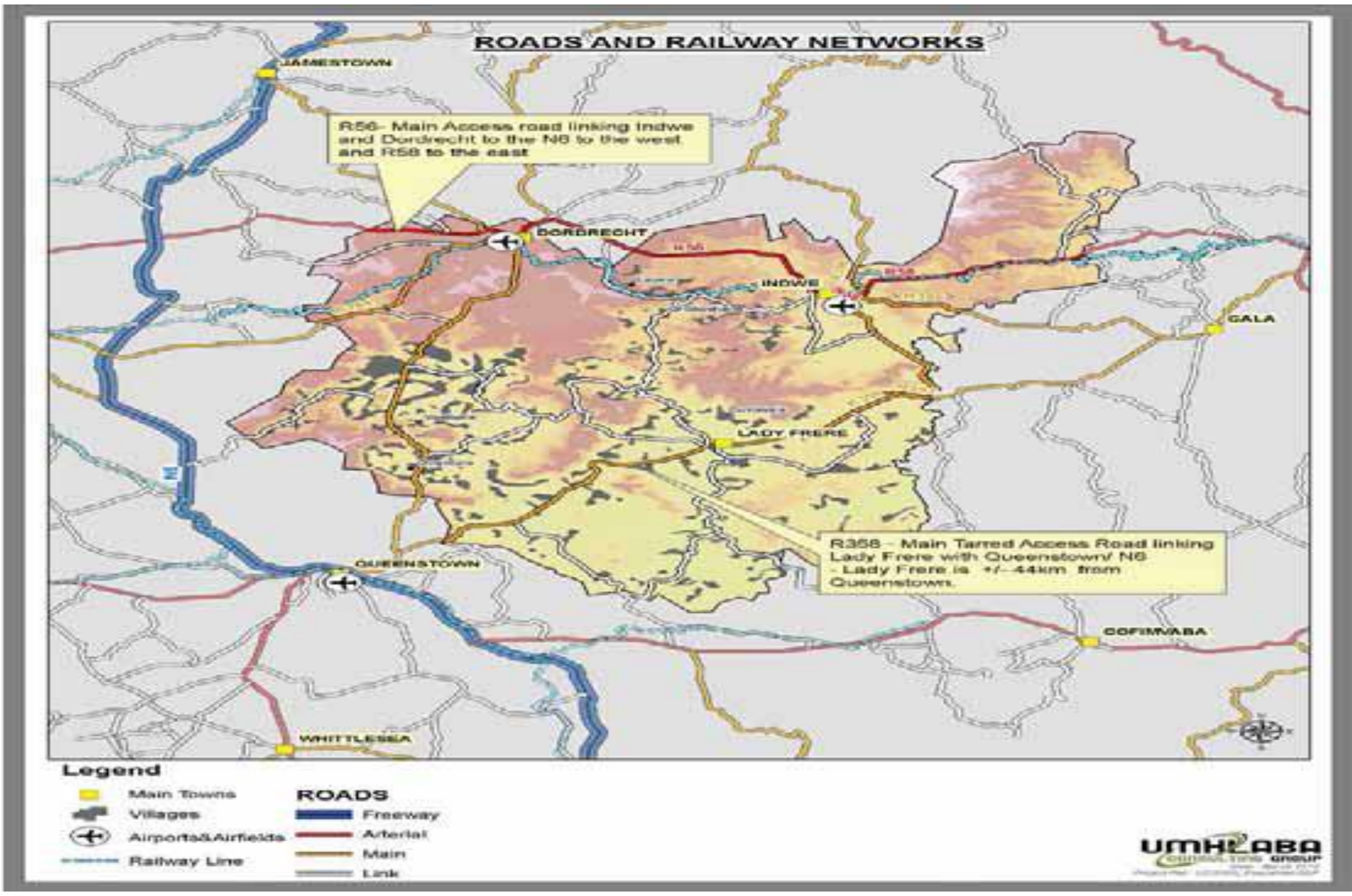
*Table 7.5-6: Sources of energy*

| Energy source | 2001 | | 2011 | | 2016 | |
|---|---|---|---|---|---|---|
| | No | % | No | % | No | % |
| Electricity | 12 245 | 47.0 | 24837 | 79 | 21 438 | 79.4 |
| Gas | 102 | 0.4 | 81 | 0.3 | 476 | 1.8 |
| Paraffin | 9770 | 37.5 | 3363 | 11 | 2 531 | 9.4 |
| Candles | 3775 | 14 | 3252 | 10 | 2 500 | 9.3 |
| Solar | 42 | 0 | 48 | 0.2 | 32 | 0.1 |
| Other | 131 | 1 | 60 | 0.2 | 31 | 0.1 |
| Total | 26 066 | 100 | 31 680 | 100% | 27 008 | 100.0 |

Source: Census 2001 & 2011 and Community Survey, 2016

### 7.9.7 Roads and Storm water drainage

There are 4 major roads that run into or are within the municipal boundaries. The rest of the municipal area is serviced by gravel roads that link farms and rural towns to the major routes. It is often characterised by poor storm water drainage designs which often put a lot of pressure on the visual road index and surface durability especially during rainy seasons.

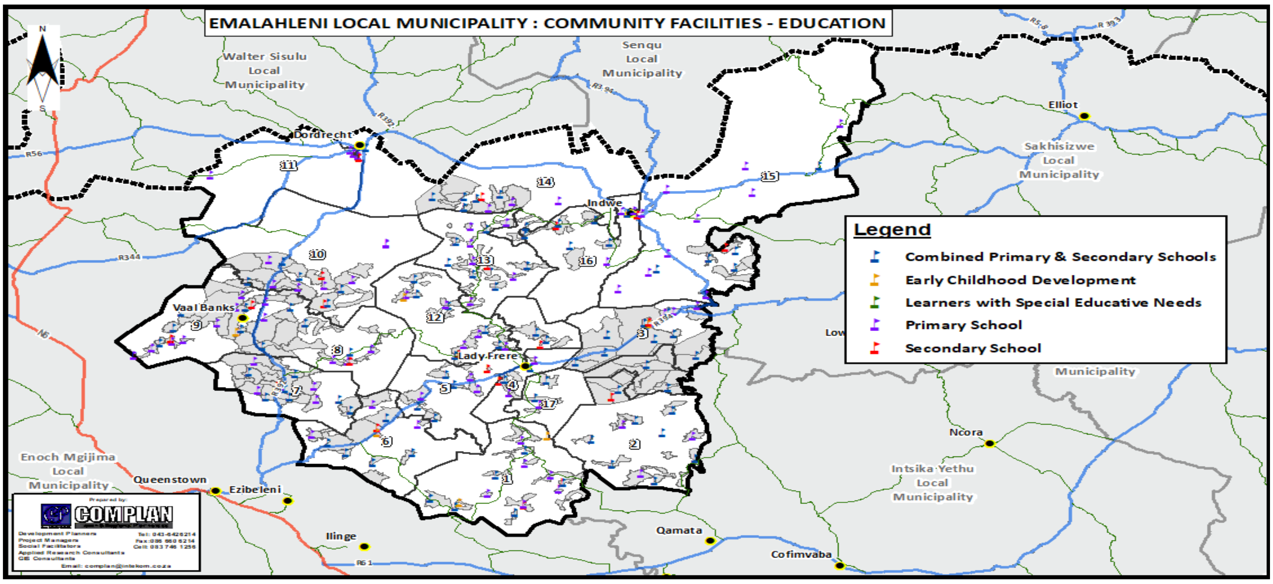


## COMMUNITY FACILITIES

### 7.9.8 Education facilities

There are approximately 173 schools servicing Emalahleni LM. The distribution of these schools is illustrated in plan below.

Plan 7.5-7: Educational facilities




### 7.9.9 Library facilities

Emalahleni Local Municipality has a total of six (6) libraries which face challenges in terms of maintenance as there is insufficient budget for maintaining them. These libraries include Bengu Modular Library, Mhlanga Library, Tsembeyi Modular Library, Cacadu Library, Indwe Public Library and Dordrecht Public Library. These libraries have connectivity challenges due to non-availability of electricity.

*Table 7.5-7: Library Facilities*

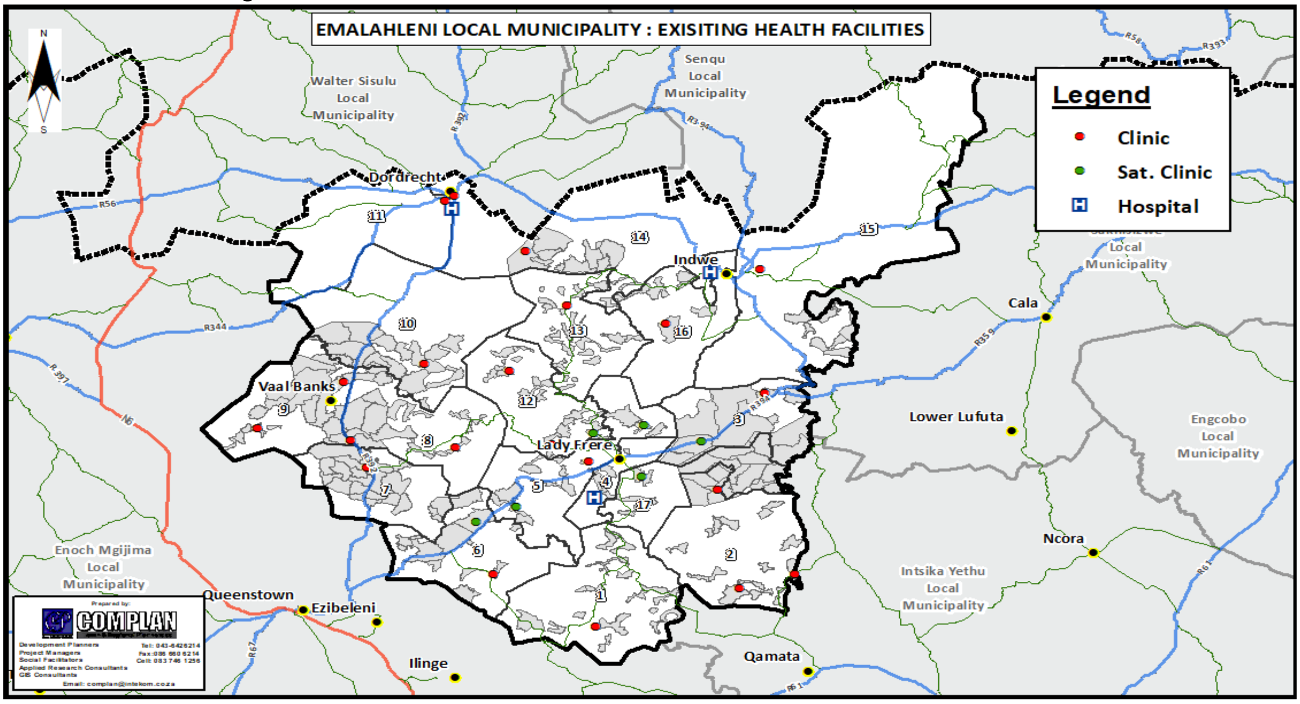
| Area | Library |
|---|---|
| Cacadu | 1. Bengu Modular Library |
| | 2. Mhlanga Library |
| | 3. Tsembeyi Modular Library |
| | 4. Cacadu Library |
| Indwe | 1.ndwe Public Library |
| Dordrecht | 1. Dordrecht Public Library |

### 7.9.10 Health Facilities

There are currently 35 medical & primary health care facilities in the Emalahleni Local Municipality. Of these 32 are clinics and 3 are hospitals located in Cacadu and Dordrecht. Some of the health facilities within the district require maintenance and upgrading. There are also challenges which faced by health facilities in the district. They are as follows:

- Poor infrastructure i.e. shortage of water supply, poor road network to access the facilities, lack of telecommunication network due mountainous topography.
- Shortage of nurses and doctors

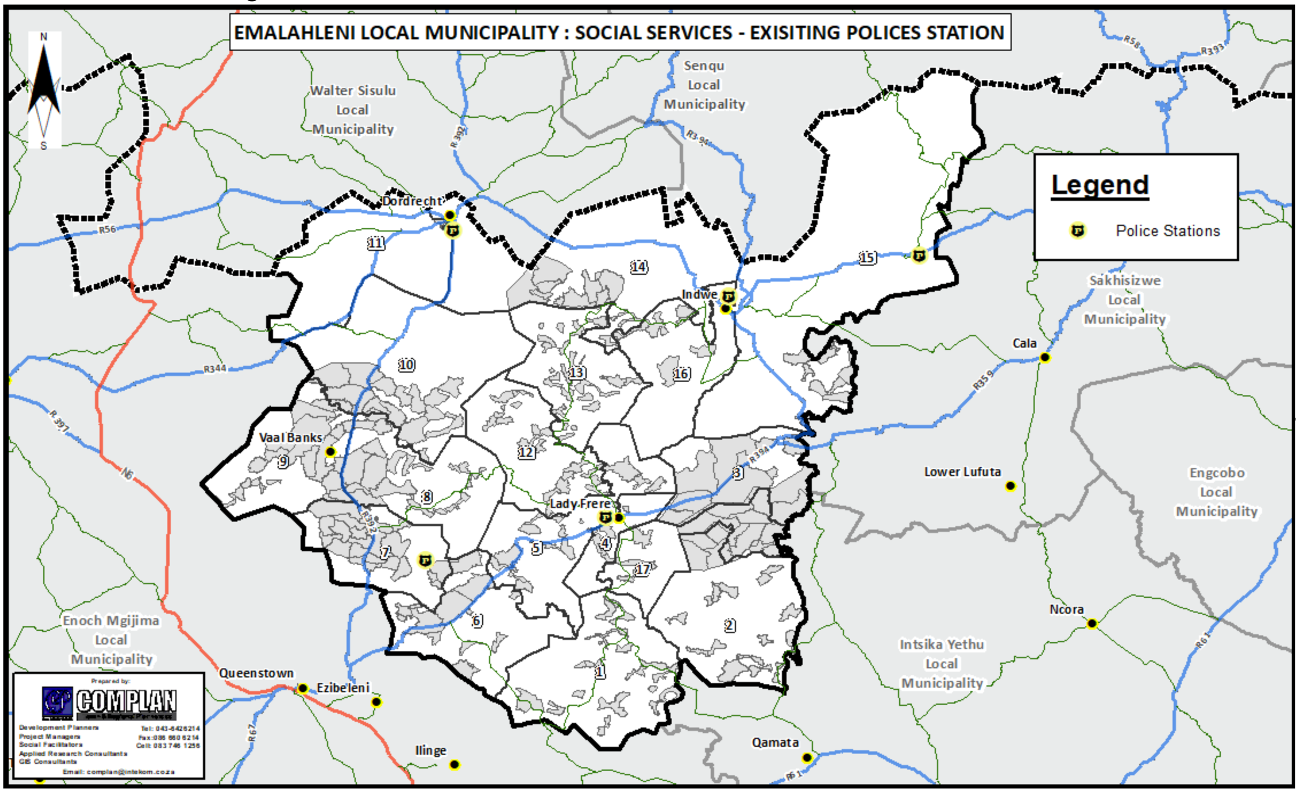
Plan 7.5-8: Existing Health Facilities




## 7.9.11 Safety and security facilities

There are currently 5 Police Stations in the Emalahleni Local Municipality.

Plan 7.5-9: Existing Police Stations




## 7.9.12 Community Halls

Community halls have multiple purposes, including a place for people to gather for meetings, a place from which information may be disseminated, and a place from which services (such as pension payouts) may be provided. The lack of community halls means that local communities have no place to gather, partake in recreational and educational activities, and receive pensions or pertinent community information. Emalahleni Municipality has 19 community halls, 5 community halls need major renovations, 4 are under construction.

### 7.9.13 Disaster Management

Disaster management services are provided by Chris Hani District Municipality on behalf of the municipality. There is a dedicated Disaster Management Centre at CHDM with personnel dedicated to the function.

### 7.9.14 Cemeteries

The Municipality has nine (9) cemeteries; there are two in operation in Indwe, one in Dordrecht and two in Cacadu. Each Cemetery has an existing cemetery Register. Dordrecht currently offers sale of site and grave digging services. Indwe and Cacadu are only offering sale of site. Cemetery layout plan has been developed for Dordrecht and is to be submitted to Council for adoption. Roads and storm water channelling constructed.

Fencing, clearing of the site and marking of the graves for Cacadu cemetery is also underway including construction of parking space through MIG funding. There are future plans to substitute the Cemetery Register with a Cemetery Management Software which will also encompass grave digging for Indwe and Cacadu. The construction of parking bay, storm water channelling and roads have been implemented

### 7.9.15 Landfill Site Management

Emalahleni LM has one permitted landfill site and three registered transfer stations, which are under construction. The Municipality has obtained a closure permit for the Old Cacadu site and Dordrecht Site. The Department of Economic Development and Environmental Affairs and Tourism Affairs and Tourism allocated an amount of R1.6 Million to ensure compliance of the site to the Norms and Standards. Fencing of the site and setting up of the guard house to restrict access has commenced.

The site at Indwe has been deemed too small to be licensed and will be incorporated in the Development that is taking place currently. The Municipality has also obtained a permit to construct and operate a Regional Landfill Site in Cacadu. This development also entails the construction of Transfer Station at Indwe, Dordrecht and Cacadu. There is dedicated staff for Landfill Site Management through the support of Department of Environmental Affairs. There is currently no plant and equipment for Landfill Site operation however budget has been set aside for plant hire for this purpose. Volume of waste are recorded daily and registered to SAWIS to comply with minimum requirements of NEMA.

### 7.9.16 Parks, Recreation and Sport facilities



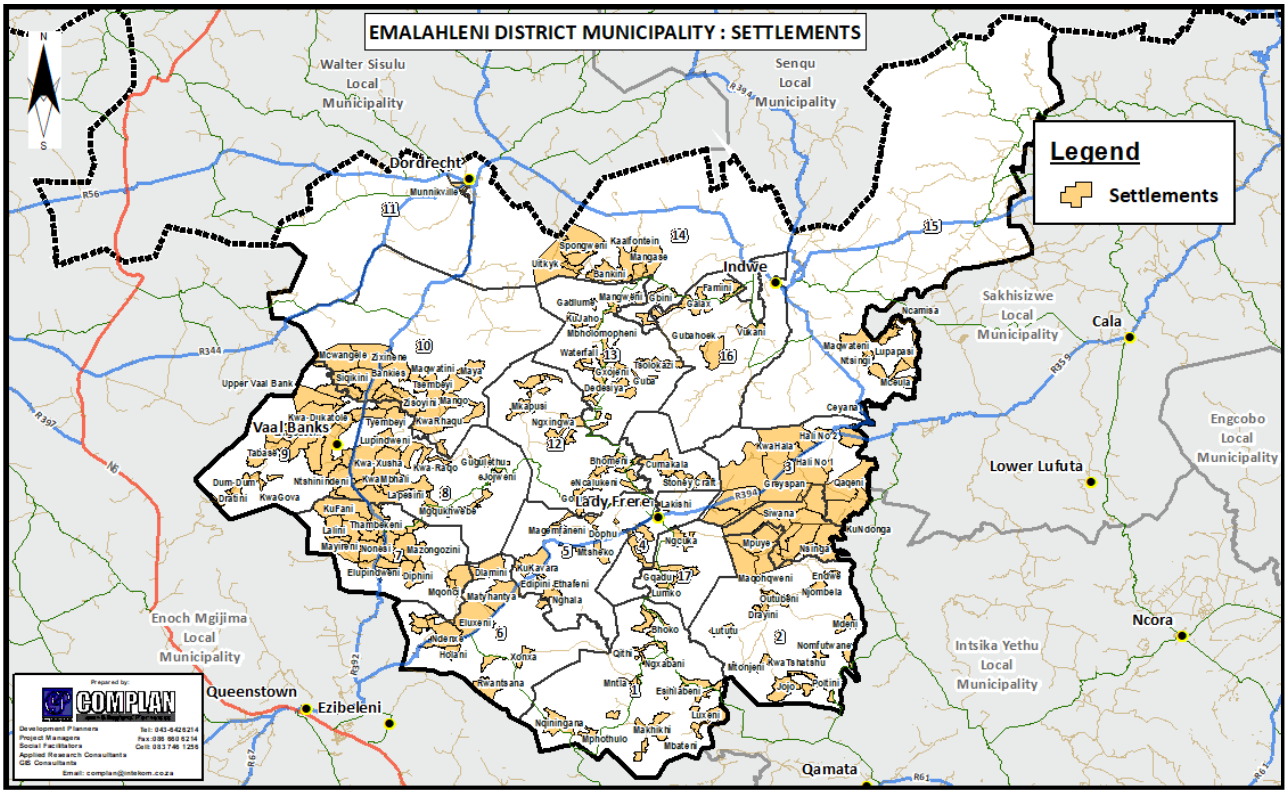
The Municipality has two Parks at Indwe and Dordrecht that need to be revived and MIG budget has been set aside for 2016/2017. A site has been identified and concept designs had been conducted for the development of a Cacadu Park. Funds are being solicited for open space management and parks development. The municipality has three Sport Stadiums located in three towns. The Stadium in Cacadu is currently undergoing upgrading.

## 7.10 SPATIAL ANALYSIS

### 7.10.1 Settlement Patterns

The settlement pattern is characterised by compact urban areas and scattered rural settlements. It is then followed by informal (peri-urban) settlements and lastly very formal planned, characterised by high densities and a relatively high abundance of municipal services.

Plan 7.5-10: Settlements

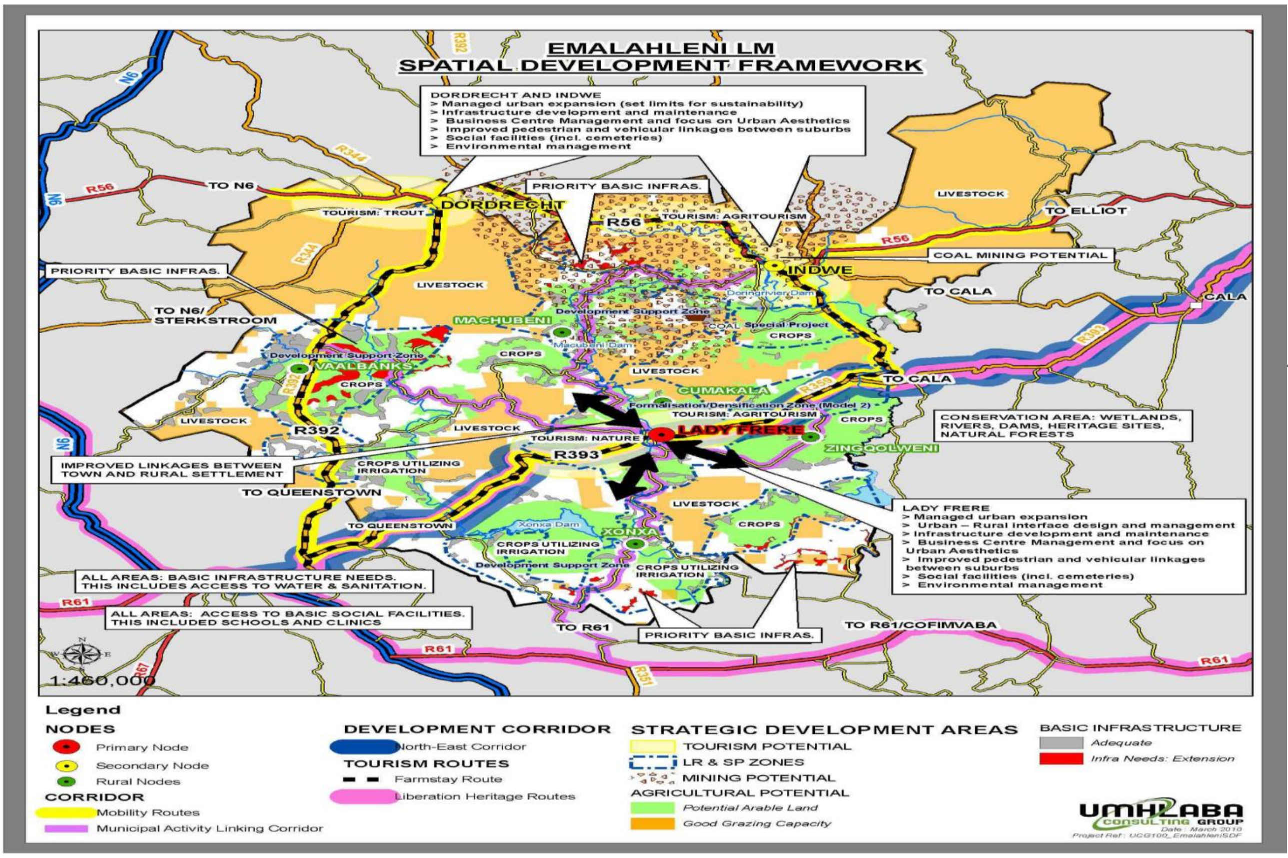



### 7.10.2 Settlement Hierarchy

| Node | Name | Role | Spatial Priorities |
|---|---|---|---|
| Primary Urban Development Node<br><br>(Sub-District Service Centre | Cacadu | • Retail, Industrial and Administration Node in LM<br>• Centre of excellence for Social Services<br>• Cater for permanent and temporary residents<br>• Potential for agro-industrial processes | • Managed urban expansion<br>• Urban – Rural interface design and Management<br>• Infrastructure development and Maintenance<br>• Business Centre Management and focus on Urban Aesthetics<br>• Improved pedestrian and vehicular linkages between suburbs in town<br>• Social facilities (incl. cemeteries)<br>• Environmental management |
| Secondary Urban Development Node<br><br>Local Centres | • Dordrecht<br>• Indwe | • Local-scale Retail, Industrial and Administration Nodes<br>• Cater for permanent and temporary residents | • Managed urban expansion (set limits for sustainability)<br>• Infrastructure development<br>• Business Centre Management and focus on Urban Aesthetics<br>• Improved pedestrian and vehicular linkages between suburbs in town<br>• Social facilities (incl. cemeteries)<br>• Environmental management |

| Node | Name | Role | Spatial Priorities |
|---|---|---|---|
| | | • Potential for value-adding agro-industrial/mining process | |
| Rural Nodes<br><br>(Sub-Local Centres) | • Vaalbanks,<br>• Machubeni,<br>• Ndonga,<br>• Xonxa<br>• Cumakala | • Commercial and Social Facilities serving surrounding rural areas | • Basic level of service extension (Cumakala)<br>• Local planning to maximise use of resources (Vaalbank, Machubeni, Ndonga, Xonxa)<br>• Local land use schemes to be extended (Xonxa)<br>• Linkages of towns and the market (Vaalbank, Machubeni, Ndonga. |
| Rural Settlements | Rural settlements across the municipality | • Primarily residential and livelihood subsistence function<br>• Some provision of limited social goods and services | •Basic level of service extension<br>•Local planning to maximize use of resources<br>•Local land use schemes to be negotiated |

Source: CHDM SDF 2015



### 7.10.3 Development Corridor

The R56 road is the primary corridor which link Emalahleni Local Municipality with other surrounding municipalities. The R56 route which runs through Dordrecht and Indwe towards Elliot in an east –west direction is now a national responsibility. Secondary corridors are the main roads between Sterkstroom and Dordrecht (R344), between Queenstown and Dordrecht (R392), and between Queenstown and Cacadu (R359) remain trunk roads.

| Road | Status |
|---|---|
| R56 | The tarred roads which connect Indwe to Dordrecht (TR 01902 sign posted R56) and extends westwards to the N6 and Molteno, and eastwards to Elliot. |
| R392 | The tarred road which connects Dordrecht to Queenstown is in good condition, but like the R56 suffers from the regular occurrence of potholes. |
| R359 | The main road between Queenstown and Cacadu is in a good condition, except for a section about 10km before Cacadu which is in the process of repair. |

Source: Emalahleni IDP (2017 – 2022)

## 7.11 LAND ISSUES

### 7.11.1 Land tenure and ownership

The Municipality is faced with a high demand for housing and the efforts of keeping up with the perpetual increase in demand are hampered by the following challenges:

- Land set aside for housing development is privately owned.
- Land identified for housing development does not have bulk infrastructure.

*Table 7.5-8: Land ownership*

| Ownership | Indwe | Dordrecht | Cacadu |
|---|---|---|---|
| | No. of Erven | No. of Erven | No. of Erven |
| Municipality | 410 | 888 | 660 |
| Private: Individual | 2175 | 2420 | 1280 |
| Private: Company | 21 | 16 | 5 |
| State: Provincial Government | 7 | 8 | 17 |
| State: National Government | 10 | 5 | |
| State: Parastatal | 2 | 29 | - |
| Education Department | 1 | - | - |
| Church | 36 | - | 14 |
| Unknown | ~~92~~ | ~~253~~ | 242 ~~253~~ |

### 7.11.2 Land needs

The ELM IDP (2016 / 17) states that the total area required for future development will be approximately 255 hectares within the three main urban nodes of Cacadu, Indwe and Dordrecht. It is not clear whether there is potential increase in housing demand because of mining operations taking place in Emalahleni LM. Most of the lower-level skills will be obtained locally it is expected that the technical, maintenance and managerial positions will be filled by external people who will need short and long-term accommodation. The Elitheni mine is 14kms out of Indwe and it is expected that the bulk would prefer to settle there (Emalahleni HSP, 2014/18).

*Table 7.5-9: Land demand for housing development*

| Ownership | Hectares |
|---|---|

| | |
|---|---|
| Cacadu | 152 |
| Indwe | 58 |
| Dordrecht | 45 |
| Total | 255 |

Source: Housing Sector Plan, 2014

### 7.11.3 Land availability for human settlements

In terms of land availability for human settlements, there are major constraints with regards to land suitable for housing development. Most of the land is privately owned and there is no bulk infrastructure in place (Emalahleni HSP, 2014). Rural land audit must be undertaken and feasibilities on the identified urban land parcels owned by the municipality and the state to secure land for housing development. (Emalahleni HSP, 2014)

## 7.12 IDP ALIGNMENT AND SPATIAL PLANNING

It is important that a human settlements sector plan is aligned with the IDP of a municipal area. There are two scenarios that exist when developing a human settlements sector plan:

- The human settlements sector plan is developed in line with the IDP.
- The human settlements sector plan is only formulated after the IDP has been completed.

When the human settlements sector plan is developed after the approval an IDP it is vital that the information, strategies, and policy guidelines outlined in the IDP are followed. The HSP development then follows five process stages. Where significant incongruities exist, it may be possible to adjust certain IDP strategies to align with human settlements program, through the annual IDP review process. However, it is recommended that this route should only be taken in extreme cases, which can be adequately justified.

### 7.12.1 The CHD Municipality IDP 2012 - 2017

According to the Municipal Structures Act of 1998, District Municipalities are obliged "to build capacity of local municipalities in its district to perform their functions and exercises their powers where such capacity is lacking." Chris Hani District Municipality serves to coordinate, support, guide and to facilitate the process of human settlements development within its jurisdiction.

The Chris Hani District Municipality has devised a housing development plan which identified two main issues regarding housing development in its municipality and these include:



**Improving capacity of Local Municipalities**

The CHDM is expected to provide capacity and support to local municipalities and other stakeholders about housing delivery in line with Housing Act. Give guidance to LMs on how to develop housing sector plans, assist in monitoring housing projects, and give support on planning and implementing subsidy projects related to integrated settlements and coordinating the formulation and review of housing policy and legislation. CHDM has planned to commit to the following:

- Ensuring that housing project benefit the local economy through all the human settlements programmes in the district.
- Ensuring that local people are the first preference in terms of employment in the human settlement's projects.
- Ensuring that building material for the projects is purchased on the local suppliers of the district.

### 7.12.2 Emalahleni Integrated Development Plan (IDP) 2017 – 2022

The IDP indicates that the municipality is undertaking the following housing projects through the process of commercial and mixed-use development:

- 250 Low-cost housing development in Cacadu
- 516 Middle income housing development in Cacadu

The IDP (2017 – 2022) further indicates that a rectification programme has been approved for Cacadu and a contractor was appointed to rectify 715 housing units, 2000 housing units in Dordrecht and 500 in Indwe. The table below shows the housing needs.

The current realistic backlog according to the municipality is estimated to be 9686 units. Their distribution per area (and proposed housing projects) as of 2006 is provided below:

Informal Settlement Upgrade Programme

- Cacadu – Extension 1&2 settlement upgrade
- Dordrecht – Sinakho ISUP (Zwelethemba Buffer Zone PHP)
- Dordrecht – Sinakho ISUP (Maramastad Re-development – 151)
- Dordrecht – Sinakho ISUP (Nxomfu Springs Resettlement Project – 35 Subsidies)

Project Linked – R1701- R3500 (Stable Income Earners)

- Cacadu Ext 3 – Greenfields Project Linked
- Cacadu Ext 4 – Greenfields Project Linked
- Indwe West Gateway - Greenfields Project Linked

Finance linked Subsidies – R3501 – R7000 (Stable Income Earners)

- Cacadu Ext 3 – Greenfields Project Linked
- Cacadu Ext 4 – Greenfields Project Linked
- Indwe West Gateway - Greenfields Project Linked

Community Residential Units (Rental – Stable Income Earners)

- Cacadu Ext 3 - Greenfields Project Linked
- Cacadu Ext 4 - Greenfields Project Linked
- Indwe West Gateway - Greenfields Project Linked



Rural Housing Subsidies (Expanding Access to Housing Support)

- Zwartwater Housing Project – People's Housing Process
- Guba Hoek Agri-Village Project (Land Restitution)
- Ida Farms Agri-village Project (Demand Management Project)

| Measure | No. | Comments |
|---|---|---|
| Informal Dwellings | 153 | Refers to Cacadu and Indwe |
| Provisional Subsidies (Demand) | 2400 | Applications for subsidies for projects currently in the planning stages |

Source: ELM IDP (2017 – 2022)

### 7.12.3 Emalahleni Spatial Development Framework (2010)

The Spatial Development Framework provides twelve additional secondary activity nodes distributed throughout Emalahleni municipality. The first two nodes are situated along Mandela Drive with the first secondary activity node being at intersection between Mandela Drive and Swartbos Avenue, and the second one at Del Judor near the access interchange between Mandela Drive and the N4 freeway.

The next two second order activity nodes are located adjacent to Watermeyer Street. The first is at the Klipfontein business node which is situated midway between the N4 and the N12 freeways along Watermeyer Street, and the second one is situated immediately to the south of the N12 freeway along Watermeyer Street in Tasbet Park.

The other seven secondary (local) activity nodes are in the disadvantaged communities of Lynnville, Kwa-Guqa, Hlalanikahle, Empumelelweni and Klarinet. The first is the node as indicated in the central part of Lynnville and the second represents the area in Kwa-Guqa where Matthews Phosa Avenue enters the town. The second two activity nodes are proposed where the east-west lines intersect with Matthews Phosa Avenue. Another is proposed in the western extensions of Empumelelweni. As far as the Klarinet/Pine Ridge development to the north is concerned, apart from the existing latent rights at the intersection of R544 and Carnation Way, the proposed future secondary (local) activity node is in the area midway between Klarinet Extension 5 and Pine Ridge along the main road towards Verena. These three activity nodes are primarily intended to serve the local communities with the basic services required in the respective residential areas.

At the moment no secondary activity node exists in the north-eastern quadrant of Emalahleni. It is proposed that a secondary activity node could in future be established in the vicinity of Highveld Park Proper.

## 8. HUMAN SETTLEMENTS ASSESSMENT

### 8.1.1 Housing Types and Backlogs

Progress in the provision of adequate housing has been marked in the ELM. In 2016, formal houses which made of bricks on separate stand account for 63.7% and inadequate housing which made up of traditional dwelling, house / room in backyard, Informal dwelling (shack; in backyard) and informal dwelling (shack; not in backyard, e.g. in an informal / squatter settlement or on a farm) accounts for 36.3%. The total housing backlog in ELM amounts to 36.3% in 2016

*Table 8-1: Housing Types*

| Dwelling type | 2001 | | 2011 | | 2016 | |
|---|---|---|---|---|---|---|
| | No | % | No | % | No | % |
| Formal Housing | 13 744 | 52.7 | 16 966 | 53.6 | 17 213 | 63.7 |
| Traditional dwelling | 10 894 | 41.8 | 136 47 | 43.1 | 9 575 | 35.5 |
| House/Room in backyard | 566 | 2.2 | 811 | 2.6 | 132 | 0.5 |
| Informal dwelling (shack; in backyard) | 173 | 0.7 | 78 | 0.2 | 27 | 0.1 |
| Informal dwelling (shack; not in backyard; e.g. in an informal / squatter settlement or on a farm) | 221 | 0.8 | 76 | 0.2 | 22 | 0.1 |
| Other | 470 | 1.8 | 103 | 0.3 | 39 | 0.1 |
| Total | 26 068 | 100.0 | 31 681 | 100.0 | 27 008 | 100.0 |

Source: Census 2001 & 2011 and Community Survey, 2016

### 8.1.2 Informal housing

There are 1430 (5.48%) in 2001 and 1068 ( 4.09%) in 2011 and 220 (0.8%) in 2016 households who presently reside in the informal settlements and this indicate that there is a demand for informal settlement upgrade or provision of rental housing (in case where occupants of shacks are using the shacks as temporary accommodation) and social housing or RDP housing.

**INFORMAL SETTLEMENTS ASSESSMENT (FROM NUSP, 2017)**

**EFFORTS TO ADDRESS BACKLOG FROM 1994 - 2018**

| HSS Project Description | Subsidy Instrument | Project Type | | Project Approval Date | Total Contractual Target | Delivery To Date (Sites) | Delivery To Date (Units) |
|---|---|---|---|---|---|---|---|
| **FINANCIAL - 1.5a RECTIFICATION OF RDP STOCK POST 1994 – 2002** | | | | | | | |
| Dordrecht - 1000 subs | Project Linked Subsidy | Progress Payment Housing Project | | 1998/01/29 | 1 000 | 1 000 | 1 000 |
| Dordrecht - 2000 Rectification | Project Linked Subsidy | Progress Payment Housing Project | | 2010/09/03 | 2 000 | - | 10 |
| Cacadu - R/land Ph 2 - 700 Rectification | Project Linked Subsidy | Progress Payment Housing Project | | 2009/08/28 | 700 | - | 315 |
| Cacadu - R/land Ph 2 - 700 subs | Project Linked Subsidy | People's Housing Process (Project Linked) | | 2001/11/30 | 700 | 700 | 700 |
| Dordrecht - R/land Ph 1 - 1000 subs | Project Linked Subsidy | People's Housing Process (Project Linked) | | 2000/11/02 | 1 000 | 1 000 | 971 |
| **INCREMENTAL - 2.2c INTEGRATED RESIDENTIAL DEVELOPMENT PROGRAMME: PHASE 2: TOP STRUCTURE CONSTRUCTION** | | | | | | | |
| Dordrecht - Sinako Zwelethemba 289 Units | Project Linked Subsidy | Progress Payment Housing Project | | 2010/07/20 | 289 | - | - |
| Indwe - 500 Sites | Project Linked Subsidy | People's Housing Process (Project Linked) | | 2004/03/29 | 500 | 485 | 384 |
| Indwe - Mavuya 462 Units | Project Linked Subsidy | Progress Payment Housing Project | | 2010/07/20 | 462 | - | - |
| Indwe - R/land Ph 1 - 513 subs | Project Linked Subsidy | People's Housing Process (Project Linked) | | 2000/11/02 | 513 | 513 | 513 |
| Indwe - West Gateway 160 Units | Project Linked Subsidy | Progress Payment Housing Project | | 2012/04/23 | 160 | - | - |
| Cacadu - 564 Sites (top structure) | Project Linked Subsidy | Progress Payment Housing Project | | 2008/12/12 | 564 | 162 | 562 |
| Cacadu - 564 units (Services only 378 sites) | Project Linked Subsidy | Progress Payment Housing Project | | 2009/09/15 | 378 | - | - |
| **RURAL - 4.2 RURAL SUBSIDY COMMUNAL LAND RIGHTS** | | | | | | | |
| Cacadu - Zwartwater - 1000 subs | Rural Subsidy - Informal Land Rights | Rural Housing Project | | 2010/07/20 | 1 000 | 62 | 122 |
| **TOTAL** | | | | | **9 266** | **3 922** | **4 577** |

**Source:** EC Human Settlements Business Plan for 2018/19 Financial Year

**Current Projects**

| HSS Project Description | Subsidy Instrument | Project Type | Project Approval Date | Total Contractual Target |
|---|---|---|---|---|
| Cacadu - Zwartwater - 1000 subs | Rural Housing Project | Rural Housing Project | 2010/07/20 | |

| | | | | |
|---|---|---|---|---|
| Indwe - Mavuya 462 Units | Project Linked Subsidy | Progress Payment Housing Project | 2010/07/20 | 462 |
| Dordrecht - Sinako Zwelethemba 289 Units | Project Linked Subsidy | Progress Payment Housing Project | 2010/07/20 | 289 |
| Dordrecht - 2000 Rectification | Project Linked Subsidy | Progress Payment Housing Project | 2010/09/03 | 2 000 |
| Cacadu - R/land Ph 2 - 700 Rectification | Project Linked Subsidy | Progress Payment Housing Project | 2009/08/28 | 705 |
| Indwe - 513 subs | Project Linked Subsidy | People's Housing Process (Project Linked) | 2000/11/02 | 513 |
| Indwe - West Gateway 160 Units | Project Linked Subsidy | Progress Payment Housing Project | 2012/04/23 | 160 |
| Indwe 8000 | | | | 800 |
| Cacadu Ext 3 &4 | Mixed Development | Mixed Development | | 800 |
| Dordrecht 800 | Mixed Development | Mixed Development | | 800 |

**Service Delivery Update 2016/17 (April 2016 – March 2017)**

| NO | UNITS AND BUDGET | | | | STATUS/PROGRES |
|---|---|---|---|---|---|
| | UNITS PLANNED | UNITS ACHIEVED | PLANNED BUDGET | EXPENDITURE TO DATE | |
| 1 | 50 | 112 | R 13 879 823,00 | R 34 059 680,64 | CRO Contractor is on site |

**Business plan for 2017/2018 - targets per municipality**

| NO | TARGETS AND BUDGET | | | STATUS/PROGRES |
|---|---|---|---|---|
| | UNITS PLANNED | SERVICES PLANNED | BUDGET PLANNED | |
| 1 | 120 | 175 | R 15 300 000,00 | CRO Contractor is on site |

**Regional Target (2017/2018)**

| Houses | | Services | Rectification | | |
|---|---|---|---|---|---|
| Location | No. | | | | |
| Zwartwater 120 | 120 | - | Dordrecht 7 | | |

**Project Performance Status Quo**

Progress on key projects as at end February 2018

| LM | Project Name | Status |
|---|---|---|
| Emalahleni | Zwartwater 1000 | Contractor on site. Units completed 144 and 377 at various stages of completion. |



**Emergency/disaster human settlements past projects for ELM**

This entails the construction of 430 units for the entire Chris Hani Region (06 Municipalities) AND IT IS funded by Human Settlements and COGTA grants. Chris Hani District Municipality is the developer and there are 430 units out of which ELM has 49 housing units IN 2017/18.

| Year | Lm | Units | Comments/Status |
|---|---|---|---|
| 2010/11 | Emalahleni | 80 | |
| 2014/15 | Emalahleni | 231 | 101 destroyed |
| 2017/18 | Emalahleni | 49 | 13 approved |
| | **GRAND TOTAL** | **360** | |

**Priority projects-CHRIS HANI destitute 800 (717 UNITS)**

| LM | Units | Number approved | Comments/Status |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Emalahleni | | 09 | Individual Destitute 83 (reserved for individual requests in the whole CHDM where need is identified) |

**Project at procurement**

| Project Name | Project Budget | | Project Deliverables | | Start & Completion | Challenges and outstanding issues |
|---|---|---|---|---|---|---|
| | Budget | Expenditure | Project Scope | Units Completed | | |
| Sinako Zwelethemba<br><br>289 | R30,947,453.74 | R 195,859.64 | 289 | Not Started | Not yet Appointed | Project advertised in two consecutive period and became nonresponsive. Busy with procurement of contractor for phase 1-150 units within current commitments due budgetary constraints |

**Planned projects for ELM**

| Project Name | Project Budget | | Project Deliverables | | Challenges and outstanding issues |
|---|---|---|---|---|---|
| | Budget | Expenditure | Project Scope | Units Completed | |
| Cacadu Ext 3 & 4 Mixed Dev.800 Units | R | R 0 | 800 | Not started | No formal application with Beneficiary lists and council resolutions received yet from municipality. Projects do not have bulk infrastructure and will be on hold till plan is in place. Municipality intends to be developer and implement these 03 projects with own private developer and will be forwarding application. Projects are on hold due to budget over commitment of the region. |
| Dordrecht( Mixed Dev) .800 | R | R 0 | 800 | Not started | |
| Indwe 800 | R | R 0 | 800 | Not started | |
| Indwe West Gate 160 | R 618,240.00 | R 0,00 | 160 | Not started | Feasibility( lack of bulk and land issues) and municipality is dealing with this through Chris Hani D.M |
| Indwe 513 | R 0,00 | R0,00 | 513 | Not started | NHBRC has done and completed assessments reports. Projects on hold & affected by National Directive for its implementation as rectification has been discontinued. |

**Progress on current projects**

| Project Name | Project Budget | | Project Deliverables | | Start & Completion | Challenges and Outstanding issues |
|---|---|---|---|---|---|---|
| | Budget | Expenditure | Project Scope | Units Completed | | |
| Zwartwater 1000 | R 146,779 ,261.00 | R 40,569,58 7.64 | 1000 houses with VIP toilets | Slabs-521 Wallp-358 Roofs-188 Compl-144 | Start Aug 2016 Comp-31 Oct 2018 | Contractor is on site. However, construction activities are moving in a snail's pace |
| Mavuya 462 | R 39,465, 795.60 | R 241,620.9 0 | 462 houses | Not Started | Start- 11 April 2018 Comp-11 April 2020 | Contractor has been recently appointed and busy with contracting process thereafter introducing to municipality. Contractor will be only allowed to plan & establish site during 18/19 commence with top structures in 19/20 due to budgetary constraints |
| Cacadu 715 | R 48,495, 000.00 | R 693,666.9 2 | | Slabs-12 Wallp1-12 Roofs-12 Compl-10 | 12 Aug 2015 Expected completion date -13 Aug 2018 | Appointed contractor Nebavest 46 (PTY) Ltd is back on site.10 houses are completed and handed over to eligible beneficiaries |
| Dordrecht 2000 | R 259,167 ,920.00 | R 75,863,33 7.70 | Rectification Of 2000 units | Slabs-628 Wallp-607 Roofs-595 Compl-595 | Start- July 2014 Comp- March 2018 | Two contractors are on site. Project reduced by 769 units due to untraceable beneficiaries, Altered houses & National directives to discontinue rectification |

## 9. MUNICIPAL CAPACITY AND HOUSING DELIVERY MECHANISMS

Human settlements development is the core competency of the Provincial Department of Human Settlement. The role of the municipality is to facilitate development of human settlements and the administration of beneficiaries. The Human Settlement Division of the municipality is located in the Infrastructure and Human Settlements Directorate. The district municipality provides bulk services in the form of water and sanitation, and as well provides emergency houses. The Division is made up of housing component and the administration of estate component.

The Emalahleni Municipality has not been granted developer status with respect to the delivery of housing in its area of jurisdiction. It relies on the Province to carry out a significant part of the responsibilities related to housing development.

The number of officers allocated for housing has not been indicated in the organogram, but it emerged that the housing section is operating under reduced capacity and urgently requires assistance if the housing delivery function of the Municipality is to be effective.

## 10. KEY HUMAN SETTLEMENT ISSUES

| IHSSP THEME | KEY ISSUE |
|---|---|
| Demographic indicators | • The population of Emalahleni Local Municipality is approximately 124 532 people which spread across seventeen (17) wards.<br>• The population growth rate over the past five years is estimated at -0.5% per annum.<br>• There are an estimated 27 008 households in the municipal area.<br>• The average household size is estimated at 4.1 for ELM |
| Socio-Economic indicators | • In terms of gender distribution, females dominate with 52.2% (65 042) while males account for 47.8% (59 490).<br>• The study area has predominantly a youthful population in terms of age distribution. The youthful population (0-19years) in the municipality amounts to approximately 86%. The working-class population (20-64years) accounts for 52.5%. The percentage of the population above 65+ years accounts for 7.4%. The dependency rate within the municipality accounts for 90.5% (youth population 0-15years and population above 65+ years).<br>• About 14.2% of working-class population is employed and 85.8% of economic active population is unemployment and rely on the government subsidies.<br>• Although, the number of households that received no income decreased from 34.18% in 2001 to 15.15% in 2011, the majority of the households fall under very low income category. The bulk of the households, 71.8%, earn R3 200 and below.<br>• About 35% of the entire population has no schooling whilst only 5% of the population has matric (Grade 12) qualification and above. The level of educational attainment is relatively very low.<br>• There are 306 child headed households in Emalahleni |
| Spatial Planning | • The settlement pattern is characterised by compact urban areas and scattered rural settlements.<br>• The ELMSDF identifies that Cacadu is a primary node whereas Indwe and Dordrecht are secondary nodes.<br>• In terms of development corridor R56 is identified as a primary corridor whereas R392 and R359 are secondary corridors in the municipality<br>• The area covered by the Emalahleni local Municipality is characterized by compact urban areas and sparse rural settlements.<br>• The IDP also highlights social, economic and infrastructure projects which support development of sustainable human settlements. |

| | |
|---|---|
| Infrastructure | • About 23.2% of households have no access to piped water and rely on other sources of water supply.<br>• In terms of sanitation, about 29.2% of households has no access to sanitation facilities and about 1.7% of households rely on budget systems. 15.7% of households rely on Pit toilet without ventilation. The backlog in terms of sanitation stands at 46.6% within the municipality.<br>• About 79.4% of households have access to electricity supply and the remaining households (20.6%) rely on other forms of energy supply.<br>• 91.1% of households in the municipality rely on their own methods of solid waste disposal. People dump their waste anywhere and this can cause air and ground pollution and can also lead to serious health problems.<br>• The rest of the municipal area is serviced by gravel roads that link farms and rural towns to the major routes. It is often characterised by poor storm water drainage designs which often put a lot of pressure on the visual road index and surface durability especially during rainy seasons. |
| Community facilities | • There are approximately 173 schools servicing Emalahleni LM.<br>• Emalahleni Local Municipality has a total of six (6) libraries which face challenges in terms of maintenance as there is insufficient budget for maintaining them.<br>• There are currently 35 medical & primary health care facilities in the Emalahleni Local Municipality. Of these 32 are clinics and 3 are hospitals located in Cacadu and Dordrecht. There are also challenges which faced by health facilities in the district. They are as follows:<br>• Poor infrastructure i.e. shortage of water supply, poor road network to access the facilities, lack of telecommunication network due mountainous topography.<br>• Shortage of nurses and doctors<br>• There are currently 5 Police Stations in the Emalahleni Local Municipality.<br>• Emalahleni Municipality has 19 community halls, 5 community halls need major renovations, 4 are under construction.<br>• The Municipality has nine (9) cemeteries; there are two in operation in Indwe, one in Dordrecht and two in Cacadu. |
| Housing Assessment | • There has been improvement in the supply of formal housing in the ELM since 2001. However, inadequate dwellings constitute an important component of housing need, that is, a backlog of 9624 in 2016.<br>• Traditional dwellings have been increased from 10 894 in 2001 to 13 647 in 2011 and decreased to 9 575 in 2016. These traditional dwellings are mostly found in the rural areas of ELM.<br>• There are 88 informal dwellings in ELM, either in the form of shacks in backyard, shacks in informal settlements, caravan/tent or other in 2016.<br>• The presence of 132 households residing in informal flats and/or room in backyards as well as those using caravan and tent calls for demand for rental accommodation provision, especially in the urban nodes.<br>• There are 22 households currently residing in informal dwellings not in backyard and this indicates a need for slum upgrading and/or rental accommodation |
| Land Assessment | • Land set aside for housing development is privately owned<br>• Land identified for housing development does not have bulk infrastructure |

| | |
|---|---|
| | • The ELM IDP (2016 / 17) states that the total area required for future development will be approximately 255 hectares within the three main urban nodes of Cacadu, Indwe and Dordrecht |
| Human Resource Capacity | • There is a functional Housing Division, which is capable of handling the human settlements delivery issues of the Municipality even though the Municipality has no approved Housing policy.<br>• In some cases the municipality is assisted by Consultants, especially in areas such as building construction, service installation and top structure construction.<br>• On the other hand, the municipality handles all the necessary housing delivery processes, including project planning and programming, beneficiary identification, business plan applications, financial control, progress reporting, and top structure design. |

## 11. STRATEGIC FRAMEWORK REVIEW (CHECK FOR ELM VISION)

### 11.1 HUMAN SETTLEMENTS VISION AND MISSION

The vision of the municipality (including human settlements delivery) as stated in the IDP (2017-2018) reads as follows:

*"A municipality that delivers appropriate, sustainable and affordable services towards socio-economic growth for the development of its community."*

*The mission states as follows:*

*"Emalahleni municipality promotes quality and excellent services that are valued by its customers through effective partnership and active community participation as it plans for the future"*

THE VISION OF THIS HUMAN SETTLEMENTS SECTOR PLAN IS TO CREATE INTEGRATED AND SUSTAINABLE COMMUNITIES. TO MAKE THIS VISION A REALITY, THE MUNICIPALITY HAS TO SUPPORT THE NOTION OF PRODUCTIVITY, INCLUSIVITY, GOOD GOVERNANCE AND SUSTAINABILITY. GIVEN THE DEMAND PROFILE, THE PROVISION OF A SUITABLE RURAL AND URBAN HUMAN SETTLEMENTS PROGRAMME SHOULD BE ONE CORE ISSUES TO THIS PLAN.

#### 11.1.1 Consolidated strategic Goal and Objectives

| Strategic goal | Objective |
|---|---|
| **GOAL 1**<br>**To determine expressed demand and to declare such demand.** | **(1) To undertake housing consumer education / awareness and the housing voice** |
| | **(2) To implement the human settlements needs register and to ensure on-going management thereof** |
| | **(3) To engage the social welfare department and Special Programs Unit (SPU) in order to cater for the child headed households and orphans.** |

| Strategic goal | Objective |
|---|---|
| **GOAL 2**<br><br>**Scale up of the delivery of subsidised human settlement delivery to meet the demand.** | **(i) Strategic planning for human settlements delivery**<br><br>(a) Conduct an annual environment analysis in order to review and revise annual human settlements sector plan.<br><br>(b) To develop localised policies to create a more enabling environment and to manage the mushrooming of inadequate human settlements. |
| | **(ii) Project pipeline**<br><br>(a) To integrate the existing information on delivered, planned, in implementation and blocked projects into a single project pipeline database with system for regular updating.<br><br>(b) To plan projects that are aligned with the provincial human settlement's sustainability criteria<br><br>(c) To submit new projects to the province for funding approval and technical support |
| | **(iii) Land and land packaging**<br><br>(a) To undertake a land identification and land packaging programme.<br><br>(b) To understand the land reform programme and to create a linkage with such a programme.<br><br>(c) To undertake feasibility studies on the identified state land on offer from the Department of Public Works, which will enable preparation of a business plan for each parcel of land required in order to affect the transfer of such land. |
| | **(4) Infrastructure**<br><br>(a)To engage with the infrastructure officials and plans to seek prioritisation and alignment with human settlements programme. |
| | **(5) Integrated Sustainable Rural Human Settlements Delivery Programme (inclusive of Farm Worker accommodation)**<br><br>(a) Define a specific ISRHDP strategy that contains an analysis of the rural demand (including farm worker human settlements demand) and status quo and links it to a strategy that defines the needs and demands in terms of basic infrastructure, top structure and tenure and further links these to the mechanisms available to tackle the priority needs. |
| | **(6) Project development and management**<br><br>(a) To package projects in terms of top structure, undertake procurement of contractors and to initiate project construction. |

| Strategic goal | Objective |
|---|---|
| | (b) To undertake project management of all current running projects in order to ensure good quality and timely completion.<br>(c) Continue to roll out existing projects and ensure that financing and systems are in place to initiate new priority projects including those within the ISRHDP strategy.<br>(d) To have a dedicated programme to close out blocked projects.<br>(e) To programme the rectification needs of the current projects. |
| **GOAL3**<br>**To build a suitably structured human settlements unit in order to meet the human settlements delivery mandate** | (i) To undertake a capacity assessment with the view of preparing a business plan to source funding from the Department's Capacitation Grant for improving staff and skills capacity within the Municipality and to also ensure that those officials within the Municipality that have received training through the Department's Capacity Building programme are committed to / engaged in the municipality's human settlements section. |
| | (ii) To develop the internal organisation to meet the municipal human settlements mandate and Level 1 Accreditation. The proposed structure has to include a Human Settlements / Housing Manager to undertake strategic planning and performance management and a technical resource to ensure the projects are managed and administrative staff to undertake beneficiary administration. |
| | (iii) To develop operational systems, i.e., policies, procedures and documents and forms. |
| | (iv) Procurement of required office infrastructure and resources to fulfil human settlements mandate, and this must include the installation and implementation of the project tracking tool. |
| **GOAL 4**<br>**To formalise the required institutional structures to support the Municipality in meeting its human settlements delivery targets** | (i) Strengthen internal and external partnerships required by the municipality to plan, facilitate, and where relevant implement, the necessary human settlements development to meet the demand in the municipal area. |



**STRATEGIES AND PROPOSED PROGRAMMES**

The ELM Human Settlements Sector Plan should include the following strategic programmes for human settlements implementation.

| Programme | Strategic Priorities | Activities |
|---|---|---|
| Programme 1 | Defining and understanding Demand | ▪ Detailed Human Settlements / Housing waiting list.<br>▪ Investigate feasibility of human settlements projects in the municipal area (urban and rural). |

| | | |
|---|---|---|
| Programme 2 | Scaled up supply of state funded human settlements delivery to meet demand.<br><br>Eradicate all squatters and Informal Settlements with provision of Housing for Middle Income Earners | ▪ Land Acquisition<br>▪ Appointment of competent contractors.<br>▪ Prioritization of human settlements development applications.<br>▪ Investigate and determine the human settlements need in the entire Municipal area.<br>▪ Refurbish old houses.<br>▪ Land identification and Town Planning Establishment processes<br>▪ Developed Strategy for Households in Traditional Structures in Rural Areas<br>▪ Develop Strategy for Rural Housing and Human Settlements<br>▪ Develop Strategy for informal/in-situ upgrading.<br>▪ Develop Strategy for CRUs and affordable rental housing |
| Programme 3 | Closure of all Blocked Projects and Rectification of all Defective Houses | ▪ Closure of all Blocked Projects and Rectification of all Defective Houses |
| Programme 4 | To formalise the required institutional structures to support the Municipality in meeting its human settlements delivery targets | ▪ Procurement + tenders is a problem.<br>▪ Professional team is needed.<br>▪ Local Municipality is performing Provincial roles.<br>▪ Strengthening and reinforcement of IDRs<br>▪ Continued involvement of all relevant stakeholders.<br>▪ Establishment of a Dedicated Human settlements Unit and/ or capacitating the existing department |
| Programme 5 | Enhance Quality and Standard of RDP Houses | ▪ Encourage local contractors to register with CIDB.<br>▪ Monitor all projects for compliance with National and Provincial Standards.<br>▪ Repair old Housing Projects.<br>▪ Rectification needed for some of the pre and post 1994 Housing projects. |



**DETAILED STRATEGIC PROGRAMMES**

**Programme 1: To determine expressed demand and to declare such demand**

| Deliverable | Key activity | Timeframe | | | | | Responsibility | Cost |
|---|---|---|---|---|---|---|---|---|
| | | 2018 | 2019 | 2020 | 2021 | 2022 | | |
| Human Settlements/ | Develop methodology and | Jan | | | | | Province | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Housing Voice | instruments as per Blue Book | | | | | | | |
| | Identify community engagement staff and conduct training to both staff and ward committees/ councillors | Jan | | | | | Province and Municipality | |
| | Conduct housing voice | Mar | | | | | Municipality | |
| | Statistical analysis and report | May | | | | | Province and Municipality | |
| | Use to inform planning | Jun | | | | | Municipality | |
| Housing Needs Register | Upload system and tools and audit instruments | Jun | | | | | Province and Municipality | |
| | Conduct training on the use thereof | July | | | | | Province | |
| | Conduct the audits | Aug | | | | | Municipality | |
| | Capture analyse and produce reports of the results | | Jan | | | | Province | |
| | Maintain database by putting a system in place that will ensure that applicants update their information on a quarterly basis | | Feb | | | | Province and Municipality | |
| | Produce reports that inform the development of human settlements programmes | | Mar | | | | Province and Municipality | |
| Child - headed households | Engage Social Welfare / SPU to cater for child headed and orphans – partnership arrangement for foster homes using the institutional subsidy programme | Mar | | | | | Province and Municipality | |
| | Identify where child headed households are located | | | | | | Province and Municipality | |

**Programme 2: Scale up of the delivery of subsidised human settlements delivery to meet the demand**

| Deliverable | Key activity | Timeframe | | | | | Responsibility | Cost |
|---|---|---|---|---|---|---|---|---|
| | | 2018 | 2019 | 2020 | 2021 | 2022 | | |
| **STRATEGIC PLANNING:** | | | | | | | | |
| Annual environment analysis in order to review and revise annual human settlement sector plan / aligned with IDP Review | Consider:<br>• Report on human settlements demand from housing voice and Human Settlements /Housing Needs Register<br>• Supply report from pipeline of projects<br>• Integration report | Apr | | | | | Municipality | |
| Plan for emergency human settlements / housing | Collect information on disaster risk in the Municipal area (Provincial Disaster Management Plan preparation underway) and establish appropriate systems and networks to respond to potential disasters. | July | | | | | Municipality | |
| Developed localised policies to create a more enabling environment and to manage the mushrooming of inadequate housing | • Local Town planning dispensation<br>• Localised policy to address tenure related to commonage<br>• ISRHDP policy<br>• Informal settlement strategy | Oct | | | | | Municipality | |

| Deliverable | Key activity | Timeframe | | | | | Responsibility | Cost |
|---|---|---|---|---|---|---|---|---|
| | | 2018 | 2019 | 2020 | 2021 | 2022 | | |
| **PROJECT PIPELINE:** | | | | | | | | |
| Installation of designed data base system that holds the integrated project pipeline | Upload tracking tool for the project pipeline | Jan | | | | | Province | |
| Trained staff able to use and update. | Training of relevant staff in the municipality to use and update the system. | Feb | | | | | Province | |
| Populated pipeline with all information up to date and verified. | Collect and input all the information from the relevant sources including importantly sections in the LM, the DM and the Province | Mar | | | | | Province and Municipality | |
| Quarterly updates and annual review report | All the additional projects or changes in status and information of existing entered and quarterly report for management and council. Informed annual review reports. | Oct | | | | | Municipality | |
| **ISRHDP STRATEGY:** | | | | | | | | |
| Proposal for development of a rural strategy with budget | Prepare proposal for education the information gathering, analysis and strategy. | Feb | | | | | Municipality in conjunction with Province | |
| Internal or external people appointed to carry out work | The selection of the right team to undertake the work. | Mar | | | | | Municipality in conjunction with Province | |
| Baseline information. | Collection of all existing relevant | Jul | | | | | Selected | |

| Deliverable | Key activity | Timeframe | | | | | Responsibility | Cost |
|---|---|---|---|---|---|---|---|---|
| | | 2018 | 2019 | 2020 | 2021 | 2022 | | |
| | information on the context, nature and location of rural housing, priority interventions re tenure, infrastructure, and top structure for all key stakeholders. | | | | | | Internal or external team | |
| Key stakeholder feedback and direction on baseline information. | Workshop of key stakeholders to discuss baseline information, its accuracy, relevancy and identify gaps. | Aug | | | | | Stakeholders and Selected Team | |
| Further information gathered and analysis and initial strategy. | To fill the gaps and to proceed to defining a draft strategy from analysis of information gathered through desktop or informant interviews. | Oct | | | | | Selected team | |
| Stakeholder Input into Strategy | Workshop to present and discuss the information, analysis and draft strategy. | Oct | | | | | Stakeholders and Selected Team | |
| 5Strategy and linkage to Municipal and Provincial budget and MTEF. | From the workshop contributions finalise the strategy but link with available resource streams. | | Jan | | | | Selected team. | |
| Strategy inputted into IDP and reviewed annually. | The strategy integrated into the Human settlements chapter and linkage back to municipal budget and MTEF. | | Jan | | | | Municipal Human Settlements Section | |
| Land for human settlements development | Undertake land feasibilities, procurement of | Mar | | On-going | | | Human Settlements | |

| Deliverable | Key activity | Timeframe | | | | | Responsibility | Cost |
|---|---|---|---|---|---|---|---|---|
| | | 2018 | 2019 | 2020 | 2021 | 2022 | | |
| | suitable parcels, including land identified by Province for transfer to Municipality | | | | | | officer with Province | |
| Preparation of identified priority projects for financing and implementation – including rectification and blocked projects. | Co-ordination of the preparation of the projects:<br>- Land<br>- Land preparation and packaging<br>- Initial design<br>- Beneficiary identification<br>- Scope of work (rectification and blocked)<br>- Finance packaging<br>- Preparation of tendering etc. | Mar | | On-going | | | Human Settlements Officer with Province | |
| Properly managed implementation of financed projects. | Management of the technical service providers in ensuring that projects are delivered on time, to quality and within cost.<br>Carry out effective community liaison and consultation. | Feb | | On-going | | | Human Settlements Officer with Province | |
| Monitoring and Evaluation Framework | Drafting of monitoring and evaluation framework, the framework to be integrated into the Human Settlements Chapter. | Jan | | | | | Human Settlements officer with Province | |
| Formation of Project Steering Committees to ensure the collaboration of developers, ward | Project Steering Committees to be formed for all human settlements' projects comprising ward committee, | Jan | | | | | Human Settlements officer with | |

| Deliverable | Key activity | Timeframe | | | | | Responsibility | Cost |
|---|---|---|---|---|---|---|---|---|
| | | 2018 | 2019 | 2020 | 2021 | 2022 | | |
| committees and councillors in the speedy execution of projects. | councillor and local stakeholders. Submit project reports to the Human Settlements Department | | | | | | Province | |

**Programme 3: To build a suitably structured human settlements unit in order to meet the human settlements mandate.**

| Deliverable | Key activity | Timeframe | | | | | Responsibility | Cost |
|---|---|---|---|---|---|---|---|---|
| | | 2018 | 2019 | 2020 | 2021 | 2022 | | |
| Development of dedicated Human Settlements Unit | Development of Job descriptions, Approval of structure, Procurement of budget, Recruitment, orientation | Jan | | | | | Province support with Municipality | |
| Development of internal operational policies and procedures | Develop operations procedures manual together with standardised documents and forms | Jun | | | | | Province support with Municipality | |
| Identification and procurement of resources | Approval and procurement of required resources, computers and software, equipment, furniture etc. | Jun | | | | | Municipality | |
| Development and implementation of performance management system | Link performance measures to job description outputs and human settlements delivery programme, performance agreement with staff and regular monitoring of performance | | Jan | | | | Province support with Municipality | |

**Programme 4: To formalise the required institutional structures to support the Municipality in meeting its human settlements delivery targets**

| Deliverable | Key activity | Timeframe | | | | | Responsibility | Cost |
|---|---|---|---|---|---|---|---|---|
| | | 2018 | 2019 | 2020 | 2021 | 2022 | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Identified Key Potential Partners | Internal workshop Identify key roles and responsibilities and which are key stakeholders undertake these and present status of relationship. | Jan | | | | | Municipal manageme nt | |
| Defined Approach to strengthenin g Partnership s | Based on roles and responsibilities and key potential partners - defining the type of relationship and approach negotiating this. | Mar | | | | | Municipal manageme nt | |
| Negotiated basis of co-operation | Meeting with individual key stakeholders to discuss bases of co-operation and action plan for co-operation over the next 2 years. | Jun | | | | | Municipal manageme nt | |
| Agreed MOU on Co-operation | Preparation of MOU and action plan based on above and ready for signing between partners. | Jul | | | | | Municipal manageme nt | |
| Working together | Implementing the action plan around municipal priorities. | Continuous | | | | | Municipal officials and partner officials | |

## 12. PROJECT PIPELINE AND CAPITAL BUDGET

### 12.1 CASH FLOW

A multi-year housing plan outlines a further set of developments aimed at improving the quality of strategic and performance plans, while at the same time simplifying the process further.



Once all of the projects have been identified and initially prioritized, individual cash flows will be determined. Once all of the cash flows are complete they should be summaries and condensed into an overall project program schedule and then into a single cash flow spreadsheet.

This spreadsheet should include the cash flow requirements (5 year time horizon) for all of the current projects thereafter all of the planned project should be placed, the total of the two sections should then be added together to determine the municipal funding requirements for the 5 year horizon. An example the spreadsheet should indicate at least following basic information.

The financial year indicated in the cash flows should be from the 1st of July to the 31st of June. It should be noted however that this does not coincide with the National and Provincial financial years which run from the 1st April to the 31st of March each year. This overall cash flow statement and the summarized programs can then be used by the municipality as part of the housing annual work plan to all measure housing projects progress.

It is important to note that historically project managers have drastically under estimated cash flow projections. These under estimations can be attributed to a number of factors including the optimistic outlook of the project manager, pressure and urgency of delivery that drives all stakeholders and the complex nature of projects which hampers implementation. Therefore for cash flow projections to be as accurate as possible, service providers and local municipalities should be as conservative in their estimations.

Table 12-1: Project Pipeline and Capital Budget

| Project Description | Status | Budget | Year 1 (2018) | Year 2 (2019) | Year 3 (2020) | Year 4 (2021) | Year 5 (2022) |
|---|---|---|---|---|---|---|---|
| Sinako Zwelethemba 289 | Contractor not yet Appointed | R30,947,453.74 | | | | | |
| Cacadu Ext 3 & 4 Mixed Dev.800 Units | Not started | | | | | | |
| Dordrecht(Mixed fDev) .800 | Not started | | | | | | |
| Indwe 800 | Not started | | | | | | |
| Indwe West Gate 160 | Not started | R 618,240.00 | | | | | |
| Indwe 513 | Not started | | | | | | |
| Zwartwater 1000 | Contractor is on site. | R 146,779,261.00 | | | | | |
| Mavuya 462 | Contractor has been recently appointed | R 39,465,795.60 | | | | | |
| Cacadu 715 | Appointed contractor Nebavest 46 (PTY) | R 48,495,000.00 | | | | | |
| Dordrecht 2000 | Two contractors are on site. | R 259,167,920.00 | | | | | |



## 13. INTEGRATION (CROSS SECTOR ALIGNMENT ISSUES)

In order to provide sustainable living environments, it is vital that the delivery of sustainable human settlements be occurred in conjunction with other services and facilities (including health, education, sports, etc.) which identified and proposed by CHDM IDP (2017 – 2022) and ELM IDP. The human settlements proposals set out in this Municipal Human Settlements Sector Plan are all in accordance with the CHM IDP (2017 -2022) and ELM IDP.

The IDP is the core document guiding all decision-making in, and with respect to, the municipal area, service providers responsible for the delivery of services and facilities integral to the creation of sustainable livelihood will be able to plan and budget for the provision of such services and facilities in an informed manner.

With reference to the primary node of the municipality, it is noted that all of the land that has been identified for housing purposes is well located with respect to existing community and social services and facilities. In regard to the housing proposals in the rural areas of the municipality, the delivery of rural residential opportunities is to be targeted at the identified service satellites.

**Department of Health**

| Project Name | Project | Budget |
|---|---|---|
| Isikhoba Clinic | New Building including site works and bulk services | R750,000 |
| Lower Seplan Clinic | Renovations & refurbishments | R750,000 |
| Ngxabangu Clinic | Renovations & refurbishments | R750,000 |
| Mahlubini Clinic | New Building including site works and bulk services | R2,954,206 |

**Department of Health**

| Project name | Project Status | Project duration | 2016/17 |
|---|---|---|---|
| **New and replacement assets** | | | |
| Indwe Hospital | Construction | 01/04/2009 - 31/03/2020 | 500 |
| Dordrecht Hospital Rehabilitation | Construction | 01/04/2009 - 31/03/2019 | 500 |

Source: ELM IDP (2017 – 2022)

| Project Name | Project | Budget |
|---|---|---|
| Vaalbank Clinic | New Building including site works and bulk services | R500,000 |
| Indwe | Mud & inappropriate Structures replacement | R2,250,000 |

Source: CHDM IDP (2017 – 2022)

**Department of Education**

| Project Name | Status | Project Description | Project Duration | | Allocation | MTEF Estimates | |
|---|---|---|---|---|---|---|---|
| | | | **Start** | **Finish** | **2016/17** | **2017/18** | 2018/19 |
| **New and replacement assets** | | | | | | | |
| Gqebenya JS School | Approved | Early Childhood Development | 01/04/2014 | 31 /03/2017 | - | - | R2 878 000 |
| Nobuhle JSS | Final Completion | Public Ordinary Schools | 02/04/2015 | 31 /03/2018 | R8 276 000 | - | R2 537 000 |
| Bankies Junior SS School | Adjudication | Public Ordinary Schools | 02/04/2015 | 31 /03/2018 | R8 958 000 | - | R1 191 000 |
| Bengu Agricultural HS | Final Account | Public Ordinary Schools | 23/04/2014 | 31 /03/2017 | R1 339 000 | - | R140 000 |
| Buffalo Thorns JS School | Withdrawn | Public Ordinary Schools | 18/ 11/ 2015 | 31 /03/ 2017 | R288 000 | - | R100 000 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Echibini SS School | Final Completion | Public Ordinary Schools | 23/04/ 2014 | 31 /03/ 2017 | R990 000 | - | R150 000 |
| Echibini SS School | Practical completion | Public Ordinary Schools | 01/04/ 2015 | 31 /03/ 2017 | R1 926 000 | - | R144 000 |
| Emdeni SP School | Adjudication | Public Ordinary Schools | 11/18/2015 | 31 /03/ 2017 | R149 000 | - | R1 191 000 |
| Emzi JS School | Practical completion | Public Ordinary Schools | 01/04/ 2015 | 31 /03/ 2017 | R1 800 000 | - | R76 000 |
| Entilini JS School | Under Construction | Public Ordinary Schools | | 31 /03/ 2017 | R270 000 | - | R2 869 000 |
| Esidwadweni JS School | Under Construction | Public Ordinary Schools | 18/11/2015 | 31 /03/ 2017 | R111 000 | - | R2 713 000 |
| Hange JS School | Final Completion | Public Ordinary Schools | 02/04/ 2015 | 31 /03/ 2017 | R14 213 000 | - | R150 000 |
| Ida High School | Adjudication | Public Ordinary Schools | 11/18/2015 | 31 /03/ 2017 | R593 000 | - | R1 191 000 |
| Ida High School | Under Construction | Public Ordinary Schools | 01/04/ 2015 | 31 /03/ 2017 | R2 986 000 | - | R1 500 000 |
| Ikhwezi lokusa SS School | Tender | Public Ordinary Schools | 02/04/ 2015 | 31 /03/ 2018 | R5 771 000 | - | R3 300 000 |
| Ikhwezi lokusa SS School | Practical Completion | Public Ordinary Schools | 28 /04/2014 | 31 /03/ 2017 | - | - | R231 000 |
| Isivivane SS school | Practical Completion | Public Ordinary Schools | 02/04/2015 | 31 /03/ 2017 | R1 000 000 | - | R180 000 |
| Esethu public Primary school | Planning | Public Ordinary Schools | 01 /04/ 2015 | 31 /03/ 2017 | R96 000 | - | R2 171 000 |
| Kwamhlontlo SS SCHOOL | Documentation | Public Ordinary Schools | 30 /06/ 2015 | 31 /03/ 2017 | R1 966 000 | - | R1 000 000 |
| Madwaleni SP School | Under Construction | Public Ordinary Schools | 11/18/2015 | 31 /03/ 2017 | R92 000 | - | R2 723 000 |
| Mkapusi Primary school | Practical completion | Public Ordinary Schools | 01 /04/2013 | 31 /03/ 2016 | - | - | R26 000 |
| Matyhantya JS School | Adjudication | Public Ordinary Schools | 18/11/2015 | 31 /03 / 2017 | R288 000 | - | R1 191 000 |

Source:

**Provincial Treasury**

| Project name | Project Status | Type of Infrastructure | Start Date | End Date | 2016/2017 |
|---|---|---|---|---|---|
| Guba Park lot 108 | Construction | Access road in poor condition | 01-04-2016 | 31-03-2017 | R1 863 000 |
| Zingqolweni location | Construction | Access road in poor condition | 01-04-2016 | 31-03-2017 | R1 469 000 |
| Public Transport Projects (Emalahleni scholar transport routes) | Construction | Public Transport Access Roads | 01-04-2016 | 31-03-2017 | R17 086 000 |
| AC 40056 (Mthonjeni) | Construction | Access Roads | 01-04-2016 | 31-03-2017 | R6 600 000 |
| AC 40077 (Mgqukhwebe) | Construction | Access Roads | 01-04-2016 | 31-03-2017 | R6 200 000 |
| AC 40076 (Magemfaneni Dophu) | Construction | Access Roads | 01-04-2016 | 31-03-2017 | R4 300 000 |
| AC 40092 (Tsembeyi) | Construction | Access Roads | 01-04-2016 | 31-03-2017 | R7 800 000 |
| MN 20510 (Ida) | Construction | Access Roads | 01-04-2016 | 31-03-2017 | R6 800 000 |

Source: ELM IDP (2017 – 2022)

**CHDM Grants Allocations Budget for 2017-2020**

| **MIG CAPITAL PROJECTS FOR 2017/18-2018/19-2019/20** | | | |
|---|---|---|---|
| **Projects** | **2017/18** | **2018/19** | **2019/20** |
| **Cluster 1 Waterbacklog (Wards 7,8 ,10,13,14)** | | | |
| Water Backlog CHDM Cluster 1 Mhlanga Water Supply | R 20 054 810 | R 20 000 000 | R 2 000 000 |
| Water Backlog CHDM Cluster 1 Mhlanga and Mgwalana Bulk Water Supply | | R 4 303 772 | R 15 625 325 |
| **Cluster 2 Water Backlog (Wards 1,2,4&6)** | | | |
| Cluster 2 Water backlog Project - Regional Scheme 3: Phase 1A | R 131 000.00 | | |
| Cluster 2 Water backlog Project - Regional Scheme 3: Phase 1B | R 171 000.00 | | |
| Cluster 2 Water backlog: Regional Scheme 6 – Xonxa | R 100 000.00 | | |
| Cluster 2 Water backlog Project - RS1 Phase 1: Nkolonga, Sikhwanqeni Water Supply | R 210 000.00 | | |
| **Region 3 Sanitation Backlog** | | | |
| Cluster 4 sanitation (Wards 2,3,4,5,15,16,Vukani Guba,& Percy Villages) | | | |
| Cluster 3 Sanitation( Wards 7,8,9,10,11,12,13& 14) | | | |
| **Dodrecht Water and Sanitation Services** | | | |
| Immediate Water Supply Upgrades | R 5 000 000 | R 5 000 000 | R 5 000 000 |
| Internal Sewer Reticulation in Tyoksville (Herry Gwala) | | | |
| Upgrading of Wastewater Treatment Works - Phase 2B: Planning | | | |

| | | | |
|---|---|---|---|
| Upgrading of Wastewater Treatment Works - Phase 2B: Implementation | R 7 500 000.00 | | |
| Upgrading of Bulk Sewer and Reticulation -Phase 2 C: Planning | | | R 5 000 000.00 |
| Upgrading of Bulk Sewer and Reticulation -Phase 2 C: Implementation | R 2 000 000.00 | | |
| Upgrading of Water Treatment Works - Phase 3 | | R 2 937 180 | R 5 000 000.00 |
| Upgrading of Bulk Water Supply -Phase 4: Planning | R 937 180.00 | R 1 062 820 | R 2 000 000.00 |
| Upgrading of Bulk Water Supply -Phase 4: Implementation | | | R 1 000 000.00 |
| **WATER SERVICE INFRASTRUCTURE GRANT** | | | |
| **Projects** | **2017/18** | **2018/19** | **2019/20** |
| **Cluster 2 Water Backlog** | | | |
| Cluster 2 (Jiputa/Makhikhi; Emazimeni ;Emaqwathini ;Noluthando/Emagefaneni; Lukhavana) - Phase 2 | R 13 547 837 | R1 000 000 | |
| Cluster 2 RS 1 - 1B (Gcina ;Qumbu ;Hala ;Mbetheni ;Kuliweni ;Xhibeni and Lokishini )- Phase 1 | | R20 000 000 | R15 000 000 |
| Gqebenya Small Farms Interim Water Supply | | R6 500 000 | R4 500 000 |
| Mdeni Interim Water Supply | R 5 544 000 | R4 612 954 | |
| Cluster 2 Water backlog Project - Regional Scheme 3: Luthuthu Water Supply | | R1.5m | R6 730 888.00 |
| Cluster 2 Water backlog Project - Regional Scheme 3: Phase 1C | | R8m | R7 901 492.00 |
| Cluster 2 Water backlog Project - Regional Scheme 3: Phase 1D | | R7. 5m | R7 417 620.00 |
| Refurbishment of Dordrecht WTW | | R5.7m | |
| Water Conservation and Demand Management at Dordrecht | | R6.4m | |

Source: CHDM IDP (2017 – 2022)

# 14. HUMAN SETTLEMENT PLANNING AND DELIVERY RISK MANAGEMENT MATTERS



*Table 14-1: Risk Assessment*

| RISK | RISK MITIGATION |
|---|---|
| Poor information and analyse on need and demand for proper planning | Human Settlement / Housing voice and demand database |
| Poor capacity within the municipality | Appropriate structure, systems development and resourcing |
| Lack of properly structured co-operation between the municipality and the province | MOU |
| Difficulty of resolving the secure tenure issues in the communal areas. | Research and policy to establish secure tenure and pilot implementation |

| | |
|---|---|
| Lack of proper control and management of the started projects | Project tracking tool and technical expertise |

## 15. GAPS REQUIRING FILLING

The following Table outlines the key gaps that require filling to substantially strengthen the possibility of an implementable strategy for this human settlements chapter.

*Table 15-1: Gaps requiring filling*

| GAPS TO ADDRESS | MODE |
|---|---|
| Establishment of the real nature of need and demand including better analysis of the interaction and separation of tenure security, basic infrastructure and top structure. | Research on the baseline documents including Provincial MTEF, land reform stats and basic infrastructure information plus discussion with municipalities on summarised information |
| Development of rural human settlements strategy that does not just use global guesstimates. | Using the information from above and then linking this to specific priority geographical areas that can have more intensive information gathering. Closer planning linkage with ECDoHS and Department of Rural Development & Land Reform to develop responses. |
| Proper listing of completed, existing and future projects with necessary baseline and tracking information | Use of supplied template to co-ordinate information from different sources and then updating and completing this in contact with key local and provincial stakeholders. Possibly a provincial project. |
| Analysis of proposed infrastructure expenditure including water, sanitation, roads and storm water drainage and linkage of this to housing priority areas. | Source from provincial government documents and use local municipality to link with existing priority areas of human settlements need. Important to link this back to the human settlements project pipeline to identify where there are direct linkages. |
| Financing available for human settlements and infrastructure in the area and analysing the existing financing allocated to the area for infrastructure, land reform and housing and the linkage to established priorities | From the provincial MTEF and land reform MTEF and linkage back to defined human settlements priorities in the area. |



## 16. APPROVAL

The adoption process is a very crucial stage in the implementation of the human settlements sector plan for all the various role players, therefore it has to be conducted thoroughly. This process ensures the approval of the human settlements sector plan (buy in process / ownership) and also ensures to smooth delivery of the desired goals.

*Table 16-1: Approval Process*

| ACTIVITY | RESPONSIBILITY |
|---|---|
| Presentation of 1st draft strategy report to ELM | Professional Team |

| | |
|---|---|
| Presentation of final draft to Project Committee | Professional Team / ELM |
| Consultations and Opportunity for comments | ELM |
| Council Approval and Adoption of Final Report | ELM |

Consultations with the various stakeholders must be done in a way that does not create any expectations from the communities but that provides them with the necessary information. This process should be dealt with in a manner that is transparent and fair. After consultations have been done, comments are then summarised and the committee must interrogate the comment and decide how each comment should be treated.

To ensure that the human settlement sector plan has a legal status as required by the Housing Act of 1997 and Municipal Systems Act No 32 of 2000, the human settlement sector plan will have to be approved by the Council. Once the council has adopted the human settlements sector plan, the ELM will have to advertise the human settlement sector plan on all the relevant local newspaper to ensure that final comments are received within 21 days. Once this process has been finalised, the human settlement sector plan will form part of the approved IDP.

## 17. CONCLUSION

The human settlement sector plan also demonstrates that human settlement projects cannot be developed in isolation; transversal co-ordination is required to ensure that the broader integrated development is achieved within Emalahleni Municipal area.
Significant intervention has been the shift in settlement planning legislation and policy to a normative approach, the development of environmental legislation and the inclusion of environmental and sustainability considerations into planning legislation. Significant planning legislations include SPLUMA and Breaking New Ground and key strategies include the NDP.
The shift from sprawling, mono-functional, low-density and car-dependent settlements to higher-density, integrated, low-carbon and sustainable settlements is a difficult due to the entrenchment of past urban patterns and investment. Progress has mostly been made in:

- **Settlement structure:** higher density, integrated (fully developed with social facilities etc.) settlements that are well-located in term of access to jobs and facilities;
- **Protection of environmentally sensitive areas and ecological corridors:** hardly any formal settlement development still takes place within ecologically sensitive areas due to stringent environment legislation that is integrated into planning processes. Of specific importance are the NEMA regulations, which have completely changed planning approaches and processes. This has probably been the most successful Act to integrate environmental issues with development actions.

Furthermore, access of all communities to engineering services such as water, electricity, sanitation, and solid waste collection, was improved dramatically thereby lessening the direct impact of settlements on the environment through the treatment of raw sewage.
The challenge we face to limit the impact on the environment of a growing population that is concentrating in a number of large settlements and whose demands and consumption patterns are increasing, is daunting. It does not only concern technical issues such as residential densities and transport options, but is intrinsically linked to demographic, economic and cultural factors. In order to save the environment we also need to address issues such as poverty, mass consumption, investment models and preconceived ideas
The most important actions that should be taken from a human settlement planning perspective to contribute to a healthy environment are:

- The role-players need to be informed and educated about the substance and processes of low-carbon, sustainable city building: the responsibility for this lies on the shoulders of the universities who train planners and on the shoulders of the Council for Planners who should enforce a programme of continual education (as is required of the other built-environment professions);

- National government (being the agency with the most capacity) should coordinate and integrate planning legislation with the objectives of sustainable development;
- Institutional weaknesses which prevent compliance and monitoring, remain the main stumbling block to implementation of sustainability measures;
- A shift in values and attitudes needs to take place but the opportunities for change have to be created and,
- Incentives to promote the application of renewable, water saving measures, passive building design and other sustainability metrics must be initiated at local authority level. Municipal by-laws that require and reward this, must be enacted.

18. REFERENCE


1. Chris Hani District Municipality Integrated Development Plan (IDP) (2017 -2022)
2. Chris Hani District Municipality Spatial Development Framework (SDF) (2015)
3. Chris Hani District Municipality Water Service Development Plan (2015)
4. Community Survey (2016)
5. EC Human Settlements Business Plan for 2018/19 Financial Year
6. Emalahleni Local Municipality Integrated Development Plan (IDP) (2017 -2022)
7. National Upgrading Support Programme Report (NUSP) (2017)
8. South African Statistics: Census 2001 and 2011


**ANNEXURE B: PROJECTS FROM PREVIOUS HOUSING SECTOR PLANS**

**B1: Housing Sector Plan Projects (2008 – 2011)**
**Current Projects**

| Project Name | Project Type | No of Sites | Status |
|---|---|---|---|
| Dordrecht Ph 11 | R/L | 48 | Running |
| Indwe R/L | R/L | 14 | Blocked |
| Cacadu Ext 5 | R/L | 562 | Running |
| Dordrecht Ph 1 | R/L | 24 | Current |
| Dordrecht Ph 11 | PHP | 68 | Current |
| Enkululekweni | | 85 | Current |
| Mavuya-Mayano | | 420 | Current |
| | **Total** | | |

**Planned Projects**

| Project Name | Project Type | No of Sites | Status |
|---|---|---|---|
| Mavuya settlement | ISUP | 500 | |
| Cacadu Ext. 1 & 2 | ISUP – Project Linked | 319 | |
| Zwelethemba | ISUP – PHP | 267 | |
| Nxomfu Settlement | ISUP – PHP | 625 | |
| Cacadu Ext 3 & 4 | Integrated – P & FLS, CRU’s | 250 | |

| Project Name | Project Type | No of Sites | Status |
|---|---|---|---|
| Cacadu Ext 3 & 4 | Integrated – P & FLS, CRU's | 390 | |
| State Houses | Rectification | 12 | |
| Zwartwater- Dranti | Rural Subsidies – PHP | 126 | |
| Zwartwater- Dumdum | Rural Subsidies – PHP | 389 | |
| Guba Agri-Village (Restitution) | Rural Subsidies – Project Linked | 420 | |
| Ida Farms Agri-Village | Rural Subsidies – Project Linked | 360 | |
| Gateway North | Integrated – P & FLS, CRU's | 80 | |
| Gateway South | Integrated – P & FLS, CRU's | 120 | |
| Gateway South | Integrated – P & FLS, CRU's | 140 | |
| Ntsokotha Hostel Redevelopment | Hostel redevelopment | 480 | |
| Maramastad Redevelopment | CRU's | 151 | |
| Mt. Arthur Hostel Redevelopment | CRU's | 600 | |
| Indwe | Individual Subsidy | 60 | |
| Dordrecht | Individual Subsidy | 65 | |
| Cacadu | Individual Subsidy | 85 | |
| Mkaphus | Emergency Housing | 6 | |
| Cacadu | Emergency Housing | 15 | |
| Cumakala | Emergency Housing | 4 | |
| Kalfontein | Emergency Housing | 3 | |
| Machubeni | Emergency Housing | 3 | |
| Ngqanda | Emergency Housing | 2 | |
| Mavuya Location | Emergency Housing | 30 | |
| Dordrecht Nxomfu Springs Resettlement | Emergency Housing | 35 | |
| | **Total** | **5 537** | |



**B2: Housing Sector Plan Projects (2011 – 2014)**
**Completed Projects**

| Project Name | Project Type | No of Sites | Status |
|---|---|---|---|
| Cradock Ph 1 | IRDP Phased approach top structure (informal settlements) | 1676 | Completed |
| Cradock Ph 2 | IRDP Phased approach top structure (informal settlements) | 1500 | Completed |
| Cradock Michausdal R/L 2 | IRDP Phased approach top structure (informal settlements) | 1000 | Completed |
| Middelburg | Rectification & Project Linked | 1628 | Completed |
| Middelburg Lusaka R/L 2 | IRDP Phased approach top structure (informal settlements) | 595 | Completed |

| | | | |
|---|---|---|---|
| **Total** | | **4 771** | |

**Completed Project**

| Project Name | | Subsidy Instrument | Project Type | Planned Units | Current Status |
|---|---|---|---|---|---|
| Middelburg – Lusaka 592 Units | | Project Linked Subsidy | Progress Payment Housing Project | 80 | Complete |
| Middelburg – Kwanonzamo – Greenfields 793 Sites +15% Geotec | | Project Linked Subsidy | Progress Payment Housing Project | 793 | This project is complete but in need of rectification |
| Middelburg - MDROS - Greenfields 615 Sites +7.5% Geotec | | Project Linked Subsidy | Progress Payment Housing Project | 615 | This project is complete but in need of rectification |
| Middelburg – 220 Subs | | Project Linked Subsidy | Progress Payment Housing Project | 220 | This project is complete but in need of rectification |

**Source:** DoHS - ELM Housing Sector Plan 2011-2014

| | | | |
|---|---|---|---|
| High Income | High Income | 150 | Private Land |
| **Total** | | 623 | |



**B3: Housing Sector Plan Projects (2014 – 2018)**
**Completed Projects**

| Project Name | Subsidy Instrument | Project Type | Planned Units | Current Status |
|---|---|---|---|---|
| Dordrecht - R/land Ph 1 - 1000 subs | Project Linked Subsidy | People's Housing (Project Linked) | 1000 | Completed –But Rectification Consultant has been appointed |
| Dordrecht - 1000 subs | Project Linked Subsidy | People's Housing (Project Linked) | 1000 | Completed –But Rectification Consultant has been appointed |
| Indwe - R/land Ph 1 - 513 subs | Project Linked Subsidy | People's Housing (Project Linked) | 513 | Completed –But Rectification Consultant has been appointed |
| Indwe – 500 subs | Project Linked Subsidy | People's Housing (Project Linked) | 500 | Completed –But Rectification project – Assessment by NHBRC is taking place |

**Source:** ELM Housing Sector Plan 2014-2018

**Current Projects**

| Project Name | Subsidy Instrument | Project Type | Units | Current Status |
|---|---|---|---|---|
| Dordrecht - R/land Ph 1 - 1000 subs | Project Linked Subsidy | Rectification | 1000 | Consultant has been appointed |
| Dordrecht - Sinako Zwelethemba 289 Units | Project Linked Subsidy | Progress Payment Housing Project | 289 | Close out report stage |
| Dordrecht - 2000 Rectification | Project Linked Subsidy | Rectification | 2000 | |
| Dordrecht - 1000 subs | Project Linked Subsidy | Rectification | 1000 | Consultant has been appointed |
| Indwe - 500 Sites | Project Linked Subsidy | Rectification | 500 | Assessment by NHBRC is taking place. |
| Indwe - Mavuya 462 Units | Project Linked Subsidy | Progress Payment Housing Project | 462 | Procurement Stage |
| Indwe - West Gateway 160 Units | Project Linked Subsidy | Rectification | 160 | Current Project - Contractor has been appointed |

**Source:** ELM Housing Sector Plan 2014-2018

**Planned Projects**

| Project Name | Type of project | No. of Units | Site Description | Ownership | Dev. Status | Comment |
|---|---|---|---|---|---|---|
| Dordrecht 800 | IRDP | 0 | Greenfield | Mun (?) | Vacant, Un-serviced, Un-surveyed | Golf course portion of land including in development. |
| Indwe 800 | IRDP | 800 | Greenfield | State land under tile by DRDLR (?) | Vacant, Un-serviced, Un-surveyed | Land to be transferred to municipality by DRDLR |
| Indwe Westgate | FLISP | | Greenfield | Mun (?) | Vacant, Un-serviced, Un-surveyed | Project at tender stage |
| Cacadu 800 | IRDP | 800 | Greenfield | Mun (?) | Vacant, Un-serviced, Un-surveyed | Problem with bulk services. |
| Emergency 160 | Individual subsidy on exiting land | 160 | No Site | Mun (?) | ? | |
| Emergency 300 | Individual subsidy on exiting land | 300 | No Site | Mun (?) | ? | |

Source: ELM Housing Sector Plan 2014-2018

Progress report current project

| | | | |
|---|---|---|---|
| Middelburg Lusaka R/L 2 | | 324 | Completed |
| Total | **Total** | **6152** | |

# *CHAPTER 10 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (FINANCIAL PLAN)*

## Part 1 Annual Budget

**MAYOR'S REPORT**

The purpose of this report is to present to Council the Final Annual Budget for the 2023/2024 financial year.

**LEGISLATIVE BACKGROUND**

Section 16 of the MFMA requires (1) the Council of a municipality to approve an annual budget for each financial year before the start of that financial year.

(2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a Council meeting at least 90 days before the start of the budget year.

Section 17 of the MFMA gives guidance on the content of an annual budget and prescribes that a municipal budget must

- Set out realistically anticipated revenue projections for the year from each revenue source
- Appropriating expenditure for the budget year under the different votes of the municipality
- Set out indicative revenue per revenue source and projected expenditure per vote for the two financial years following the budget year
- The proposed cost to the municipality for the budget year of the salary, benefits and allowances

Section 18 of the MFMA further gives guidance on the funding sources for municipal expenditure and may only be funded from:



- realistically anticipated revenues to be collected
- cash backed accumulated surplus funds from previous years' surpluses not committed for other purposes
- borrowed funds but only for capital budget.

Section 21 (1)(a) of the MFMA states that, "The Mayor of a municipality must coordinate the processes of preparing the annual budget and for reviewing the municipality's integrated development plan and budget related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget related policies are mutually consistent and credible".

The budget has been prepared using the following legislative guidelines:

- Municipal Financial Management (MFMA) Act 56 of 2003

- Municipal Budget & Reporting Regulations
- MFMA Circulars with latest being Circular 122 & 123 for the 2023/24 Medium Term Revenue & Expenditure Framework (MTREF)
- mSCOA circulars 9, 10, 11, 12 & 13

Concerted effort has been taken to ensure full compliance with all applicable laws and regulations.

The Mayor as the Chairperson of the Executive Committee of Council has taken the draft budget and IDP to the communities for public participation during the month of April 2023. The draft budget was welcomed by the various stakeholders as it was themed towards accelerating service delivery by focusing on maintenance programme and local development initiatives. The following priorities were identified by the Executive Committee:

**High level Budget Assumptions linking to the Council IDP Priorities**

1. Infrastructure backlog that is consolidated through community needs per ward. This needs list is the basis for the infrastructure plans that are submitted to all stakeholders for funding. Implementation plans are based on a council approved priority infrastructure list.
2. Infrastructure capital projects are funded through capital grants listed in DORA, namely INEP and MIG.
3. Emalahleni has been affected by the disaster floods which has damaged infrastructure across wards. Therefore, the budget has been prepared with a significant increase in road maintenance budget when compared to the previous adjustment budget 2022/23 (R 1 million) to R 8 million in 2023/24, this equals to 800% increase.
4. Emalahleni has aging electricity infrastructure in the Dordrecht and Indwe where it has a distribution licence. This is due previous inadequate budget allocated to the maintenance, which is, 2022/23 (R 500 000) to R 2,6 million in 2023/24, this equals to 420% increase
5. Emalahleni has a constitutional mandate to stimulate local economy through Local Economic Development unit under PEDTA. The catalyst projects are SMME development, feedlot, crop production, livestock, irrigation scheme, investment summit. The budget for 2022/23 was R 925 000 to R 2 200 000 in 2023/24. This equals to 137% increase.



Below is the overall summary of the final council approved budget:

**Structure of the Final Approved 2023/24 Budget**

The following budget related policies will be adopted as draft and were part of the IDP/Budget consultations in April and May before they are approved by council by 31 May 2023, namely:

- Budget Policy
- Virement Policy
- Cash and cash investment policy
- Cost containment policy
- Asset Management Policy
- Disposal Policy
- Credit control & Debt collection policy

- Property rates policy
- Supply Chain Management Policy
- SCM Turnaround Policy
- Debt Impairment policy

The final tariffs have been developed based on the **3% Inflation increase** as per the Budget Circular.

***NERSA has granted tariff approval for 15,10% increase effective from 1st July 2023.***

Provincial Treasury conducted a Budget Benchmarking Assessment on the 16th May 2023 on the draft budget and the assessment concluded that the municipal draft budget is **FUNDED.**

The Service Delivery Budget Implementation Plan (SDBIP) for 2023/24 to be approved by the Mayor on or before the 27th June 2023 will take into account the below 1 year budget allocation:

**GRANTS & SUBSIDIES FOR 2023/24**

| **Revenue** | **Total** | **Operational** | **Capital** |
|---|---|---|---|
| **Transfers and subsidies** | **223 710 000,00** | **161 316 350,00** | **62 393 650,00** |
| MIG | 39 487 000,00 | 1 974 350,00 | 37 512 650,00 |
| FMG | 3 100 000,00 | 3 100 000,00 | - |
| INEP | 24 881 000,00 | - | 24 881 000,00 |
| EPWP | 1 416 000,00 | 1 416 000,00 | - |
| Equitable share | 153 876 000,00 | 153 876 000,00 | - |
| Library | 950 000,00 | 950 000,00 | - |

## OPERATING REVENUE

The total own **revenue sources** amount to R 60 570 943 which is a **13% increase** of when compared to R 53 446 872 in the 2022/23. This increase is largely due to additional revenue sources identified through the revenue enhancement strategy.

The split is as follows:

Billable Revenue (Property rates, Waste management & electricity) = R 28 454 382.

Non-Billable Revenue:

| **Projections Per Department** | | |
|---|---|---|

| | Budget (final) | % CONTRIBUTION |
|---|---|---|
| BTO | -24 007 736,00 | 74,75% |
| Community Services | -6 182 825,81 | 19,25% |
| Corporate Services | -1 200 000,00 | 3,74% |
| IDHS | -450 000,00 | 1,40% |
| PEDTA | -276 000,00 | 0,86% |
| **TOTAL** | **-32 116 561,81** | |

## EXPENDITURE

The 2023/24 budget is limited to essential project expenditure in line with the cost containment regulations and the IDP priorities. Furthermore, the expenditure has been reduced to fund the previous budget deficits that resulted in an unfunded budget.

Capital budget funded through DORA allocated grants and subsidies to the municipality There is limited funding capital expenditure funded through internal funds.

**Employee Related costs –** A 2% increase have been provided for Councillors based on the recommendations contained in the Gazette Notice No 160 of 2021 from the Independent Commission for the Remuneration of Public Office Bearers issued in March 2021.

A provision of **Average CPI index** increase has been made for employee related costs in line with the 2021/2024 Wage Collective Agreement.

A detailed exercise of costing the organogram has been undertaken, this has resulted in savings being utilised to fill additional critical posts that have been identified during the annual review process.

Employee related costs excluding Councillor Allowances now represent **46%** of operating expenditure which is above NT maximum of **40%.** The following strategies are being deployed to curb the escalating personnel costs:

- Coordinate and institute wide revenue enhancement steering committee with the view of maximizing own revenue potential.
- Eliminating salary allowances that are outside the Main Collective Agreement.
- Prioritization of Job Evaluation process to ensure posts are remunerated at the correct level.
- Consolidate job functions into single posts to avoid duplicate positions in the organogram.



Reduce consulting fees by upskilling internal staff which will reduce operating expenditure and improve the ratio of employee costs.

**TOTAL BUDGET SUMMARY**

| DESCRIPTION | 2023/24 BUDGET |
|---|---|
| GRANTS & SUBSIDIES | R 223 710 000 |
| OPERATING REVENUE | R 60 570 943 |
| **TOTAL REVENUE BUDGET** | **R 284 280 943** |

| | |
|---|---|
| OPERATING EXPENDITURE | R 214 878 650 |
| CAPITAL EXPENDITURE | R 67 044 050 |
| **TOTAL EXPENDITURE BUDGET** | **R 281 922 700** |
| **Surplus/ (Deficit)** | **R 2 358 243 = SURPLUS** |

The budget will be monitored on the monthly and quarterly basis through the Section 71 and Section 52d reports which are submitted to the Office of the Mayor, IDP/Budget Steering Committee, Executive Committee and ultimately Council as per the approved Municipal Calendar.

Below is a Summary of the 2023/2024 Final Budget as contained in A1 of the Budget.

EC136 Emalahleni (Ec) - Table A1 Budget Summary

| Description | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| **Financial Performance** | | | | | | | | | | |
| Property rates | 7,770 | 9,893 | 10,978 | 15,120 | 15,120 | 15,120 | 15,120 | 15,573 | 16,041 | 16,522 |
| Service charges | 21,609 | 21,590 | 24,067 | 22,775 | 22,775 | 22,775 | 27,615 | 25,532 | 25,810 | 26,099 |
| Investment revenue | 1,385 | 2,274 | 3,982 | 4,108 | 4,108 | 4,108 | 4,108 | 4,579 | 4,538 | 4,600 |
| Transfer and subsidies - Operational | 132,733 | 163,877 | 145,637 | 153,909 | 155,059 | 155,059 | 155,059 | 162,516 | 169,622 | 162,811 |
| Other own revenue | 10,887 | 28,780 | 19,083 | 10,509 | 20,724 | 20,724 | 20,724 | 10,312 | 9,991 | 9,919 |
| **Total Revenue (excluding capital transfers and contributions)** | 174,384 | 226,414 | 203,747 | 206,421 | 217,785 | 217,785 | 222,625 | 218,512 | 226,002 | 219,950 |
| Employee costs | 85,809 | 85,521 | 89,770 | 99,426 | 90,092 | 90,092 | 90,092 | 98,050 | 102,583 | 107,709 |
| Remuneration of councillors | 13,486 | 13,442 | 13,389 | 13,600 | 13,872 | 13,872 | 13,872 | 14,243 | 14,955 | 15,703 |
| Depreciation and amortisation | 21,173 | 30,720 | 21,954 | 16,054 | 14,054 | 14,054 | 14,054 | 16,000 | 16,763 | 17,515 |
| Interest | 2,136 | 1,366 | 14 | 80 | 90 | 90 | 90 | 10 | 11 | 11 |
| Inventory consumed and bulk purchases | 15,081 | 16,895 | 17,264 | 15,489 | 17,893 | 17,893 | 17,893 | 18,714 | 19,563 | 20,446 |
| Transfers and subsidies | 222 | 349 | 3,696 | 1,315 | 1,683 | 1,683 | 1,683 | 2,183 | 2,192 | 2,952 |
| Other expenditure | 54,612 | 95,304 | 69,201 | 48,608 | 69,660 | 69,660 | 69,660 | 65,656 | 67,645 | 70,295 |
| **Total Expenditure** | 192,520 | 243,598 | 215,288 | 194,573 | 207,344 | 207,344 | 207,344 | 214,857 | 223,710 | 234,631 |
| **Surplus/(Deficit)** | (18,136) | (17,184) | (11,542) | 11,848 | 10,441 | 10,441 | 15,281 | 3,655 | 2,292 | (14,681) |
| Transfers and subsidies - capital (monetary allocations) | 31,875 | 46,110 | 53,046 | 73,220 | 72,720 | 72,720 | 72,720 | 62,394 | 56,601 | 59,757 |
| Transfers and subsidies - capital (in-kind) | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after capital transfers & contributions** | 13,739 | 28,926 | 41,504 | 85,068 | 83,161 | 83,161 | 88,001 | 66,049 | 58,893 | 45,076 |
| Share of Surplus/Deficit attributable to Associate | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) for the year** | 13,739 | 28,926 | 41,504 | 85,068 | 83,161 | 83,161 | 88,001 | 66,049 | 58,893 | 45,076 |
| **Capital expenditure & funds sources** | | | | | | | | | | |
| **Capital expenditure** | 29,236 | 59,388 | 43,486 | 85,763 | 80,678 | 80,678 | 80,678 | 66,194 | 58,833 | 62,275 |
| Transfers recognised - capital | 28,390 | 56,814 | 41,644 | 73,220 | 72,720 | 72,720 | 72,720 | 62,394 | 54,322 | 57,277 |
| Borrowing | – | – | – | – | – | – | – | – | – | – |
| Internally generated funds | 846 | 2,574 | 901 | 12,423 | 7,837 | 7,837 | 7,837 | 3,800 | 4,511 | 4,997 |
| **Total sources of capital funds** | 29,236 | 59,388 | 42,545 | 85,643 | 80,558 | 80,558 | 80,558 | 66,194 | 58,833 | 62,275 |
| **Financial position** | | | | | | | | | | |
| Total current assets | 35,816 | 95,923 | 134,076 | 176,752 | 131,526 | 131,526 | 131,526 | 166,083 | 174,157 | 182,679 |
| Total non current assets | 465,628 | 428,323 | 439,278 | 85,763 | 80,678 | 80,678 | 80,678 | 478,476 | 500,388 | 525,368 |
| Total current liabilities | 54,335 | 55,609 | 58,863 | 148,949 | 153,524 | 153,524 | 153,524 | 55,289 | 58,053 | 60,956 |
| Total non current liabilities | 2,263 | 13,558 | 13,512 | – | – | – | – | 13,466 | 14,140 | 14,847 |
| Community wealth/Equity | 369,202 | 470,037 | 502,230 | 85,068 | 83,161 | 83,161 | 83,161 | 610,787 | 619,973 | 622,988 |
| **Cash flows** | | | | | | | | | | |
| Net cash from (used) operating | (50,717) | (105,365) | 284,005 | 213,043 | 167,817 | 167,817 | 167,817 | 77,323 | 74,596 | 64,040 |
| Net cash from (used) investing | – | – | – | – | – | – | – | (62,394) | (56,601) | (59,757) |
| Net cash from (used) financing | – | – | – | – | – | – | – | – | – | – |
| **Cash/cash equivalents at the year end** | (50,717) | (105,365) | 284,005 | 213,043 | 167,817 | 167,817 | 167,817 | 14,929 | 32,924 | 37,207 |
| **Cash backing/surplus reconciliation** | | | | | | | | | | |
| Cash and investments available | 3,975 | 12,513 | 8,911 | 159,497 | 114,270 | 114,270 | 114,270 | 95,214 | 99,705 | 104,526 |
| Application of cash and investments | 54,111 | 56,902 | 60,962 | 167,647 | 172,222 | 172,222 | 172,222 | 19,865 | 18,626 | 17,511 |
| **Balance - surplus (shortfall)** | (50,136) | (44,389) | (52,051) | (8,150) | (57,951) | (57,951) | (57,951) | 75,350 | 81,079 | 87,014 |
| **Asset management** | | | | | | | | | | |
| Asset register summary (WDV) | 408,104 | 396,145 | 369,545 | 71,899 | 68,214 | 68,214 | | 424,166 | 452,267 | 470,090 |
| Depreciation | 13,190 | 16,319 | 21,954 | 16,054 | 14,054 | 14,054 | | 16,000 | 16,763 | 17,515 |
| Renewal and Upgrading of Existing Assets | 21,719 | 41,779 | 1,281 | 72,753 | 66,118 | 66,118 | | 61,303 | 52,987 | 58,335 |
| Repairs and Maintenance | 43,923 | 1,441 | 2,348 | 4,718 | 5,512 | 5,512 | | 17,933 | 18,683 | – |
| **Free services** | | | | | | | | | | |
| Cost of Free Basic Services provided | 5,400 | 5,400 | 5,400 | 5,500 | 5,742 | 6,000 | | 6,264 | 6,546 | 6,841 |
| Revenue cost of free services provided | – | – | – | – | – | – | | – | – | – |
| **Households below minimum service level** | | | | | | | | | | |
| Water: | – | – | – | – | – | – | | – | – | – |
| Sanitation/sewerage: | – | – | – | – | – | – | | – | – | – |
| Energy: | – | – | – | – | – | – | | – | – | – |
| Refuse: | – | – | – | – | – | – | | – | – | – |

**CAPITAL EXPENDITURE BUDGET**

The Capital expenditure budget is funded through conditional grant allocations as per DORA. Own funds are provided for the capital replacement of movable assets.

**Capital Expenditure** – The budget for 2023/24 is R 69.644 million which is a decrease of (11.034 million) when compared to R80.678 million for the 2022/23 financial year. The grants are funded from various sources, namely:

- Internally generated funds amounting to R4.770 million.
- MIG funding for capital construction assets amounting to R 32.512 million.
- INEP funding for electrification of rural households to the tune of R 24.881 million.

The detailed capital Projects for 2023/24 MTREF are shown on the table below.

The projects for 2023/24 to the amount of R69.644 million must still be provided through the IDP prioritization process. This is envisaged to be included in the 2023/24 Municipal IDP Development Process.

Below is the final capital expenditure :

| EC136 Emalahleni (Ec) - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Vote Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & | | |
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| <u>Capital Expenditure - Functional</u> | | | | | | | | | | | |
| ***Governance and administration*** | | **846** | **2,171** | **369** | **4,588** | **5,708** | **5,708** | **5,708** | **650** | **1,161** | **1,445** |
| Executive and council | | – | – | – | – | – | – | – | – | – | – |
| Finance and administration | | 846 | 2,171 | 369 | 4,588 | 5,708 | 5,708 | 5,708 | 650 | 1,161 | 1,445 |
| Internal audit | | – | – | – | – | – | – | – | – | – | – |
| ***Community and public safety*** | | **1,391** | **17,273** | **3,400** | **5,731** | **140** | **140** | **140** | **100** | **105** | **110** |
| Community and social services | | 1,607 | 12,154 | 4,348 | 5,731 | 140 | 140 | 140 | 0 | 0 | 0 |
| Sport and recreation | | (216) | 5,118 | (948) | – | – | – | – | 0 | 0 | 0 |
| Public safety | | – | – | – | – | – | – | – | 100 | 105 | 110 |
| Housing | | – | – | – | – | – | – | – | – | – | – |
| Health | | – | – | – | – | – | – | – | – | – | – |
| ***Economic and environmental services*** | | **26,999** | **38,581** | **39,117** | **47,244** | **47,129** | **47,129** | **47,129** | **39,763** | **39,182** | **40,748** |
| Planning and development | | – | 732 | – | – | – | – | – | 2,250 | 2,360 | 2,471 |
| Road transport | | 26,999 | 37,849 | 39,117 | 47,244 | 47,129 | 47,129 | 47,129 | 37,513 | 36,822 | 38,277 |
| Environmental protection | | – | – | – | – | – | – | – | – | – | – |
| ***Trading services*** | | **–** | **1,027** | **601** | **28,200** | **27,700** | **27,700** | **27,700** | **25,681** | **18,385** | **19,972** |
| Energy sources | | – | 8 | 18 | 28,200 | 27,700 | 27,700 | 27,700 | 25,581 | 18,235 | 19,772 |
| Water management | | – | – | – | – | – | – | – | – | – | – |
| Waste water management | | – | 1,019 | – | – | – | – | – | 0 | 0 | 0 |
| Waste management | | – | – | 583 | – | – | – | – | 100 | 150 | 200 |
| ***Other*** | | – | **336** | – | – | – | – | – | – | – | – |
| **Total Capital Expenditure - Functional** | 3 | **29,236** | **59,388** | **43,486** | **85,763** | **80,678** | **80,678** | **80,678** | **66,194** | **58,833** | **62,275** |
| <u>Funded by:</u> | | | | | | | | | | | |
| National Government | | 28,668 | (2,513) | 36,212 | 73,220 | 72,720 | 72,720 | 72,720 | 62,394 | 54,322 | 57,277 |
| Provincial Government | | (278) | 59,327 | 5,432 | – | – | – | – | 0 | 0 | 0 |
| District Municipality | | – | – | – | – | – | – | – | – | – | – |
| (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, | | – | – | – | – | – | – | – | – | – | – |
| **Transfers recognised - capital** | 4 | **28,390** | **56,814** | **41,644** | **73,220** | **72,720** | **72,720** | **72,720** | **62,394** | **54,322** | **57,277** |
| **Borrowing** | 6 | – | – | – | – | – | – | – | – | – | – |
| **Internally generated funds** | | 846 | 2,574 | 901 | 12,423 | 7,837 | 7,837 | 7,837 | 3,800 | 4,511 | 4,997 |
| **Total Capital Funding** | 7 | **29,236** | **59,388** | **42,545** | **85,643** | **80,558** | **80,558** | **80,558** | **66,194** | **58,833** | **62,275** |

## Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
2. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded". The municipality's budget is cash-funded and thus in compliance with the requirements of the MFMA.
3. As part of the budgeting and planning guidelines that informed the compilation of the 2023/24 MTREF the end objective of the medium-term framework was to ensure the budget is funded and aligned to section 18 of the MFMA.

Funded status of the Budget and new budget requests.

The Cash and investments available amounts to R614.116 million for 2023/24, R642.197 million and R674.306 million for the two outer years, which then reflects a funded budget. The other provisions included in the table below consists of reasonable expected outflows in relation to these provisions over the MTREF.

**EC136 Emalahleni (Ec) - Table A8 Cash backed reserves/accumulated surplus reconciliation**

| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| **Cash and investments available** | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | (50,717) | (105,365) | 284,005 | 213,043 | 167,817 | 167,817 | 167,817 | 14,929 | 32,924 | 37,207 |
| Other current investments > 90 days | | 54,692 | 117,877 | (275,095) | (53,546) | (53,546) | (53,546) | (53,546) | 80,285 | 66,781 | 67,319 |
| Non current Investments | 1 | – | – | – | – | – | – | – | 0 | 0 | 0 |
| **Cash and investments available:** | | **3,975** | **12,513** | **8,911** | **159,497** | **114,270** | **114,270** | **114,270** | **95,214** | **99,705** | **104,526** |
| **Application of cash and investments** | | | | | | | | | | | |
| Unspent conditional transfers | | 1,950 | 3,274 | 324 | 152,302 | 152,132 | 152,132 | 152,132 | 317 | 332 | 349 |
| Unspent borrowing | | – | – | – | – | – | – | – | – | – | – |
| Statutory requirements | 2 | 2,112 | 5,134 | 10,315 | 16,390 | 16,390 | 16,390 | 16,390 | 13,786 | 14,476 | 15,199 |
| Other working capital requirements | 3 | 17,948 | 31,049 | 30,886 | (1,045) | 3,700 | 3,700 | 3,700 | (26,553) | (30,113) | (33,665) |
| Other provisions | | 32,101 | 17,445 | 19,436 | – | 0 | 0 | 0 | 32,315 | 33,931 | 35,627 |
| Long term investments committed | 4 | – | – | – | – | – | – | – | – | – | – |
| Reserves to be backed by cash/investments | 5 | – | – | – | – | – | – | – | (0) | (0) | (0) |
| **Total Application of cash and investments:** | | **54,111** | **56,902** | **60,962** | **167,647** | **172,222** | **172,222** | **172,222** | **19,865** | **18,626** | **17,511** |
| **Surplus(shortfall)** | | **(50,136)** | **(44,389)** | **(52,051)** | **(8,150)** | **(57,951)** | **(57,951)** | **(57,951)** | **75,350** | **81,079** | **87,014** |

## COUNCIL RESOLUTIONS

The Council approves and takes the following resolutions for the final annual budget (MTREF) of 2023/24 financial year:

The Council of Emalahleni Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves:

1.1. The final budget of the municipality for the financial year 2023/2024 and the multi-year and single-year capital appropriations as set out in the following tables:
   1.1.1. Budget Summary reflected in Table A1
   1.1.2. Budgeted Financial Performance (revenue and expenditure by standard classification) reflected in Table A2;
   1.1.3. Budgeted Financial Performance (revenue and expenditure by municipal vote) reflected in Table A3;
   1.1.4. Budgeted Financial Performance (Revenue and Expenditure) reflected in Table A4;
   1.1.5. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source reflected in Table A5 as well as individual capital projects reflected under SA36;

1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables attached in the budget documentation:



   1.2.1. Budgeted Financial Position reflected in Table A6;
   1.2.2. Budgeted Cash Flows reflected in Table A7;
   1.2.3. Cash backed reserves and accumulated surplus reconciliation reflected in table A8;
   1.2.4. Asset management in Table A9; and
   1.2.5. Basic service delivery measurement reflected in Table A10.

2. The Council of Emalahleni Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts the following tariffs as set out and included in the budget documentation, with effect from 1 July 2023

3. Council resolves that the budget related policies reflected and listed below are approved for the budget year 2023/2024:
   - Budget Policy
   - Virement Policy
   - Cash and cash investment policy

- Cost containment policy
- Asset Management Policy
- Disposal Policy
- Credit control & Debt collection policy
- Tariff policy
- Indigent Support Policy
- Property rates policy
- Supply Chain Management Policy
- SCM Turnaround Policy
- Debt Impairment policy

4. To give proper effect to the municipality's annual budget, the Council of Emalahleni Municipality approves:

   That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting.

## EXECUTIVE SUMMARY

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

In view of the afore mentioned, the following table is a consolidated overview of the proposed 2023/2024 Medium-term Revenue and Expenditure Framework:

Total operating revenue has decreased by 3% for the 2023/2024 financial year when compared to the 2022/2023 Adjustments Budget. The revenue projections have been decreased owing to the contracted economic outlook and inflation rate of 3% as well as revenue collection performance in 2022/23 when compared to the approved budget projections, this has not allowed for any additional increases in revenue budget.



**The following is the basis of the final budget:**

- *Division of Revenue Bill Act No 48017 of 10 February 2023.*
- *Realistic anticipated revenues based on performance and plans for 2023/24, e.g.*

  1. ***Traffic Revenue** – calibration of VTS machine, employment of additional law enforcement officers, approval of by-laws to empower revenue generation capacity, solutions to the current network connectivity challenges.*
  2. ***Billable revenue** (property rates & waste management) increase based on additional properties contained in SV 3.6 and **3% inflation increase** based on the Budget circular. Municipality is in the process of appointing a debt collector in the **4th quarter** of 2022/23.*
  3. ***Non billable revenue** – projections are based on implementation of revenue enhancement strategy.*

- ***Personnel budget*** *has been increased by* ***5.4%*** *based on inflation estimates and the Wage Collective Agreement circular.*

- Decrease in capital acquisition *budget due to the municipal opting for the lease of moveable assets, this will result in the decrease of depreciation, maintenance costs and insurance costs.*

- Increase *in the infrastructure maintenance budget for electricity, stormwater and road maintenance programs.*

- *Alignment of the IDP and Budget by having* Top 20 priorities *to ensure maximum impact in the core business of the municipality.*

## FACTORS THAT WERE CONSIDERED IN FINALISING PREPARATION OF FINAL ANNUAL BUDGET

- Any applications or confirmation of funding/grants to be received by directorates to be considered in the draft annual budget.

- All Provincial and District allocations recognised in the Draft Budget are to be supported by allocation letters before final Budget is tabled or they will be removed from the Budget.

## EXPENDITURE

The 2023/24 final budget is limited to essential project expenditure in line with the cost containment policy and the IDP priorities.

Capital budget is mostly funded through DORA allocated grants and subsidies to the municipality. There is limited funding for capital expenditure funded through internal funds.

## REVENUE

### OPERATING REVENUE FRAMEWORK



For Emalahleni Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue Management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty.
The municipality strives to project realistic revenue projections as required by the MFMA. To achieve this requirement the municipality used the 2 prior year actual collections and the current half year collections to forecast the revenue budget for the 2023/2024 MTREF period. The municipality further used actuals billable property and debtor numbers to accurately forecast budget figures for property rates and refuse collection figures. All other applicable expectations and assumptions are also applied per revenue source.

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 4.9 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.
The percentage increases of Eskom bulk tariffs at 18% are far beyond the mentioned inflation target. Given that these tariff increases are determined by an external agency, the impact it has on the municipality's electricity tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability. The tariff increase for electricity is 15,1% that is in line with the NERSA guideline.

The Final Budget is based on the assumption of an average collection rate at about 85%. We will also endeavour to collect at least about R 10 million from the arear debtors book to cover for this collection rate.

The municipality budgets for the non-payment of accounts based on past experience of recovery rates. The municipality applies its Credit Control Policy stringently but there are always situations where there are defaults on payment. The contribution for bad debt remains unchanged at
R2 million in 2023/2024 financial year, which is the same as the prior year budget, this is largely due to the handover of over 90 days accounts to the debt collector.
It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

**Property Rates**

Property rates revenue is projected based on an actual calculation of the number of billable properties multiplied by the proposed tariff per property category. The proposed property rates tariff increase is 3%. This increase would see the current adjusted budget figure increase by this percentage from R15,120 million to R 15,573 million.
Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.



The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy to a maximum valuation of 80 000;
- The limit for indigent households is twice the amount of government social pensions.

The municipality investigates a tariff structure consistent with operational requirements but also to ensure that the ratepayers are not over-burdened.

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2023/24 financial year based on a general 3 per cent increase from 1 July 2023.

The municipality will be compiling a new general valuation roll with effect from 01 July 2023.

**Sale of Electricity and Impact of Tariff Increases**

Electricity has been adjusted to be increased by an average of 15,1% in the final budget in line with NERSA guidelines. These tariffs were approved by NERSA.

Considering the Eskom increases, the consumer tariff had to be increased by 15,1% when compared to 18% bulk purchase cost from 1 July 2023, this will result in a net loss of 3%. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity. Registered indigents will again be granted 50 kWh per 30-day period free of charge.

**<u>ELECTRICITY TARIFFS & CHARGES</u>**

Standard interest + 1.00% would be charged on all late payments.

Implementation subject to NERSA approval.

Tariffs are applicable throughout Emalahleni Municipality unless indicated otherwise.

This revenue source is driven by consumer demand. The municipality has observed a slight reduction in the demand as tariffs increases and electricity losses persist which has caused a slight reduction in the electricity revenue collected. There is also an indication that the adjusted budget figures had been over projected and this final budget seeks to realign this projection to more realistically collectable levels. This has resulted in the budget figures not necessarily reflecting the proposed tariff increases.

Electricity is regarded as a trading account which should make a profit, although NERSA monitors and limits this profit to about 3% if possible. The municipality does not make a profit on electricity and must implement ways of achieving a profit, without overburdening the consumers with exorbitant tariffs.

Electricity line losses should be continuously monitored as it can represent a significant financial loss for the municipality. In general electricity line losses of 10% are being regarded as "acceptable" in the industry and Emalahleni Municipality is well above that norm.

**Refuse**

The refuse revenue projections have been based on the number of billable debtor accounts as per category. This number of debtors are affected by the data cleansing exercises that the municipality is constantly engaging in that can cause a reduction or an increase in number of debtors to be billed.

**Agency Services**

Agency fees revenue have increased slightly in the 2024 financial year compared to the prior year. The municipality has considered the prior year actuals when projecting the revenue and this resulted in an above CPI increase when compared to the adjustment budget.

**License and Permits**

A new motor vehicle testing station (MVTS) was commissioned in the 2020/2021 financial year and this has not gotten off the ground due to technical challenges with testing equipment. There is no viable baseline due to previous underperformance.

**Rental facilities and Equipment**

This revenue source is affected by the expiration of lease agreements/rental agreements. The municipality is currently in the process of looking at expired lease agreements with the hope of signing new collectable agreements that will in the medium term again increase the revenue from the municipal rental income.

**Interest Earned on Outstanding Debtors**
The municipality proposes that an interest charge freeze be effected for all debtors who enters into a repayment agreement with the municipality and honours such an agreement as the municipality gears itself for vigorous debt collection processes in the medium term. This revenue source has subsequently been adjusted to accommodate the possible reduction in interest charges in the medium term.

**Fines and Penalties**
The current year collections for penalties was above average collection when compared with the 2 prior years. This trend is not necessarily sustainable and as such the municipality had projected a more averaged budget for the 2023/2024 financial year to cater for above average achievement in the current year and this resulted in a significant reduction in budget when compared with the adjustment budget figures.

**Other Revenue**

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

The municipality will also have to look to revamp its revenue enhancement strategy. The latter will assist the municipality to identify areas to improve their revenue collection. In the absence of a revenue enhancement strategy, the following information were used to help the municipality's revenue management.

- National Treasury's guidelines and macroeconomic policy
- Limited growth in the Municipality and continued economic development.
- Efficient revenue management, which aims to ensure an improve percentage increase in annual collection rate for property rates and other key service charges. This percentage is low compared to past history, but is being calculated conservatively due to the signs of financial stress currently being experienced.
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA)
- Achievement of full cost recovery of specific user charges especially in relation to trading services
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA)
- Increase ability to extend new services and recover costs.
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.



The inflation forecasts for the MTREF period is on average 4.8% per annum. The municipality's aim is to not exceed inflation in its annual tariff adjustments but external factors such as the Eskom increases and which are beyond the control of the municipality hampers this goal.

The following table is a summary of the 2023/2024 MTREF (classified by main revenue source):

**EC136 Emalahleni (Ec) - Table A4 Budgeted Financial Performance (revenue and expenditure)**

| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| **Revenue** | | | | | | | | | | | |
| **Exchange Revenue** | | | | | | | | | | | |
| Service charges - Electricity | 2 | 13,421 | 13,936 | 14,662 | 17,615 | 17,615 | 17,615 | 20,015 | 20,217 | 20,336 | 20,460 |
| Service charges - Water | 2 | - | - | - | - | - | - | - | 0 | 0 | 0 |
| Service charges - Waste Water Management | 2 | - | - | - | - | - | - | - | 0 | 0 | 0 |
| Service charges - Waste Management | 2 | 8,188 | 7,654 | 9,405 | 5,160 | 5,160 | 5,160 | 7,600 | 5,315 | 5,474 | 5,638 |
| Sale of Goods and Rendering of Services | | 111 | 91 | 78 | - | - | - | - | 149 | 142 | 153 |
| Agency services | | 537 | 1,712 | 2,090 | 1,591 | 1,591 | 1,591 | 1,591 | 1,600 | 1,650 | 1,700 |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | 4,352 | 2,663 | 2,878 | 380 | 3,594 | 3,594 | 3,594 | 391 | 409 | 428 |
| Interest earned from Current and Non Current Assets | | 1,385 | 2,274 | 3,982 | 4,108 | 4,108 | 4,108 | 4,108 | 4,579 | 4,538 | 4,600 |
| Dividends | | - | - | - | - | - | - | - | - | - | - |
| Rent on Land | | 1 | - | 6 | - | - | - | - | 125 | 150 | 175 |
| Rental from Fixed Assets | | 541 | 208 | 874 | 510 | 510 | 510 | 510 | 585 | 641 | 668 |
| Licence and permits | | 1,744 | 1,436 | 1,144 | 3,500 | 3,500 | 3,500 | 3,500 | 3,400 | 3,575 | 3,775 |
| Operational Revenue | | 1,392 | 19,909 | 7,168 | 2,699 | 9,699 | 9,699 | 9,699 | 1,903 | 1,245 | 768 |
| **Non-Exchange Revenue** | | | | | | | | | | | |
| Property rates | 2 | 7,770 | 9,893 | 10,978 | 15,120 | 15,120 | 15,120 | 15,120 | 15,573 | 16,041 | 16,522 |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 155 | 1,153 | 138 | 200 | 200 | 200 | 200 | 480 | 450 | 470 |
| Licences or permits | | - | - | - | - | - | - | - | - | - | - |
| Transfer and subsidies - Operational | | 132,733 | 163,877 | 145,637 | 153,909 | 155,059 | 155,059 | 155,059 | 162,516 | 169,622 | 162,811 |
| Interest | | 2,033 | 1,608 | 1,960 | 1,630 | 1,630 | 1,630 | 1,630 | 1,679 | 1,729 | 1,781 |
| Fuel Levy | | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | 20 | - | - | - | - | - | - | 0 | 0 | 0 |
| Other Gains | | - | - | 2,746 | - | - | - | - | - | - | - |
| Discontinued Operations | | | | | | | | | | | |
| **Total Revenue (excluding capital transfers and contribution** | | **174,384** | **226,414** | **203,747** | **206,421** | **217,785** | **217,785** | **222,625** | **218,512** | **226,002** | **219,950** |
| **Expenditure** | | | | | | | | | | | |
| Employee related costs | 2 | 85,809 | 85,521 | 89,770 | 99,426 | 90,092 | 90,092 | 90,092 | 98,050 | 102,583 | 107,709 |
| Remuneration of councillors | | 13,486 | 13,442 | 13,389 | 13,600 | 13,872 | 13,872 | 13,872 | 14,243 | 14,955 | 15,703 |
| Bulk purchases - electricity | 2 | 12,868 | 13,185 | 15,030 | 14,000 | 17,000 | 17,000 | 17,000 | 15,000 | 15,735 | 16,475 |
| Inventory consumed | 8 | 2,213 | 3,710 | 2,234 | 1,489 | 893 | 893 | 893 | 3,714 | 3,828 | 3,971 |
| Debt impairment | 3 | 11,462 | (16,936) | 4,481 | - | - | - | - | 2,000 | 2,060 | 2,184 |
| Depreciation and amortisation | | 21,173 | 30,720 | 21,954 | 16,054 | 14,054 | 14,054 | 14,054 | 16,000 | 16,763 | 17,515 |
| Interest | | 2,136 | 1,366 | 14 | 80 | 90 | 90 | 90 | 10 | 11 | 11 |
| Contracted services | | 21,108 | 32,291 | 24,198 | 19,221 | 32,713 | 32,713 | 32,713 | 21,344 | 21,331 | 21,980 |
| Transfers and subsidies | | 222 | 349 | 3,696 | 1,315 | 1,683 | 1,683 | 1,683 | 2,183 | 2,192 | 2,952 |
| Irrecoverable debts written off | | 1,850 | 8,324 | - | 2,000 | 2,000 | 2,000 | 2,000 | 0 | 0 | 0 |
| Operational costs | | 20,142 | 23,796 | 29,455 | 27,388 | 34,947 | 34,947 | 34,947 | 42,312 | 44,254 | 46,131 |
| Losses on disposal of Assets | | 51 | 47,829 | 11,067 | - | - | - | - | 0 | 0 | 0 |
| Other Losses | | - | - | - | - | - | - | - | - | - | - |
| **Total Expenditure** | | **192,520** | **243,598** | **215,288** | **194,573** | **207,344** | **207,344** | **207,344** | **214,857** | **223,710** | **234,631** |
| **Surplus/(Deficit)** | | **(18,136)** | **(17,184)** | **(11,542)** | **11,848** | **10,441** | **10,441** | **15,281** | **3,655** | **2,292** | **(14,681)** |
| Transfers and subsidies - capital (monetary allocations) | 6 | 31,875 | 46,110 | 53,046 | 73,220 | 72,720 | 72,720 | 72,720 | 62,394 | 56,601 | 59,757 |
| Transfers and subsidies - capital (in-kind) | 6 | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after capital transfers & contributions** | | **13,739** | **28,926** | **41,504** | **85,068** | **83,161** | **83,161** | **88,001** | **66,049** | **58,893** | **45,076** |
| Income Tax | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after income tax** | | **13,739** | **28,926** | **41,504** | **85,068** | **83,161** | **83,161** | **88,001** | **66,049** | **58,893** | **45,076** |
| Share of Surplus/Deficit attributable to Joint Venture | | – | – | – | – | – | – | – | – | – | – |
| Share of Surplus/Deficit attributable to Minorities | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) attributable to municipality** | | **13,739** | **28,926** | **41,504** | **85,068** | **83,161** | **83,161** | **88,001** | **66,049** | **58,893** | **45,076** |
| Share of Surplus/Deficit attributable to Associate | 7 | – | – | – | – | – | – | – | – | – | – |
| Intercompany/Parent subsidiary transactions | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) for the year** | 1 | **13,739** | **28,926** | **41,504** | **85,068** | **83,161** | **83,161** | **88,001** | **66,049** | **58,893** | **45,076** |

The percentage revenue from own sources increases during the budget year. In the two outer years of the MTREF the increases in revenue is fairly consistent. The growth in revenue contributions are indicated below (Excluding Capital Transfers). In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

*Comparison between current electricity charges and increases*

It should further be noted that NERSA has advised that a stepped tariff structure must be used. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The Municipality should comply with this requirement.

**Waste Removal and Impact of Tariff Increases**

The refuse revenue projections have been based on the number of billable debtor accounts as per category. This number of debtors are affected by the data cleansing exercises that the municipality is constantly engaging in that can cause a reduction or an increase in number of debtors to be billed.

The Municipality should implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main cost drivers for this section are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. In addition, the cost of new landfill sites, the effect of depreciation and rehabilitation on these landfill sites all plays an important role as cost drivers.

Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation should be incorporated into the next planning cycle.

Due to this deficit the Municipality did a benchmarking exercise with similar municipalities of the same size and magnitude and identified all services that were under charged and those that were over charged and aligned its own tariffs to these tariffs in order to attempt to at least reduce the loss/deficit currently endured from offering these services.

*Comparison between current waste removal fees and increases*

**Overall impact of tariff increases on households**

The following table shows the overall expected impact of the tariff increases on different households.



| REFUSE REMOVAL | | |
|---|---|---|
| Domestic consumers (once per week) | 146.90 | 168.93 |
| Commercial consumers ( once per week) | 335.76 | 386.12 |
| Commercial consumers ( two times per week) | 735.92 | 846.31 |
| Government consumers ( once per week ) | 1493.12 | 1717.09 |
| Commercial Skip Bins (2.5m³ capacity per collection) | 659.17 | 758.04 |
| Indigents | 146.90 | 168.93 |
| Subsidy - 100% | 146.90 | 168.93 |
| Effective charge | | |
| | | |
| Special refuse collection | 408.97 | 470.32 |
| Special refuse collection - Government and Commercial | 467.40 | 537.51 |
| Collection of garden refuse | 408.97 | 470.32 |
| Clearing of Vacant Plots | 697.59 | 802.23 |
| Tree felling - inside yard per tree | 4241.64 | 4877.89 |
| Tree Pruning - Inside Yard (per tree) | 2237.67 | 2573.32 |
| Building rubble - per load | 434.68 | 499.88 |
| Disposal of General Waste at Landfill Site | 394.95 | 454.19 |
| Disposal of Condemned Waste (per m³) plus special collection fee/Disposal fee | 236.04 | 271.44 |
| Grass Cutting - inside the yard - Residential | 724.47 | 833.14 |
| Grass Cutting - inside the yard - Governament and Commercial | 1070.34 | 1230.89 |

Note that in all instances the overall impact of the tariff increases on household's bills has a net average effect of about 3%.
The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by an external agency, the impact it has on the municipality's electricity tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability. The tariff increase for electricity is 15,10% that is in line with the NERSA guideline.

*Main operational expenditure categories for the 2023/2024 financial year*

**Priority given to repairs and maintenance**

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2023/2024 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset management policy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, National Treasury requires municipalities to adapt their costing systems to reflect these costs as Repairs and Maintenance. R16.559 million has been budgeted for repairs and maintenance in the MTREF which represents 8% of the total Operational expenditure.

During the compilation of the 2023/2024 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. The table below provides a breakdown of the repairs and maintenance in relation to asset class:

## EC136 Emalahleni (Ec) - Supporting Table SA34c Repairs and maintenance expenditure by asset class

| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| **Repairs and maintenance expenditure by Asset Class/Sub-class** | | | | | | | | | | |
| **Infrastructure** | | **2,598** | **(588)** | **643** | **1,950** | **2,329** | **2,329** | **11,640** | **12,210** | **12,784** |
| Roads Infrastructure | | – | – | – | 0 | 250 | 250 | 8,265 | 8,670 | 9,077 |
| *Roads* | | – | – | – | 0 | 0 | 0 | 0 | 0 | 0 |
| *Road Structures* | | – | – | – | – | 250 | 250 | 8,265 | 8,670 | 9,077 |
| Storm water Infrastructure | | 2,054 | 89 | 4 | 650 | 400 | 400 | 0 | 0 | 0 |
| *Storm water Conveyance* | | 2,054 | 89 | 4 | 650 | 400 | 400 | 0 | 0 | 0 |
| Electrical Infrastructure | | 545 | (676) | 639 | 1,300 | 1,679 | 1,679 | 3,055 | 3,205 | 3,355 |
| *Power Plants* | | – | – | – | – | – | – | 0 | 0 | 0 |
| *MV Substations* | | 187 | 209 | 421 | 500 | 200 | 200 | 200 | 210 | 220 |
| *MV Networks* | | 230 | (1,099) | 23 | 500 | 1,129 | 1,129 | 30 | 31 | 33 |
| *LV Networks* | | 128 | 213 | 195 | 300 | 350 | 350 | 2,825 | 2,963 | 3,103 |
| Solid Waste Infrastructure | | – | – | – | – | – | – | 320 | 336 | 351 |
| *Landfill Sites* | | – | – | – | – | – | – | 320 | 336 | 351 |
| *Waste Processing Facilities* | | – | – | – | – | – | – | 0 | 0 | 0 |
| Information and Communication Infrastructure | | – | – | – | – | – | – | 0 | 0 | 0 |
| *Capital Spares* | | – | – | – | – | – | – | 0 | 0 | 0 |
| **Community Assets** | | **36,323** | **96** | **–** | **468** | **518** | **518** | **670** | **929** | **939** |
| Community Facilities | | 36,303 | 96 | – | 468 | 518 | 518 | 670 | 929 | 939 |
| *Halls* | | 370 | 162 | – | 368 | 518 | 518 | 461 | 711 | 720 |
| *Cemeteries/Crematoria* | | 23 | – | – | 100 | – | – | 209 | 218 | 218 |
| *Parks* | | 35,829 | – | – | – | – | – | 0 | 0 | 0 |
| *Public Open Space* | | 81 | (65) | – | – | – | – | 0 | 0 | 0 |
| Sport and Recreation Facilities | | 20 | – | – | – | – | – | 0 | 0 | 0 |
| *Outdoor Facilities* | | 20 | – | – | – | – | – | 0 | 0 | 0 |
| **Heritage assets** | | – | – | – | – | – | – | – | – | – |
| Other Heritage | | – | – | – | – | – | – | – | – | – |
| **Investment properties** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| *Improved Property* | | – | – | – | – | – | – | – | – | – |
| *Unimproved Property* | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| *Improved Property* | | – | – | – | – | – | – | – | – | – |
| *Unimproved Property* | | – | – | – | – | – | – | – | – | – |
| **Other assets** | | **441** | **527** | **108** | **850** | **645** | **645** | **509** | **1,091** | **1,093** |
| Operational Buildings | | 441 | 366 | 108 | 850 | 645 | 645 | 509 | 1,091 | 1,093 |
| *Municipal Offices* | | 441 | 366 | 108 | 850 | 645 | 645 | 509 | 1,091 | 1,093 |
| Housing | | – | 161 | – | – | – | – | 0 | 0 | 0 |
| *Staff Housing* | | – | – | – | – | – | – | – | – | – |
| *Social Housing* | | – | 161 | – | – | – | – | 0 | 0 | 0 |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| **Biological or Cultivated Assets** | | – | – | – | – | – | – | – | – | – |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| **Intangible Assets** | | 70 | – | – | – | – | – | 0 | 0 | 0 |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | 70 | – | – | – | – | – | 0 | 0 | 0 |
| *Computer Software and Applications* | | 70 | – | – | – | – | – | 0 | 0 | 0 |
| **Computer Equipment** | | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | – | – | – | – | – | – | – | – | – |
| **Furniture and Office Equipment** | | – | – | – | – | – | – | – | – | – |
| Furniture and Office Equipment | | – | – | – | – | – | – | – | – | – |
| **Machinery and Equipment** | | 3,529 | 492 | – | 150 | 150 | 150 | 170 | 171 | 172 |
| Machinery and Equipment | | 3,529 | 492 | – | 150 | 150 | 150 | 170 | 171 | 172 |
| **Transport Assets** | | 962 | 859 | 1,598 | 1,170 | 1,870 | 1,870 | 2,970 | 3,432 | 3,595 |
| Transport Assets | | 962 | 859 | 1,598 | 1,170 | 1,870 | 1,870 | 2,970 | 3,432 | 3,595 |
| **Land** | | – | – | – | – | – | – | – | – | – |
| Land | | | | | | | | | | |
| **Zoo's, Marine and Non-biological Animals** | | – | 55 | – | 130 | – | – | 100 | 100 | 100 |
| Zoo's, Marine and Non-biological Animals | | – | 55 | – | 130 | – | – | 100 | 100 | 100 |
| **Total Repairs and Maintenance Expenditure** | 1 | **43,923** | **1,441** | **2,348** | **4,718** | **5,512** | **5,512** | **16,059** | **17,933** | **18,683** |

**Below is a table that reflects the detailed Maintenance of Gravel Roads projects for 2023/24 FY**

**Equitable Share (EQ)**

| **Wards to be Maintained** | **2023/24 Allocation** | **KM's** |
|---|---|---|
| | | |
| Ward 1 Gravel Road Maintenance | R 7 200 000.00 | 3 km |
| Ward 7 Gravel Road Maintenance | | 3 km |
| Ward 9 Gravel Road Maintenance | | 3 km |
| Ward 12 Gravel Road Maintenance | | 3 km |
| Ward 15 Gravel Road Maintenance | | 3 km |
| Ward 16 Gravel Road Maintenance | | 3 km |
| Ward 17 Gravel Road Maintenance | | 3 km |
| Ward 4 Paving of 200m for Cacadu Streets | | 200m |
| **Total Budget and Kms - EQ** | **R 7 200 000.00** | **21, 2 km** |

*Free Basic Services: Basic Social Services Package*

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register all indigent households during the 2023/2024 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained below.

The cost of the social package of the registered indigent households is financed by the municipality largely by utilising the municipality's unconditional equitable share, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue Act. The Transfer of grants for the purpose of free basic services totals R 7.498 million compromising of R 2.472 million for electricity, R 2.513 million for property rates and R 2.513 million for refuse for the 2023/2024 financial year and increases to R7.724 million and R7,955 million in 2024/2025 and 2025/2026 respectively.

Total revenue per municipal vote, including capital transfers, is listed below:

EC136 Emalahleni (Ec) - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

| Vote Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| **Revenue by Vote** | 1 | | | | | | | | | |
| Vote 1 - Executive and council | | 9,077 | 8,011 | 6,646 | 600 | 600 | 600 | 0 | 0 | 0 |
| Vote 2 - Corporate Services | | – | 20,973 | 109 | – | 2,199 | 2,199 | 1,200 | 1,236 | 1,273 |
| Vote 3 - Budget and Treasury | | 121,930 | 173,217 | 142,035 | 176,476 | 183,476 | 183,476 | 181,787 | 189,992 | 183,168 |
| Vote 4 - PEDTA | | 8 | 11 | 15 | (2,439) | (2,439) | (2,439) | 151 | 177 | 227 |
| Vote 5 - Community Services and Social Services | | 17,166 | 14,160 | 18,635 | 11,296 | 12,961 | 12,961 | 11,558 | 11,974 | 12,406 |
| Vote 6 - Infrastructure Development and Human Settle | | 50,307 | 46,258 | 78,375 | 93,708 | 93,708 | 93,708 | 86,210 | 79,225 | 82,633 |
| Vote 7 - COMMUNITY & SOCIAL SERVICES | | – | – | – | – | – | – | – | – | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | – | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | – | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | – | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – |
| **Total Revenue by Vote** | 2 | **198,489** | **262,630** | **245,814** | **279,641** | **290,505** | **290,505** | **280,906** | **282,603** | **279,707** |
| **Expenditure by Vote** ***to be appropriated*** | 1 | | | | | | | | | |
| Vote 1 - Executive and council | | 32,937 | 30,641 | 31,704 | 29,417 | 32,125 | 32,125 | 37,073 | 24,530 | 25,716 |
| Vote 2 - Corporate Services | | 21,082 | 28,659 | 22,324 | 37,116 | 36,366 | 36,366 | 13,914 | 12,285 | 12,730 |
| Vote 3 - Budget and Treasury | | 54,975 | 75,577 | 53,502 | 27,751 | 28,052 | 28,052 | 41,326 | 116,077 | 121,961 |
| Vote 4 - PEDTA | | 8,725 | 24,412 | 10,553 | 15,693 | 14,111 | 14,111 | 17,778 | 4,686 | 5,566 |
| Vote 5 - Community Services and Social Services | | 39,239 | 28,682 | 41,749 | 33,650 | 35,055 | 35,055 | 40,492 | 17,602 | 17,833 |
| Vote 6 - Infrastructure Development and Human Settle | | 35,562 | 55,627 | 55,457 | 50,946 | 61,635 | 61,635 | 64,274 | 48,530 | 50,826 |
| Vote 7 - COMMUNITY & SOCIAL SERVICES | | – | – | – | – | – | – | – | – | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | – | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | – | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | – | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – |
| **Total Expenditure by Vote** | 2 | **192,520** | **243,598** | **215,288** | **194,573** | **207,344** | **207,344** | **214,857** | **223,710** | **234,631** |
| **Surplus/(Deficit) for the year** | 2 | **5,969** | **19,033** | **30,526** | **85,068** | **83,161** | **83,161** | **66,049** | **58,893** | **45,076** |



Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality at 27%, but operating grants forms the major funding source at 73%.
This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity.
The above table excludes (Net of) revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Tariffs for indigent households are set out below:

| | |
|---|---|
| 1 | Rates free of charge to the value based on market value of his property to the maximum of R80 000 |

| | |
|---|---|
| 2 | 50 kWh free electricity per month |
| 3 | Free refuse x 4 removal per month |

Operating grants and transfers totals R161.316 million in the 2023/2024 financial year, decreases to, R161.186 million in 2024/2025 and increases to R161.357 million in 2025/2026. Operating grants usually fluctuates upwards or downwards from year-to-year, as the revenue recognition for such grants depends only on compliance with any conditions attached to such grants and it is also dependant on the funding available from the other spheres of Government. The unconditional Equitable Share Grant, however, is a grant growing annually according to a formula determined nationally and such formula is applicable to all local authorities on an equal basis. The contribution for Councillors Allowances also increased significantly for the budget year.
Revenue from capital transfers as indicated below decreases from R62.394 million in 2023/2024 to R56.601 million in 2024/2025 and increases to R59.757 million in 2025/2026.

Breakdown of Grants for the 2023/2024 financial year:

**GRANTS**

| **Revenue** | **Total** | **Operational** | **Capital** |
|---|---|---|---|
| **Transfers and subsidies** | **223 710 000,00** | **161 316 350,00** | **62 393 650,00** |
| MIG | 39 487 000,00 | 1 974 350,00 | 37 512 650,00 |
| FMG | 3 100 000,00 | 3 100 000,00 | - |
| INEP | 24 881 000,00 | - | 24 881 000,00 |
| EPWP | 1 416 000,00 | 1 416 000,00 | - |
| Equitable share | 153 876 000,00 | 153 876 000,00 | - |
| Library | 950 000,00 | 950 000,00 | - |



The **grants and subsidies** have **decreased by 1%** as compared to the 2022/23 DORA Bill.

## OPERATING EXPENDITURE FRAMEWORK

The 2023/24 final budget is limited to essential project expenditure in line with the cost containment policy and the IDP priorities.

The following table is a high-level summary of the 2023/2024 budget and MTREF (classified per main type of operating expenditure):

| Expenditure | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Employee related costs | 2 | 85,809 | 85,521 | 89,770 | 99,426 | 90,092 | 90,092 | 90,092 | 98,050 | 102,583 | 107,709 |
| Remuneration of councillors | | 13,486 | 13,442 | 13,389 | 13,600 | 13,872 | 13,872 | 13,872 | 14,243 | 14,955 | 15,703 |
| Bulk purchases - electricity | 2 | 12,868 | 13,185 | 15,030 | 14,000 | 17,000 | 17,000 | 17,000 | 15,000 | 15,735 | 16,475 |
| Inventory consumed | 8 | 2,213 | 3,710 | 2,234 | 1,489 | 893 | 893 | 893 | 3,714 | 3,828 | 3,971 |
| Debt impairment | 3 | 11,462 | (16,936) | 4,481 | - | - | - | - | 2,000 | 2,060 | 2,184 |
| Depreciation and amortisation | | 21,173 | 30,720 | 21,954 | 16,054 | 14,054 | 14,054 | 14,054 | 16,000 | 16,763 | 17,515 |
| Interest | | 2,136 | 1,366 | 14 | 80 | 90 | 90 | 90 | 10 | 11 | 11 |
| Contracted services | | 21,108 | 32,291 | 24,198 | 19,221 | 32,713 | 32,713 | 32,713 | 21,344 | 21,331 | 21,980 |
| Transfers and subsidies | | 222 | 349 | 3,696 | 1,315 | 1,683 | 1,683 | 1,683 | 2,183 | 2,192 | 2,952 |
| Irrecoverable debts written off | | 1,850 | 8,324 | - | 2,000 | 2,000 | 2,000 | 2,000 | 0 | 0 | 0 |
| Operational costs | | 20,142 | 23,796 | 29,455 | 27,388 | 34,947 | 34,947 | 34,947 | 42,312 | 44,254 | 46,131 |
| Losses on disposal of Assets | | 51 | 47,829 | 11,067 | - | - | - | - | 0 | 0 | 0 |
| Other Losses | | - | - | - | - | - | - | - | - | - | - |
| **Total Expenditure** | | **192,520** | **243,598** | **215,288** | **194,573** | **207,344** | **207,344** | **207,344** | **214,857** | **223,710** | **234,631** |

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 4.9 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.
The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by an external agency, the impact it has on the municipality's electricity tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability. The tariff increase for electricity is 3% that is in line with the NERSA guideline.

The Final Budget is based on the Assumption of an average collection rate at about 85%. We will also endeavour to collect at least about R 10 million from the arear debtors book to cover for this low collection rate.



The municipality budgets for the non-payment of accounts based on past experience of recovery rates. The municipality applies its Credit Control Policy stringently but there are always situations where there are defaults on payment. The contribution for bad debt is at R2 million in 2023/2024 financial year.
It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

### 1.1.1 Property Rates

Property rates revenue is projected based on an actual calculation of the number of billable properties multiplied by the proposed tariff per property category. The proposed property rates tariff increase is 3%. This increase would see the current adjusted budget figure increase by this percentage from R 11 million to R 15,120 million.
Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy to a maximum valuation of 80 000;
- The limit for indigent households is twice the amount of government social pensions.

The municipality investigates a tariff structure consistent with operational requirements but also to ensure that the ratepayers are not over-burdened.

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2023/24 financial year based on a general 4,5 per cent increase from 1 July 2023.

### 1.1.2 Sale of Electricity and Impact of Tariff Increases

Electricity has been adjusted to be increased by an average of 3% in the final budget in line with NERSA guidelines. These tariffs are subject to approval by NERSA.
Considering the Eskom increases, the consumer tariff had to be increased by 3% per cent to offset the additional bulk purchase cost from 1 July 2023. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity. Registered indigents will again be granted 50 kWh per 30-day period free of charge.

**ELECTRICITY TARIFFS & CHARGES**



Standard interest + 1.00% would be charged on all late payments.

Implementation subject to NERSA approval.

Tariffs are applicable throughout Emalahleni Municipality unless indicated otherwise.

This revenue source is driven by consumer demand. The municipality has observed a slight reduction in the demand as tariffs increases and electricity losses persist which has caused a slight reduction in the electricity revenue collected. There is also an indication that the adjusted budget figures had been over projected and this final budget seeks to realign this projection to more realistically collectable levels. This has resulted in the budget figures not necessarily reflecting the proposed tariff increases.
Electricity is regarded as a trading account which should make a profit, although NERSA monitors and limits this profit to about 3% if possible. The municipality does not make a profit on electricity and must implement ways of achieving a profit, without overburdening the consumers with exorbitant tariffs.

Electricity line losses should be continuously monitored as it can represent a significant financial loss for the municipality. In general electricity line losses of 18,9% are being regarded as “acceptable” in the industry and Emalahleni Municipality is well above that norm.

*Comparison between current electricity charges and increases*

It should further be noted that NERSA has advised that a stepped tariff structure must be used. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The Municipality should comply with this requirement.

### 1.1.3 Waste Removal and Impact of Tariff Increases

The refuse revenue projections have been based on the number of billable debtor accounts as per category. This number of debtors are affected by the data cleansing exercises that the municipality is constantly engaging in that can cause a reduction or an increase in number of debtors to be billed
The Municipality should implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main cost drivers for this section are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. In addition, the cost of new landfill sites, the effect of depreciation and rehabilitation on these landfill sites all plays an important role as cost drivers. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation should be incorporated into the next planning cycle.
Due to this deficit the Municipality did a benchmarking exercise with similar municipalities of the same size and magnitude and identified all services that were under charged and those that were over charged and aligned its own tariffs to these tariffs in order to attempt to at least reduce the loss/deficit currently endured from offering these services.

*Comparison between current waste removal fees and increases*

### 1.1.4 Overall impact of tariff increases on households

| REFUSE REMOVAL | | |
|---|---|---|
| Domestic consumers (once per week) | 146.90 | 168.93 |
| Commercial consumers ( once per week) | 335.76 | 386.12 |
| Commercial consumers ( two times per week) | 735.92 | 846.31 |
| Government consumers ( once per week ) | 1493.12 | 1717.09 |
| Commercial Skip Bins (2.5m³ capacity per collection) | 659.17 | 758.04 |
| Indigents | 146.90 | 168.93 |
| Subsidy - 100% | 146.90 | 168.93 |
| Effective charge | | |
| | | |
| Special refuse collection | 408.97 | 470.32 |
| Special refuse collection - Government and Commercial | 467.40 | 537.51 |
| Collection of garden refuse | 408.97 | 470.32 |
| Clearing of Vacant Plots | 697.59 | 802.23 |
| Tree felling - inside yard per tree | 4241.64 | 4877.89 |
| Tree Pruning - Inside Yard (per tree) | 2237.67 | 2573.32 |
| Building rubble - per load | 434.68 | 499.88 |
| Disposal of General Waste at Landfill Site | 394.95 | 454.19 |
| Disposal of Condemned Waste (per m³) plus special collection fee/Disposal fee | 236.04 | 271.44 |
| Grass Cutting - inside the yard - Residential | 724.47 | 833.14 |
| Grass Cutting - inside the yard - Governament and Commercial | 1070.34 | 1230.89 |

Note that in all instances the overall impact of the tariff increases on household’s bills has a net average effect of about 3%.

## 1.2 Operating Expenditure

## 1.3 Expenditure Framework

The Municipality's expenditure framework for the 2023/2024 budget and MTREF is informed by the following:

- Guidance provided by National Treasury in Circulars 75 to 123
- Balanced budget constraint (operating expenditure should not exceed operating

Revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

- Limitation on tariff increases.

The following table is a high-level summary of the 2023/2024 budget and MTREF (classified per main type of operating expenditure):

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Expenditure** | | | | | | | | | | | |
| Employee related costs | 2 | 85,809 | 85,521 | 89,770 | 99,426 | 90,092 | 90,092 | 90,092 | 98,050 | 102,583 | 107,709 |
| Remuneration of councillors | | 13,486 | 13,442 | 13,389 | 13,600 | 13,872 | 13,872 | 13,872 | 14,243 | 14,955 | 15,703 |
| Bulk purchases - electricity | 2 | 12,868 | 13,185 | 15,030 | 14,000 | 17,000 | 17,000 | 17,000 | 15,000 | 15,735 | 16,475 |
| Inventory consumed | 8 | 2,213 | 3,710 | 2,234 | 1,489 | 893 | 893 | 893 | 3,714 | 3,828 | 3,971 |
| Debt impairment | 3 | 11,462 | (16,936) | 4,481 | - | - | - | - | 2,000 | 2,060 | 2,184 |
| Depreciation and amortisation | | 21,173 | 30,720 | 21,954 | 16,054 | 14,054 | 14,054 | 14,054 | 16,000 | 16,763 | 17,515 |
| Interest | | 2,136 | 1,366 | 14 | 80 | 90 | 90 | 90 | 10 | 11 | 11 |
| Contracted services | | 21,108 | 32,291 | 24,198 | 19,221 | 32,713 | 32,713 | 32,713 | 21,344 | 21,331 | 21,980 |
| Transfers and subsidies | | 222 | 349 | 3,696 | 1,315 | 1,683 | 1,683 | 1,683 | 2,183 | 2,192 | 2,952 |
| Irrecoverable debts written off | | 1,850 | 8,324 | - | 2,000 | 2,000 | 2,000 | 2,000 | 0 | 0 | 0 |
| Operational costs | | 20,142 | 23,796 | 29,455 | 27,388 | 34,947 | 34,947 | 34,947 | 42,312 | 44,254 | 46,131 |
| Losses on disposal of Assets | | 51 | 47,829 | 11,067 | - | - | - | - | 0 | 0 | 0 |
| Other Losses | | - | - | - | - | - | - | - | - | - | - |
| **Total Expenditure** | | **192,520** | **243,598** | **215,288** | **194,573** | **207,344** | **207,344** | **207,344** | **214,857** | **223,710** | **234,631** |

**Employee Related costs** – A 3% increase have been provided for Councillors based on the recommendations contained in the Gazette Notice No 160 of 2021 from the Independent Commission for the Remuneration of Public Office Bearers issued in March 2021.

A provision of **Average CPI index** increase of 5,4% has been made for employee related costs in line with the 2021/2024 Wage Collective Agreement.

A detailed exercise of costing the organogram has been undertaken, this has resulted in savings being utilised to fill additional critical posts that have been identified during the annual review process.

Employee related costs excluding Councillor Allowances now represent 46% of operating expenditure which is above NT maximum of 40%.



But this is lower than the prior year. The following strategies are being deployed to curb the escalating personnel costs:

- Coordinate an institute wide revenue enhancement steering committee with the view of maximizing own revenue potential.
- Eliminating salary allowances that are outside the Main Collective Agreement.
- Prioritization of Job Evaluation process to ensure posts are remunerated at the correct level.
- Consolidate job functions into single posts to avoid duplicate positions in the organogram.
- Reduce consulting fees by upskilling internal staff which will reduce operating expenditure and improve the ratio of employee costs.

**Depreciation & Asset Impairment** – The 2023/24 budget amounts to **R 16 million** which is a **13.85%** increase from the 2022/23 budget of

**R 14,054 million**. For the two outer years there is a slight increase at R16.7963 million and R17.515 million respectively. Strides are being taken to gradually phase-in the cash backed surplus for depreciation. In the 2023/24 financial year, plans are on track to ensure the surplus equivalent to depreciation on movable assets is cash-backed. This will be achieved mainly by ring-fenced monies collected on long-outstanding debtors.

**Finance Charges** – A budget of R 10 000 has been allocated, this equates to R 80 000(88.9%) decrease from 2022/23 budget of R 90 000. For the two outer years there is a slight increase at R11 000 and R11 000 respectively This is due to the fact that the municipality does not have borrowings.

**Inventory consumed** – Inventory consumed is budgeted at R 3.754 million has been allocated for 2023/24, this equates to a R 2.861 million (320.38%) increase from 2022/23 budget of R 893 000. For the two outer years there is a slight increase at R 3.870 million and R 4.014 million respectively This increase is due to reclassification of repairs and maintenance expenditure to contracted services.

**Bulk Purchases** – Budget is at R 15,000 million, this is due to an average monthly invoice of R 1, 000 million from Eskom. This is an decrease of R2 million when compared to 2022/23 budget of R 17 million. For the two outer years there is a slight increase at R15.735 million and R16.475 million respectively. This variance is because there is an existing strategy to curb electricity losses which is already yielding positive results in the 2022/23 financial year. The electricity losses have been decreasing from 31% in 2021/22 to 19% in 2022/23. The municipality has also entered into an energy saving agreement with the view of reducing peak charges, this will result in decrease in Eskom invoices on a monthly basis.

**Contracted Services –** There has been a considerable decrease of R10.919 million (33.38%) in budget for contracted services which was budgeted for at R32.713 million in 2022/23, with the 2023/24 budget allocated at R 21.794 million. This is mainly due to the repairs and maintenance which was reclassified from inventory consumed to contracted services. There would have otherwise been a decrease mainly linked to the change in strategy of reducing consulting fees by in-sourcing tasks that were previously allocated to consultants. This is achievable by utilizing the new BTO appointments made in the 2021/22 & 2022/23. For the two outer years there is a nominal increase at R21.856 million and R22.529 million respectively An amount of R 16.559 million has been allocated for repairs and maintenance resulting in 8% of total allocation.

**Other expenditure –** The Audit Fees are budgeted at R 4,600 million for 2023/24 which is a (R 100 000) 2.22% increase from the 2022/23 actual fees incurred. This is due to the anticipated effectiveness of the audit action plan and the additional staff capacity already engaged.
The EPWP Grant will be used interchangeably between the three towns of Emalahleni for job creation opportunities over the MTREF period.

This will result to a projected surplus of R 2.358 million. This small surplus shows that zero based budgeting has been applied in preparing the budget.

EC136 Emalahleni (Ec) - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| **Revenue** | | | | | | | | | | | |
| **Exchange Revenue** | | | | | | | | | | | |
| Service charges - Electricity | 2 | 13,421 | 13,936 | 14,662 | 17,615 | 17,615 | 17,615 | 20,015 | 20,217 | 20,336 | 20,460 |
| Service charges - Water | 2 | - | - | - | - | - | - | - | 0 | 0 | 0 |
| Service charges - Waste Water Management | 2 | - | - | - | - | - | - | - | 0 | 0 | 0 |
| Service charges - Waste Management | 2 | 8,188 | 7,654 | 9,405 | 5,160 | 5,160 | 5,160 | 7,600 | 5,315 | 5,474 | 5,638 |
| Sale of Goods and Rendering of Services | | 111 | 91 | 78 | - | - | - | - | 149 | 142 | 153 |
| Agency services | | 537 | 1,712 | 2,090 | 1,591 | 1,591 | 1,591 | 1,591 | 1,600 | 1,650 | 1,700 |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | 4,352 | 2,663 | 2,878 | 380 | 3,594 | 3,594 | 3,594 | 391 | 409 | 428 |
| Interest earned from Current and Non Current Assets | | 1,385 | 2,274 | 3,982 | 4,108 | 4,108 | 4,108 | 4,108 | 4,579 | 4,538 | 4,600 |
| Dividends | | - | - | - | - | - | - | - | - | - | - |
| Rent on Land | | 1 | - | 6 | - | - | - | - | 125 | 150 | 175 |
| Rental from Fixed Assets | | 541 | 208 | 874 | 510 | 510 | 510 | 510 | 585 | 641 | 668 |
| Licence and permits | | 1,744 | 1,436 | 1,144 | 3,500 | 3,500 | 3,500 | 3,500 | 3,400 | 3,575 | 3,775 |
| Operational Revenue | | 1,392 | 19,909 | 7,168 | 2,699 | 9,699 | 9,699 | 9,699 | 1,903 | 1,245 | 768 |
| **Non-Exchange Revenue** | | | | | | | | | | | |
| Property rates | 2 | 7,770 | 9,893 | 10,978 | 15,120 | 15,120 | 15,120 | 15,120 | 15,573 | 16,041 | 16,522 |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 155 | 1,153 | 138 | 200 | 200 | 200 | 200 | 480 | 450 | 470 |
| Licences or permits | | - | - | - | - | - | - | - | - | - | - |
| Transfer and subsidies - Operational | | 132,733 | 163,877 | 145,637 | 153,909 | 155,059 | 155,059 | 155,059 | 162,516 | 169,622 | 162,811 |
| Interest | | 2,033 | 1,608 | 1,960 | 1,630 | 1,630 | 1,630 | 1,630 | 1,679 | 1,729 | 1,781 |
| Fuel Levy | | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | 20 | - | - | - | - | - | - | 0 | 0 | 0 |
| Other Gains | | - | - | 2,746 | - | - | - | - | - | - | - |
| Discontinued Operations | | | | | | | | | | | |
| **Total Revenue (excluding capital transfers and contribution** | | **174,384** | **226,414** | **203,747** | **206,421** | **217,785** | **217,785** | **222,625** | **218,512** | **226,002** | **219,950** |
| **Expenditure** | | | | | | | | | | | |
| Employee related costs | 2 | 85,809 | 85,521 | 89,770 | 99,426 | 90,092 | 90,092 | 90,092 | 98,050 | 102,583 | 107,709 |
| Remuneration of councillors | | 13,486 | 13,442 | 13,389 | 13,600 | 13,872 | 13,872 | 13,872 | 14,243 | 14,955 | 15,703 |
| Bulk purchases - electricity | 2 | 12,868 | 13,185 | 15,030 | 14,000 | 17,000 | 17,000 | 17,000 | 15,000 | 15,735 | 16,475 |
| Inventory consumed | 8 | 2,213 | 3,710 | 2,234 | 1,489 | 893 | 893 | 893 | 3,714 | 3,828 | 3,971 |
| Debt impairment | 3 | 11,462 | (16,936) | 4,481 | - | - | - | - | 2,000 | 2,060 | 2,184 |
| Depreciation and amortisation | | 21,173 | 30,720 | 21,954 | 16,054 | 14,054 | 14,054 | 14,054 | 16,000 | 16,763 | 17,515 |
| Interest | | 2,136 | 1,366 | 14 | 80 | 90 | 90 | 90 | 10 | 11 | 11 |
| Contracted services | | 21,108 | 32,291 | 24,198 | 19,221 | 32,713 | 32,713 | 32,713 | 21,344 | 21,331 | 21,980 |
| Transfers and subsidies | | 222 | 349 | 3,696 | 1,315 | 1,683 | 1,683 | 1,683 | 2,183 | 2,192 | 2,952 |
| Irrecoverable debts written off | | 1,850 | 8,324 | - | 2,000 | 2,000 | 2,000 | 2,000 | 0 | 0 | 0 |
| Operational costs | | 20,142 | 23,796 | 29,455 | 27,388 | 34,947 | 34,947 | 34,947 | 42,312 | 44,254 | 46,131 |
| Losses on disposal of Assets | | 51 | 47,829 | 11,067 | - | - | - | - | 0 | 0 | 0 |
| Other Losses | | - | - | - | - | - | - | - | - | - | - |
| **Total Expenditure** | | **192,520** | **243,598** | **215,288** | **194,573** | **207,344** | **207,344** | **207,344** | **214,857** | **223,710** | **234,631** |
| **Surplus/(Deficit)** | | **(18,136)** | **(17,184)** | **(11,542)** | **11,848** | **10,441** | **10,441** | **15,281** | **3,655** | **2,292** | **(14,681)** |
| Transfers and subsidies - capital (monetary allocations) | 6 | 31,875 | 46,110 | 53,046 | 73,220 | 72,720 | 72,720 | 72,720 | 62,394 | 56,601 | 59,757 |
| Transfers and subsidies - capital (in-kind) | 6 | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after capital transfers & contributions** | | **13,739** | **28,926** | **41,504** | **85,068** | **83,161** | **83,161** | **88,001** | **66,049** | **58,893** | **45,076** |
| Income Tax | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after income tax** | | **13,739** | **28,926** | **41,504** | **85,068** | **83,161** | **83,161** | **88,001** | **66,049** | **58,893** | **45,076** |
| Share of Surplus/Deficit attributable to Joint Venture | | – | – | – | – | – | – | – | – | – | – |
| Share of Surplus/Deficit attributable to Minorities | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) attributable to municipality** | | **13,739** | **28,926** | **41,504** | **85,068** | **83,161** | **83,161** | **88,001** | **66,049** | **58,893** | **45,076** |
| Share of Surplus/Deficit attributable to Associate | 7 | – | – | – | – | – | – | – | – | – | – |
| Intercompany/Parent subsidiary transactions | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) for the year** | 1 | **13,739** | **28,926** | **41,504** | **85,068** | **83,161** | **83,161** | **88,001** | **66,049** | **58,893** | **45,076** |

**Employee Related costs** – A 2% increase have been provided for Councillors based on the recommendations contained in the Gazette Notice No 160 of 2021 from the Independent Commission for the Remuneration of Public Office Bearers issued in March 2021.

A provision of **Average CPI index** increase has been made for employee related costs in line with the 2021/2024 Wage Collective Agreement.

A detailed exercise of costing the organogram has been undertaken, this has resulted in savings being utilised to fill additional critical posts that have been identified during the annual review process.

Employee related costs excluding Councillor Allowances now represent **46%** of operating expenditure which is above NT maximum of **40%.** The following strategies are being deployed to curb the escalating personnel costs:

- Co-ordinate an institute wide revenue enhancement steering committee with the view of maximizing own revenue potential;
- Eliminating salary allowances that are outside the Main Collective Agreement.

- ❖ Prioritization of Job Evaluation process to ensure posts are remunerated at the correct level.
- ❖ Consolidate job functions into single posts to avoid duplicate positions in the organogram.
- ❖ Reduce consulting fees by upskilling internal staff which will reduce operating expenditure and improve the ratio of employee costs.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been considered in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 85 per cent and the Debt Write-off Policy of the Municipality. For the 2023/2024 financial year, this amount equates to R2 million, R2 million and R2 million for the outer years. the amount has been conservatively estimated and there has been no write-offs in the current year, however the economy is on a downhill owing to high fuel prices and high food prices and is well known that consumers do not prioritise the paying of their municipal accounts and therefore these economic conditions will most probably be felt by the municipality and hence the increased provision for doubtful debts. While this expenditure is a non-cash flow item, it informs the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

**Depreciation & Asset Impairment –** The 2023/24 budget amounts to **R 16 million** which is a **13.85%** increase from the 2022/23 budget of
**R 14,054 million**. For the two outer years there is a slight increase at R16.7963 million and R17.515 million respectively. Strides are being taken to gradually phase-in the cash backed surplus for depreciation. In the 2023/24 financial year, plans are on track to ensure the surplus equivalent to depreciation on movable assets is cash-backed. This will be achieved mainly by ring-fenced monies collected on long-outstanding debtors.

**Finance Charges** – A budget of R 10 000 has been allocated, this equates to R 80 000(88.9%) decrease from 2022/23 budget of R 90 000. For the two outer years there is a slight increase at R11 000 and R11 000 respectively This is due to the fact that the municipality does not have borrowings.

**Inventory consumed –** Inventory consumed is budgeted at R 3.754 million has been allocated for 2023/24, this equates to a R 2.861 million (320.38%) increase from 2022/23 budget of R 893 000. For the two outer years there is a slight increase at R 3.870 million and R 4.014 million respectively This increase is due to reclassification of repairs and maintenance expenditure to contracted services.

**Bulk Purchases –** Budget is at R 15,000 million, this is due to an average monthly invoice of R 1, 000 million from Eskom. This is an decrease of R2 million when compared to 2022/23 budget of R 17 million. For the two outer years there is a slight increase at R15.735 million and R16.475 million respectively .This variance is because there is an existing strategy to curb electricity losses which is already yielding positive results in the 2022/23 financial year. The electricity losses have been decreasing from 31% in 2021/22 to 19% in 2022/23.

**Contracted Services –** There has been a considerable decrease of R10.919 million (33.38%) in budget for contracted services which was budgeted for at R32.713 million in 2022/23, with the 2023/24 budget allocated at R 21.794 million.This is mainly due to the repairs and maintenance which was reclassified from inventory consumed to contracted services. There would have otherwise been a decrease mainly linked to the change in strategy of reducing consulting fees by in-sourcing tasks that were previously allocated to consultants. This is achievable by utilizing the new BTO appointments made in the 2021/22 & 2022/23. For the two outer years there is a nominal increase at R21.856 million and R22.529 million respectively An amount of R 16.559 million has been allocated for repairs and maintenance resulting in 8% of total allocation.

**Other expenditure –** The Audit Fees are budgeted at R 4,600 million for 2023/24 which is a (R 100 000) 2.22% increase from the 2022/23 actual fees incurred. This is due to the anticipated effectiveness of the audit action plan and the additional staff capacity already engaged.
The EPWP Grant will be used interchangeably between the three towns of Emalahleni for the Paving of Roads over the MTREF period.

This will result to a projected surplus of R 4.107 million. This small surplus shows that zero based budgeting has been applied in preparing the budget.

*Main operational expenditure categories for the 2023/2024 financial year*

### 1.3.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality’s current infrastructure, the 2023/2024 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset management policy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, National Treasury requires municipalities to adapt their costing systems to reflect these costs as Repairs and Maintenance. R16.559 million has been budgeted for repairs and maintenance in the MTREF which represents 8% of the total Operational expenditure.

During the compilation of the 2023/2024 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality’s infrastructure and historic deferred maintenance. The table below provides a breakdown of the repairs and maintenance in relation to asset class:

**Below is a table that reflects the detailed Maintenance of Gravel Roads projects for 2023/24 FY**

**Equitable Share (EQ)**

| Wards to be Maintained | 2023/24 Allocation | KM’s |
|---|---|---|
| | | |
| Ward 1 Gravel Road Maintenance | | 3 km |
| Ward 7 Gravel Road Maintenance | | 3 km |
| Ward 9 Gravel Road Maintenance | | 3 km |
| Ward 12 Gravel Road Maintenance | R 7 200 000.00 | 3 km |
| Ward 15 Gravel Road Maintenance | | 3 km |
| Ward 16 Gravel Road Maintenance | | 3 km |
| Ward 17 Gravel Road Maintenance | | 3 km |
| Ward 4 Paving of 200m for Cacadu Streets | | 200m |
| **Total Budget and Kms - EQ** | **R 7 200 000.00** | **21, 2 km** |

During the compilation of the 2023/2024 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality’s infrastructure and historic deferred maintenance.

*Free Basic Services: Basic Social Services Package*

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the

Municipality’s Indigent Policy. The target is to register all indigent households during the 2023/2024 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained below.

The cost of the social package of the registered indigent households is financed by the municipality largely by utilising the municipality’s unconditional equitable share, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue Act. The Transfer of grants for the purpose of free basic services totals R 7.498 million compromising of R 2.472 million for electricity, R 2.513 million for property rates and R 2.513 million for refuse for the 2023/2024 financial year and increases to R7.724 million and R7,955 million in 2024/2025 and 2025/2026 respectively.

Total revenue per municipal vote, including capital transfers, is listed below:

**EC136 Emalahleni (Ec) - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

| Functional Classification Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| **Revenue - Functional** | | | | | | | | | | |
| ***Governance and administration*** | | **132,097** | **203,527** | **149,679** | **173,756** | **182,956** | **182,956** | **182,265** | **190,452** | **183,610** |
| Executive and council | | 9,201 | 8,011 | 6,646 | – | – | – | 0 | 0 | 0 |
| Finance and administration | | 122,896 | 195,516 | 143,034 | 173,756 | 182,956 | 182,956 | 182,265 | 190,452 | 183,610 |
| Internal audit | | – | – | – | – | – | – | – | – | – |
| ***Community and public safety*** | | **2,327** | **2,628** | **4,724** | **2,026** | **2,676** | **2,676** | **2,046** | **2,172** | **2,336** |
| Community and social services | | 1,852 | 1,069 | 3,734 | 1,036 | 1,686 | 1,686 | 994 | 1,002 | 1,050 |
| Sport and recreation | | 0 | – | 0 | – | – | – | 0 | 0 | 0 |
| Public safety | | 325 | 342 | 990 | 990 | 990 | 990 | 1,052 | 1,171 | 1,286 |
| Housing | | 150 | 1,217 | – | – | – | – | 0 | 0 | 0 |
| Health | | – | – | – | – | – | – | – | – | – |
| ***Economic and environmental services*** | | **35,868** | **27,658** | **43,785** | **49,808** | **49,808** | **49,808** | **41,003** | **41,244** | **42,992** |
| Planning and development | | 35,868 | 43,496 | 37,584 | 49,808 | 49,808 | 49,808 | 41,003 | 41,244 | 42,992 |
| Road transport | | – | (15,839) | 6,202 | – | – | – | 0 | 0 | 0 |
| Environmental protection | | – | – | – | – | – | – | – | – | – |
| ***Trading services*** | | **26,330** | **27,241** | **46,247** | **49,360** | **50,375** | **50,375** | **50,522** | **43,455** | **45,279** |
| Energy sources | | 14,289 | 17,383 | 34,590 | 43,900 | 43,900 | 43,900 | 45,207 | 37,981 | 39,641 |
| Water management | | – | – | – | – | – | – | – | – | – |
| Waste water management | | – | – | – | – | – | – | – | – | – |
| Waste management | | 12,041 | 9,858 | 11,656 | 5,460 | 6,475 | 6,475 | 5,315 | 5,474 | 5,638 |
| ***Other*** | 4 | **1,866** | **1,577** | **1,379** | **4,691** | **4,691** | **4,691** | **5,070** | **5,280** | **5,490** |
| **Total Revenue - Functional** | 2 | **198,489** | **262,630** | **245,814** | **279,641** | **290,505** | **290,505** | **280,906** | **282,603** | **279,707** |
| **Expenditure - Functional** | | | | | | | | | | |
| ***Governance and administration*** | | **94,789** | **144,440** | **115,637** | **100,687** | **106,232** | **106,232** | **105,586** | **158,361** | **165,871** |
| Executive and council | | 11,578 | 28,677 | 30,187 | 26,468 | 28,842 | 28,842 | 33,423 | 22,436 | 23,564 |
| Finance and administration | | 82,319 | 114,833 | 84,943 | 72,415 | 75,236 | 75,236 | 70,382 | 135,582 | 141,948 |
| Internal audit | | 892 | 931 | 508 | 1,805 | 2,155 | 2,155 | 1,781 | 343 | 359 |
| ***Community and public safety*** | | **8,220** | **32,137** | **31,124** | **36,199** | **29,579** | **29,579** | **31,580** | **6,141** | **6,960** |
| Community and social services | | 8,285 | 26,916 | 22,709 | 23,329 | 16,949 | 16,949 | 19,179 | 5,991 | 6,810 |
| Sport and recreation | | 1,784 | 1,739 | 3,921 | 4,785 | 4,785 | 4,785 | 5,005 | 0 | 0 |
| Public safety | | (4,148) | 2,129 | 2,149 | 2,514 | 2,485 | 2,485 | 2,478 | 150 | 150 |
| Housing | | 2,300 | 1,353 | 2,344 | 5,571 | 5,361 | 5,361 | 4,918 | 0 | 0 |
| Health | | – | – | – | – | – | – | – | – | – |
| ***Economic and environmental services*** | | **27,883** | **38,413** | **34,888** | **30,712** | **39,517** | **39,517** | **45,841** | **34,092** | **35,692** |
| Planning and development | | 24,540 | 27,337 | 31,137 | 27,410 | 36,235 | 36,235 | 44,178 | 34,092 | 35,692 |
| Road transport | | 3,343 | 11,076 | 3,751 | 3,302 | 3,282 | 3,282 | 1,663 | 0 | 0 |
| Environmental protection | | – | – | – | – | – | – | – | – | – |
| ***Trading services*** | | **59,332** | **24,734** | **30,736** | **23,476** | **28,427** | **28,427** | **28,416** | **24,467** | **25,444** |
| Energy sources | | 18,255 | 24,162 | 21,858 | 20,360 | 23,039 | 23,039 | 20,762 | 18,152 | 19,010 |
| Water management | | – | – | – | – | – | – | – | – | – |
| Waste water management | | 3,723 | 1,798 | 1,495 | 986 | 736 | 736 | 352 | 0 | 0 |
| Waste management | | 37,355 | (1,226) | 7,383 | 2,130 | 4,652 | 4,652 | 7,302 | 6,315 | 6,433 |
| ***Other*** | 4 | **2,295** | **3,873** | **2,903** | **3,499** | **3,589** | **3,589** | **3,434** | **650** | **665** |
| **Total Expenditure - Functional** | 3 | **192,520** | **243,598** | **215,288** | **194,573** | **207,344** | **207,344** | **214,857** | **223,710** | **234,631** |
| **Surplus/(Deficit) for the year** | | **5,969** | **19,033** | **30,526** | **85,068** | **83,161** | **83,161** | **66,049** | **58,893** | **45,076** |

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 4.9 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.
The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by an external agency, the impact it has on the municipality's electricity tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability. The tariff increase for electricity is 3% that is in line with the NERSA guideline.
The Final Budget is based on the Assumption of an average collection rate at about 85%. We will also endeavour to collect at least about R 10 million from the arear debtors book to cover for this low collection rate.

The municipality budgets for the non-payment of accounts based on past experience of recovery rates. The municipality applies its Credit Control Policy stringently but there are always situations where there are defaults on payment. The contribution for bad debt is at R2 million in 2023/2024 financial year. For the two outer years of the MTREF there is a nominal increase at R 2.060 million and R 2.184 million respectively
It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

**Property Rates**
Property rates revenue is projected based on an actual calculation of the number of billable properties multiplied by the proposed tariff per property category. The proposed property rates tariff increase is 3%. This increase would see the current adjusted budget figure increase by this percentage from R 15.120 million to R 1573 million.
Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.



The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy to a maximum valuation of 80 000;
- The limit for indigent households is twice the amount of government social pensions.

The municipality investigates a tariff structure consistent with operational requirements but also to ensure that the ratepayers are not over-burdened.
The categories of rateable properties for purposes of levying rates and the proposed rates for the 2023/24 financial year based on a general 3 per cent increase from 1 July 2023.

**Sale of Electricity and Impact of Tariff Increases**

Electricity has been adjusted to be increased by an average of 3% in the final budget in line with NERSA guidelines. These tariffs are subject to approval by NERSA.
Considering the Eskom increases, the consumer tariff had to be increased by 3% per cent to offset the additional bulk purchase cost from 1 July 2023. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity. Registered indigents will again be granted 50 kWh per 30-day period free of charge.

**ELECTRICITY TARIFFS & CHARGES**

Standard interest + 1.00% would be charged on all late payments.
Implementation subject to NERSA approval.
Tariffs are applicable throughout Emalahleni Municipality unless indicated otherwise.
This revenue source is driven by consumer demand. The municipality has observed a slight reduction in the demand as tariffs increases and electricity losses persist which has caused a slight reduction in the electricity revenue collected. There is also an indication that the adjusted budget figures had been over projected and this final budget seeks to realign this projection to more realistically collectable levels. This has resulted in the budget figures not necessarily reflecting the proposed tariff increases.
Electricity is regarded as a trading account which should make a profit, although NERSA monitors and limits this profit to about 3% if possible. The municipality does not make a profit on electricity and must implement ways of achieving a profit, without overburdening the consumers with exorbitant tariffs.
Electricity line losses should be continuously monitored as it can represent a significant financial loss for the municipality. In general electricity line losses of 18,9% are being regarded as "acceptable" in the industry and Emalahleni Municipality is well above that norm.

**Comparison between current electricity charges and increases**

It should further be noted that NERSA has advised that a stepped tariff structure must be used. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The Municipality should comply with this requirement.

**Waste Removal and Impact of Tariff Increases**

The refuse revenue projections have been based on the number of billable debtor accounts as per category. This number of debtors are affected by the data cleansing exercises that the municipality is constantly engaging in that can cause a reduction or an increase in number of debtors to be billed
The Municipality should implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main cost drivers for this section are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. In addition, the cost of new landfill sites, the effect of depreciation and rehabilitation on these landfill sites all plays an important role as cost drivers. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation should be incorporated into the next planning cycle.
Due to this deficit the Municipality did a benchmarking exercise with similar municipalities of the same size and magnitude and identified all services that were under charged and those that were over charged and aligned its own tariffs to these tariffs in order to attempt to at least reduce the loss/deficit currently endured from offering these services.

**Comparison between current waste removal fees and increases**

**Overall impact of tariff increases on households**

The following table shows the overall expected impact of the tariff increases on different households:

| REFUSE REMOVAL | | |
|---|---|---|
| Domestic consumers (once per week) | 146.90 | 168.93 |
| Commercial consumers ( once per week) | 335.76 | 386.12 |
| Commercial consumers ( two times per week) | 735.92 | 846.31 |
| Government consumers ( once per week ) | 1493.12 | 1717.09 |
| Commercial Skip Bins (2.5m³ capacity per collection) | 659.17 | 758.04 |
| Indigents | 146.90 | 168.93 |
| Subsidy - 100% | 146.90 | 168.93 |
| Effective charge | | |
| | | |
| Special refuse collection | 408.97 | 470.32 |
| Special refuse collection - Government and Commercial | 467.40 | 537.51 |
| Collection of garden refuse | 408.97 | 470.32 |
| Clearing of Vacant Plots | 697.59 | 802.23 |
| Tree felling - inside yard per tree | 4241.64 | 4877.89 |
| Tree Pruning - Inside Yard (per tree) | 2237.67 | 2573.32 |
| Building rubble - per load | 434.68 | 499.88 |
| Disposal of General Waste at Landfill Site | 394.95 | 454.19 |
| Disposal of Condemned Waste (per m³) plus special collection fee/Disposal fee | 236.04 | 271.44 |
| Grass Cutting - inside the yard - Residential | 724.47 | 833.14 |
| Grass Cutting - inside the yard - Governament and Commercial | 1070.34 | 1230.89 |

Note that in all instances the overall impact of the tariff increases on household's bills has a net average effect of about 3%.

**Operating Expenditure Framework**

The Municipality's expenditure framework for the 2023/2024 budget and MTREF is informed by the following:

- Guidance provided by National Treasury in Circulars 75 to 123
- Balanced budget constraint (operating expenditure should not exceed operating

Revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

- Limitation on tariff increases.

The following table is a high-level summary of the 2023/2024 budget and MTREF (classified per main type of operating expenditure):

EC136 Emalahleni (Ec) - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| **Revenue** | | | | | | | | | | | |
| **Exchange Revenue** | | | | | | | | | | | |
| Service charges - Electricity | 2 | 13,421 | 13,936 | 14,662 | 17,615 | 17,615 | 17,615 | 20,015 | 20,217 | 20,336 | 20,460 |
| Service charges - Water | 2 | - | - | - | - | - | - | - | 0 | 0 | 0 |
| Service charges - Waste Water Management | 2 | - | - | - | - | - | - | - | 0 | 0 | 0 |
| Service charges - Waste Management | 2 | 8,188 | 7,654 | 9,405 | 5,160 | 5,160 | 5,160 | 7,600 | 5,315 | 5,474 | 5,638 |
| Sale of Goods and Rendering of Services | | 111 | 91 | 78 | - | - | - | - | 149 | 142 | 153 |
| Agency services | | 537 | 1,712 | 2,090 | 1,591 | 1,591 | 1,591 | 1,591 | 1,600 | 1,650 | 1,700 |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | 4,352 | 2,663 | 2,878 | 380 | 3,594 | 3,594 | 3,594 | 391 | 409 | 428 |
| Interest earned from Current and Non Current Assets | | 1,385 | 2,274 | 3,982 | 4,108 | 4,108 | 4,108 | 4,108 | 4,579 | 4,538 | 4,600 |
| Dividends | | - | - | - | - | - | - | - | - | - | - |
| Rent on Land | | 1 | - | 6 | - | - | - | - | 125 | 150 | 175 |
| Rental from Fixed Assets | | 541 | 208 | 874 | 510 | 510 | 510 | 510 | 585 | 641 | 668 |
| Licence and permits | | 1,744 | 1,436 | 1,144 | 3,500 | 3,500 | 3,500 | 3,500 | 3,400 | 3,575 | 3,775 |
| Operational Revenue | | 1,392 | 19,909 | 7,168 | 2,699 | 9,699 | 9,699 | 9,699 | 1,903 | 1,245 | 768 |
| **Non-Exchange Revenue** | | | | | | | | | | | |
| Property rates | 2 | 7,770 | 9,893 | 10,978 | 15,120 | 15,120 | 15,120 | 15,120 | 15,573 | 16,041 | 16,522 |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 155 | 1,153 | 138 | 200 | 200 | 200 | 200 | 480 | 450 | 470 |
| Licences or permits | | - | - | - | - | - | - | - | - | - | - |
| Transfer and subsidies - Operational | | 132,733 | 163,877 | 145,637 | 153,909 | 155,059 | 155,059 | 155,059 | 162,516 | 169,622 | 162,811 |
| Interest | | 2,033 | 1,608 | 1,960 | 1,630 | 1,630 | 1,630 | 1,630 | 1,679 | 1,729 | 1,781 |
| Fuel Levy | | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | 20 | - | - | - | - | - | - | 0 | 0 | 0 |
| Other Gains | | - | - | 2,746 | - | - | - | - | - | - | - |
| Discontinued Operations | | | | | | | | | | | |
| **Total Revenue (excluding capital transfers and contribution** | | **174,384** | **226,414** | **203,747** | **206,421** | **217,785** | **217,785** | **222,625** | **218,512** | **226,002** | **219,950** |
| **Expenditure** | | | | | | | | | | | |
| Employee related costs | 2 | 85,809 | 85,521 | 89,770 | 99,426 | 90,092 | 90,092 | 90,092 | 98,050 | 102,583 | 107,709 |
| Remuneration of councillors | | 13,486 | 13,442 | 13,389 | 13,600 | 13,872 | 13,872 | 13,872 | 14,243 | 14,955 | 15,703 |
| Bulk purchases - electricity | 2 | 12,868 | 13,185 | 15,030 | 14,000 | 17,000 | 17,000 | 17,000 | 15,000 | 15,735 | 16,475 |
| Inventory consumed | 8 | 2,213 | 3,710 | 2,234 | 1,489 | 893 | 893 | 893 | 3,714 | 3,828 | 3,971 |
| Debt impairment | 3 | 11,462 | (16,936) | 4,481 | - | - | - | - | 2,000 | 2,060 | 2,184 |
| Depreciation and amortisation | | 21,173 | 30,720 | 21,954 | 16,054 | 14,054 | 14,054 | 14,054 | 16,000 | 16,763 | 17,515 |
| Interest | | 2,136 | 1,366 | 14 | 80 | 90 | 90 | 90 | 10 | 11 | 11 |
| Contracted services | | 21,108 | 32,291 | 24,198 | 19,221 | 32,713 | 32,713 | 32,713 | 21,344 | 21,331 | 21,980 |
| Transfers and subsidies | | 222 | 349 | 3,696 | 1,315 | 1,683 | 1,683 | 1,683 | 2,183 | 2,192 | 2,952 |
| Irrecoverable debts written off | | 1,850 | 8,324 | - | 2,000 | 2,000 | 2,000 | 2,000 | 0 | 0 | 0 |
| Operational costs | | 20,142 | 23,796 | 29,455 | 27,388 | 34,947 | 34,947 | 34,947 | 42,312 | 44,254 | 46,131 |
| Losses on disposal of Assets | | 51 | 47,829 | 11,067 | - | - | - | - | 0 | 0 | 0 |
| Other Losses | | - | - | - | - | - | - | - | - | - | - |
| **Total Expenditure** | | **192,520** | **243,598** | **215,288** | **194,573** | **207,344** | **207,344** | **207,344** | **214,857** | **223,710** | **234,631** |
| **Surplus/(Deficit)** | | **(18,136)** | **(17,184)** | **(11,542)** | **11,848** | **10,441** | **10,441** | **15,281** | **3,655** | **2,292** | **(14,681)** |
| Transfers and subsidies - capital (monetary allocations) | 6 | 31,875 | 46,110 | 53,046 | 73,220 | 72,720 | 72,720 | 72,720 | 62,394 | 56,601 | 59,757 |
| Transfers and subsidies - capital (in-kind) | 6 | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after capital transfers & contributions** | | **13,739** | **28,926** | **41,504** | **85,068** | **83,161** | **83,161** | **88,001** | **66,049** | **58,893** | **45,076** |
| Income Tax | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after income tax** | | **13,739** | **28,926** | **41,504** | **85,068** | **83,161** | **83,161** | **88,001** | **66,049** | **58,893** | **45,076** |
| Share of Surplus/Deficit attributable to Joint Venture | | – | – | – | – | – | – | – | – | – | – |
| Share of Surplus/Deficit attributable to Minorities | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) attributable to municipality** | | **13,739** | **28,926** | **41,504** | **85,068** | **83,161** | **83,161** | **88,001** | **66,049** | **58,893** | **45,076** |
| Share of Surplus/Deficit attributable to Associate | 7 | – | – | – | – | – | – | – | – | – | – |
| Intercompany/Parent subsidiary transactions | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) for the year** | 1 | **13,739** | **28,926** | **41,504** | **85,068** | **83,161** | **83,161** | **88,001** | **66,049** | **58,893** | **45,076** |

**Employee Related costs** – A 2% increase have been provided for Councillors based on the recommendations contained in the Gazette Notice No 160 of 2021 from the Independent Commission for the Remuneration of Public Office Bearers issued in March 2021.

A provision of **Average CPI index** increase has been made for employee related costs in line with the 2021/2024 Wage Collective Agreement.

A detailed exercise of costing the organogram has been undertaken, this has resulted in savings being utilised to fill additional critical posts that have been identified during the annual review process.

Employee related costs excluding Councillor Allowances now represent **49%** of operating expenditure which is above NT maximum of **40%.** The following strategies are being deployed to curb the escalating personnel costs:

- Co-ordinate an institute wide revenue enhancement steering committee with the view of maximizing own revenue potential;

- ❖ Eliminating salary allowances that are outside the Main Collective Agreement.
- ❖ Prioritization of Job Evaluation process to ensure posts are remunerated at the correct level.
- ❖ Consolidate job functions into single posts to avoid duplicate positions in the organogram.
- ❖ Reduce consulting fees by upskilling internal staff which will reduce operating expenditure and improve the ratio of employee costs.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been considered in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 85 per cent and the Debt Write-off Policy of the Municipality. For the 2023/2024 financial year, this amount equates to R2 million, R2 million and R2 million for the outer years. the amount has been conservatively estimated and there has been no write-offs in the current year, however the economy is on a downhill owing to high fuel prices and high food prices and is well known that consumers do not prioritise the paying of their municipal accounts and therefore these economic conditions will most probably be felt by the municipality and hence the increased provision for doubtful debts. While this expenditure is a non-cash flow item, it informs the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

**Depreciation & Asset Impairment** – The 2023/24 budget amounts to **R 16 million** which is a **13.85%** increase from the 2022/23 budget of
**R 14,054 million**. For the two outer years there is a slight increase at R16.7963 million and R17.515 million respectively. Strides are being taken to gradually phase-in the cash backed surplus for depreciation. In the 2023/24 financial year, plans are on track to ensure the surplus equivalent to depreciation on movable assets is cash-backed. This will be achieved mainly by ring-fenced monies collected on long-outstanding debtors.

**Finance Charges** – A budget of R 10 000 has been allocated, this equates to R 80 000(88.9%) decrease from 2022/23 budget of R 90 000. For the two outer years there is a slight increase at R11 000 and R11 000 respectively This is due to the fact that the municipality does not have borrowings.

**Inventory consumed** – Inventory consumed is budgeted at R 3.754 million has been allocated for 2023/24, this equates to a R 2.861 million (320.38%) increase from 2022/23 budget of R 893 000. For the two outer years there is a slight increase at R 3.870 million and R 4.014 million respectively This increase is due to reclassification of repairs and maintenance expenditure to contracted services.

**Bulk Purchases** – Budget is at R 15,000 million, this is due to an average monthly invoice of R 1, 000 million from Eskom. This is an decrease of R2 million when compared to 2022/23 budget of R 17 million. For the two outer years there is a slight increase at R15.735 million and R16.475 million respectively .This variance is because there is an existing strategy to curb electricity losses which is already yielding positive results in the 2022/23 financial year. The electricity losses have been decreasing from 31% in 2021/22 to 19% in 2022/23.

**Contracted Services** – There has been a considerable decrease of R10.919 million (33.38%) in budget for contracted services which was budgeted for at R32.713 million in 2022/23, with the 2023/24 budget allocated at R 21.794 million.This is mainly due to the repairs and maintenance which was reclassified from inventory consumed to contracted services. There would have otherwise been a decrease mainly linked to the change in strategy of reducing consulting fees by in-sourcing tasks that were previously allocated to consultants. This is achievable by utilizing the new BTO appointments made in the 2021/22 & 2022/23. For the two outer years there is a nominal increase at R21.856 million and R22.529 million respectively An amount of R 16.559 million has been allocated for repairs and maintenance resulting in 8% of total allocation.

| EC136 Emalahleni (Ec) - Supporting Table SA34c Repairs and maintenance expenditure by asset class | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| **Repairs and maintenance expenditure by Asset Class/Sub-class** | | | | | | | | | | |
| **Infrastructure** | | **2,598** | **(588)** | **643** | **1,950** | **2,329** | **2,329** | **11,640** | **12,210** | **12,784** |
| Roads Infrastructure | | – | – | – | 0 | 250 | 250 | 8,265 | 8,670 | 9,077 |
| *Roads* | | – | – | – | 0 | 0 | 0 | 0 | 0 | 0 |
| *Road Structures* | | – | – | – | – | 250 | 250 | 8,265 | 8,670 | 9,077 |
| Storm water Infrastructure | | 2,054 | 89 | 4 | 650 | 400 | 400 | 0 | 0 | 0 |
| *Storm water Conveyance* | | 2,054 | 89 | 4 | 650 | 400 | 400 | 0 | 0 | 0 |
| Electrical Infrastructure | | 545 | (676) | 639 | 1,300 | 1,679 | 1,679 | 3,055 | 3,205 | 3,355 |
| *Power Plants* | | – | – | – | – | – | – | 0 | 0 | 0 |
| *MV Substations* | | 187 | 209 | 421 | 500 | 200 | 200 | 200 | 210 | 220 |
| *MV Networks* | | 230 | (1,099) | 23 | 500 | 1,129 | 1,129 | 30 | 31 | 33 |
| *LV Networks* | | 128 | 213 | 195 | 300 | 350 | 350 | 2,825 | 2,963 | 3,103 |
| Solid Waste Infrastructure | | – | – | – | – | – | – | 320 | 336 | 351 |
| *Landfill Sites* | | – | – | – | – | – | – | 320 | 336 | 351 |
| *Waste Processing Facilities* | | – | – | – | – | – | – | 0 | 0 | 0 |
| Information and Communication Infrastructure | | – | – | – | – | – | – | 0 | 0 | 0 |
| *Capital Spares* | | – | – | – | – | – | – | 0 | 0 | 0 |
| **Community Assets** | | **36,323** | **96** | **–** | **468** | **518** | **518** | **670** | **929** | **939** |
| Community Facilities | | 36,303 | 96 | – | 468 | 518 | 518 | 670 | 929 | 939 |
| *Halls* | | 370 | 162 | – | 368 | 518 | 518 | 461 | 711 | 720 |
| *Cemeteries/Crematoria* | | 23 | – | – | 100 | – | – | 209 | 218 | 218 |
| *Parks* | | 35,829 | – | – | – | – | – | 0 | 0 | 0 |
| *Public Open Space* | | 81 | (65) | – | – | – | – | 0 | 0 | 0 |
| Sport and Recreation Facilities | | 20 | – | – | – | – | – | 0 | 0 | 0 |
| *Outdoor Facilities* | | 20 | – | – | – | – | – | 0 | 0 | 0 |
| **Heritage assets** | | – | – | – | – | – | – | – | – | – |
| Other Heritage | | – | – | – | – | – | – | – | – | – |
| **Investment properties** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| *Improved Property* | | – | – | – | – | – | – | – | – | – |
| *Unimproved Property* | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| *Improved Property* | | – | – | – | – | – | – | – | – | – |
| *Unimproved Property* | | – | – | – | – | – | – | – | – | – |
| **Other assets** | | **441** | **527** | **108** | **850** | **645** | **645** | **509** | **1,091** | **1,093** |
| Operational Buildings | | 441 | 366 | 108 | 850 | 645 | 645 | 509 | 1,091 | 1,093 |
| *Municipal Offices* | | 441 | 366 | 108 | 850 | 645 | 645 | 509 | 1,091 | 1,093 |
| Housing | | – | 161 | – | – | – | – | 0 | 0 | 0 |
| *Staff Housing* | | – | – | – | – | – | – | – | – | – |
| *Social Housing* | | – | 161 | – | – | – | – | 0 | 0 | 0 |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| **Biological or Cultivated Assets** | | – | – | – | – | – | – | – | – | – |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| **Intangible Assets** | | 70 | – | – | – | – | [illegible] | 0 | 0 | 0 |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | 70 | – | – | – | – | – | 0 | 0 | 0 |
| *Computer Software and Applications* | | 70 | – | – | – | – | – | 0 | 0 | 0 |
| **Computer Equipment** | | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | – | – | – | – | – | – | – | – | – |
| **Furniture and Office Equipment** | | – | – | – | – | – | – | – | – | – |
| Furniture and Office Equipment | | – | – | – | – | – | – | – | – | – |
| **Machinery and Equipment** | | 3,529 | 492 | – | 150 | 150 | 150 | 170 | 171 | 172 |
| Machinery and Equipment | | 3,529 | 492 | – | 150 | 150 | 150 | 170 | 171 | 172 |
| **Transport Assets** | | 962 | 859 | 1,598 | 1,170 | 1,870 | 1,870 | 2,970 | 3,432 | 3,595 |
| Transport Assets | | 962 | 859 | 1,598 | 1,170 | 1,870 | 1,870 | 2,970 | 3,432 | 3,595 |
| **Land** | | – | – | – | – | – | – | – | – | – |
| Land | | | | | | | | | | |
| **Zoo's, Marine and Non-biological Animals** | | – | 55 | – | 130 | – | – | 100 | 100 | 100 |
| Zoo's, Marine and Non-biological Animals | | – | 55 | – | 130 | – | – | 100 | 100 | 100 |
| **Total Repairs and Maintenance Expenditure** | 1 | **43,923** | **1,441** | **2,348** | **4,718** | **5,512** | **5,512** | **16,059** | **17,933** | **18,683** |

**Free Basic Services: Basic Social Services Package**

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register all indigent households during the 2022/2023 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained below.

The cost of the social package of the registered indigent households is financed by the municipality largely by utilising the municipality's unconditional equitable share, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue Act. The Transfer of grants for the purpose of free basic services totals R7,499 million compromising of R2,472 million for electricity, R2,513 million for property rates and R2.513 million for refuse for the 2023/2024 financial year and increases to R7,724 million and R7,955 million in 2024/2025 and 2025/2026 respectively.

**EC136 Emalahleni (Ec) - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'**

| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| **REVENUE ITEMS:** | | | | | | | | | | | |
| Non-exchange revenue by source | | | | | | | | | | | |
| **Exchange Revenue** | 6 | | | | | | | | | | |
| Total Property Rates | | 8,131 | 10,613 | 11,670 | 17,560 | 17,560 | 17,560 | 17,560 | 18,087 | 18,629 | 19,188 |
| *Less Revenue Foregone* ***(exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)*** | | 361 | 721 | 692 | 2,440 | 2,440 | 2,440 | 2,440 | 2,513 | 2,589 | 2,666 |
| **Net Property Rates** | | **7,770** | **9,893** | **10,978** | **15,120** | **15,120** | **15,120** | **15,120** | **15,573** | **16,041** | **16,522** |
| Exchange revenue service charges | | | | | | | | | | | |
| **Service charges - Electricity** | 6 | | | | | | | | | | |
| Total Service charges - Electricity | | 15,243 | 13,936 | 14,662 | 20,015 | 20,015 | 20,015 | 20,015 | 22,689 | 22,882 | 23,083 |
| *Less Revenue Foregone* ***(in excess of 50 kwh per indigent household per month)*** | | | | | | | | | | | |
| ***Less Cost of Free Basis Services (50 kwh per indigent household per month)*** | | 1,822 | – | – | 2,400 | 2,400 | 2,400 | | 2,472 | 2,546 | 2,623 |
| **Net Service charges - Electricity** | | **13,421** | **13,936** | **14,662** | **17,615** | **17,615** | **17,615** | **20,015** | **20,217** | **20,336** | **20,460** |
| **Service charges - Water** | 6 | | | | | | | | | | |
| Total Service charges - Water | | | | | | | | | | | |
| *Less Revenue Foregone* ***(in excess of 6 kilolitres per indigent household per month)*** | | | | | | | | | | | |
| ***Less Cost of Free Basis Services (6 kilolitres per indigent household per month)*** | | – | – | – | – | – | – | | – | – | – |
| **Net Service charges - Water** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **0** | **0** | **0** |
| **Service charges - Waste Water Management** | | | | | | | | | | | |
| Total Service charges - Waste Water Management | | | | | | | | | | | |
| *Less Revenue Foregone* ***(in excess of free sanitation service to indigent households)*** | | | | | | | | | | | |
| ***Less Cost of Free Basis Services (free sanitation service to indigent households)*** | | – | – | – | – | – | – | | – | – | – |
| **Net Service charges - Waste Water Management** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **0** | **0** | **0** |
| **Service charges - Waste Management** | 6 | | | | | | | | | | |
| Total refuse removal revenue | | 8,188 | 7,654 | 9,405 | 7,600 | 7,600 | 7,600 | 7,600 | 7,828 | 8,063 | 8,305 |
| Total landfill revenue | | – | – | – | – | – | – | – | – | – | – |
| *Less Revenue Foregone* ***(in excess of one removal a week to indigent households)*** | | – | – | – | – | – | – | – | – | – | – |
| ***Less Cost of Free Basis Services (removed once a week to indigent households)*** | | – | – | – | 2,440 | 2,440 | 2,440 | | 2,513 | 2,589 | 2,666 |
| **Net Service charges - Waste Management** | | **8,188** | **7,654** | **9,405** | **5,160** | **5,160** | **5,160** | **7,600** | **5,315** | **5,474** | **5,638** |
| **EXPENDITURE ITEMS:** | | | | | | | | | | | |
| **Employee related costs** | | | | | | | | | | | |
| Basic Salaries and Wages | 2 | 55,634 | 55,629 | 56,463 | 16,078 | 18,385 | 18,385 | 18,385 | 33,480 | 102,582 | 107,708 |
| Pension and UIF Contributions | | 9,637 | 10,139 | 9,628 | 18,892 | 16,648 | 16,648 | 16,648 | 16,554 | 0 | 0 |
| Medical Aid Contributions | | 3,195 | 3,466 | 3,261 | 3,740 | 3,740 | 3,740 | 3,740 | 3,860 | 0 | 0 |
| Overtime | | 1,704 | 2,136 | 1,715 | 5,096 | 3,096 | 3,096 | 3,096 | 1,064 | 0 | 0 |
| Performance Bonus | | 3,679 | 4,025 | 3,865 | 3,662 | 3,662 | 3,662 | 3,662 | 3,517 | 0 | 0 |
| Motor Vehicle Allowance | | 4,766 | 5,327 | 4,877 | 7,786 | 7,990 | 7,990 | 7,990 | 8,077 | 0 | 0 |
| Cellphone Allowance | | 768 | 970 | 1,076 | 8,177 | 6,177 | 6,177 | 6,177 | 3,672 | 0 | 0 |
| Housing Allowances | | 1,039 | 965 | 943 | 6,515 | 3,155 | 3,155 | 3,155 | 5,871 | 0 | 0 |
| Other benefits and allowances | | 355 | 1,143 | 746 | 24,354 | 22,113 | 22,113 | 22,113 | 18,630 | 0 | 0 |
| Payments in lieu of leave | | 2,727 | (2,134) | 2,489 | 1,835 | 1,835 | 1,835 | 1,835 | 1,120 | 0 | 0 |
| Long service awards | | 466 | 838 | 673 | 1,024 | 1,024 | 1,024 | 1,024 | 1,062 | 0 | 0 |
| Post-retirement benefit obligations | 4 | 834 | 1,596 | 2,045 | 1,276 | 1,276 | 1,276 | 1,276 | 104 | 0 | 0 |
| Entertainment | | – | – | – | – | – | – | – | – | – | – |
| Scarcity | | – | – | – | 22 | 22 | 22 | 22 | 23 | 0 | 0 |
| Acting and post related allowance | | 1,007 | 1,421 | 1,990 | 971 | 971 | 971 | 971 | 1,016 | 0 | 0 |
| In kind benefits | | – | – | – | – | – | – | – | – | – | – |
| ***sub-total*** | 5 | **85,809** | **85,521** | **89,770** | **99,426** | **90,092** | **90,092** | **90,092** | **98,050** | **102,582** | **107,709** |
| Less: Employees costs capitalised to PPE | | – | – | – | (0) | (0) | (0) | (0) | (0) | (0) | (0) |
| **Total Employee related costs** | 1 | **85,809** | **85,521** | **89,770** | **99,426** | **90,092** | **90,092** | **90,092** | **98,050** | **102,583** | **107,709** |
| **Depreciation and amortisation** | | | | | | | | | | | |
| Depreciation of Property, Plant & Equipment | | 13,110 | 16,239 | 21,777 | 15,854 | 13,854 | 13,854 | 13,854 | 15,896 | 16,653 | 17,402 |
| Lease amortisation | | 80 | 80 | 177 | 200 | 200 | 200 | 200 | 104 | 109 | 113 |
| Capital asset impairment | | 7,983 | 14,402 | – | – | – | – | – | (0) | (0) | (0) |
| **Total Depreciation and amortisation** | 1 | **21,173** | **30,720** | **21,954** | **16,054** | **14,054** | **14,054** | **14,054** | **16,000** | **16,763** | **17,515** |
| **Bulk purchases - electricity** | | | | | | | | | | | |
| Electricity bulk purchases | | 12,868 | 13,185 | 15,030 | 14,000 | 17,000 | 17,000 | 17,000 | 15,000 | 15,735 | 16,475 |
| **Total bulk purchases** | 1 | **12,868** | **13,185** | **15,030** | **14,000** | **17,000** | **17,000** | **17,000** | **15,000** | **15,735** | **16,475** |
| **Transfers and grants** | | | | | | | | | | | |
| Cash transfers and grants | | 219 | – | – | – | – | – | – | 0 | 0 | 0 |
| Non-cash transfers and grants | | 3 | 349 | 3,696 | 1,315 | 1,683 | 1,683 | 1,683 | 2,183 | 2,192 | 2,952 |
| **Total transfers and grants** | 1 | **222** | **349** | **3,696** | **1,315** | **1,683** | **1,683** | **1,683** | **2,183** | **2,192** | **2,952** |
| **Contracted Services** | | | | | | | | | | | |
| *Outsourced Services* | | 7,877 | 10,682 | 10,502 | 7,633 | 18,432 | 18,432 | 18,432 | 9,275 | 9,669 | 9,897 |
| *Consultants and Professional Services* | | 5,914 | 3,162 | 5,003 | 4,610 | 7,278 | 7,278 | 7,278 | 4,975 | 3,142 | 3,264 |
| *Contractors* | | 7,317 | 18,447 | 8,693 | 6,978 | 7,002 | 7,002 | 7,002 | 7,094 | 8,520 | 8,819 |
| **Total contracted services** | | **21,108** | **32,291** | **24,198** | **19,221** | **32,713** | **32,713** | **32,713** | **21,344** | **21,331** | **21,980** |
| **Operational Costs** | | | | | | | | | | | |
| Collection costs | | – | – | – | – | – | – | – | – | – | – |
| Contributions to 'other' provisions | | – | 1,552 | 2,186 | – | – | – | – | – | – | – |
| Audit fees | | 3,613 | 2,433 | 4,622 | 4,500 | 4,500 | 4,500 | 4,500 | 4,600 | 4,825 | 5,052 |
| *Other Operational Costs* | | 16,529 | 19,811 | 22,646 | 22,888 | 30,447 | 30,447 | 30,447 | 37,712 | 39,429 | 41,079 |
| **Total Operational Costs** | 1 | **20,142** | **23,796** | **29,455** | **27,388** | **34,947** | **34,947** | **34,947** | **42,312** | **44,254** | **46,131** |
| **Repairs and Maintenance by Expenditure Item** | 8 | | | | | | | | | | |
| Employee related costs | | 2,018 | – | – | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Inventory Consumed (Project Maintenance) | | 113 | 219 | 463 | – | – | – | – | 1,780 | 1,867 | 1,955 |
| Contracted Services | | 5,950 | 1,222 | 1,835 | 4,698 | 5,492 | 5,492 | 5,492 | 6,154 | 7,543 | 7,804 |
| Operational Costs | | 93 | – | 50 | 20 | 20 | 20 | 20 | 8,125 | 8,523 | 8,924 |
| **Total Repairs and Maintenance Expenditure** | 9 | 8,174 | 1,441 | 2,348 | 4,718 | 5,512 | 5,512 | 5,512 | 16,059 | 17,933 | 18,683 |

# Supporting Documentation

## 1.4 OVERVIEW OF THE ANNUAL BUDGET PROCESS

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

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio Head Councillor of Financial Services/Mayor.

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

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

### 1.4.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2022) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule by 31 August 2022.

### 1.4.2 IDP and Service Delivery and Budget Implementation Plan



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

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

The IDP has been taken into a business and financial planning process leading up to the 2022/2023 MTREF, based on the approved 2022/23 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2022/23 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2021/22 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

### 1.4.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2022/2023 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2022/2023 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2021/22 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 75 and 112 has been taken into consideration in the planning and prioritisation process.

## 1.5 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

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



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

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

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

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

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

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2022/23 MTREF and further planning refinements that have directly informed the compilation of the budget:

*IDP Strategic Objectives*

| 2021/2022 Financial Year | 2022/23 MTREF |
|---|---|
| 1. To ensure that cost effective, appropriate and efficient services are delivered (KPA Service delivery) | 1. To ensure that cost effective, appropriate and efficient services are delivered (KPA Service delivery) |
| 2. To ensure that conditions are created which stimulate the growth of the local economy (KPA LED) | 2. To ensure that conditions are created which stimulate the growth of the local economy (KPA LED) |
| 3. To have an effective and efficient administration (KPA Municipal transformation and Inst.dev.) | 3. To have an effective and efficient administration (KPA Municipal transformation and Inst.dev.) |
| 4. To have a transparent and performance driven organisation (KPA Good governance and public participation) | 4. To have a transparent and performance driven organisation (KPA Good governance and public participation) |
| 5. To implement good financial management (KPA Financial management and viability) | 5. To implement good financial management (KPA Financial management and viability) |

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

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. To have a transparent and performance driven organisation
2. To ensure that cost effective, appropriate and efficient services are delivered
3. To ensure that conditions are created which stimulate the growth of the local economy
4. To implement good financial management
5. To have an effective and efficient administration

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the new IDP.

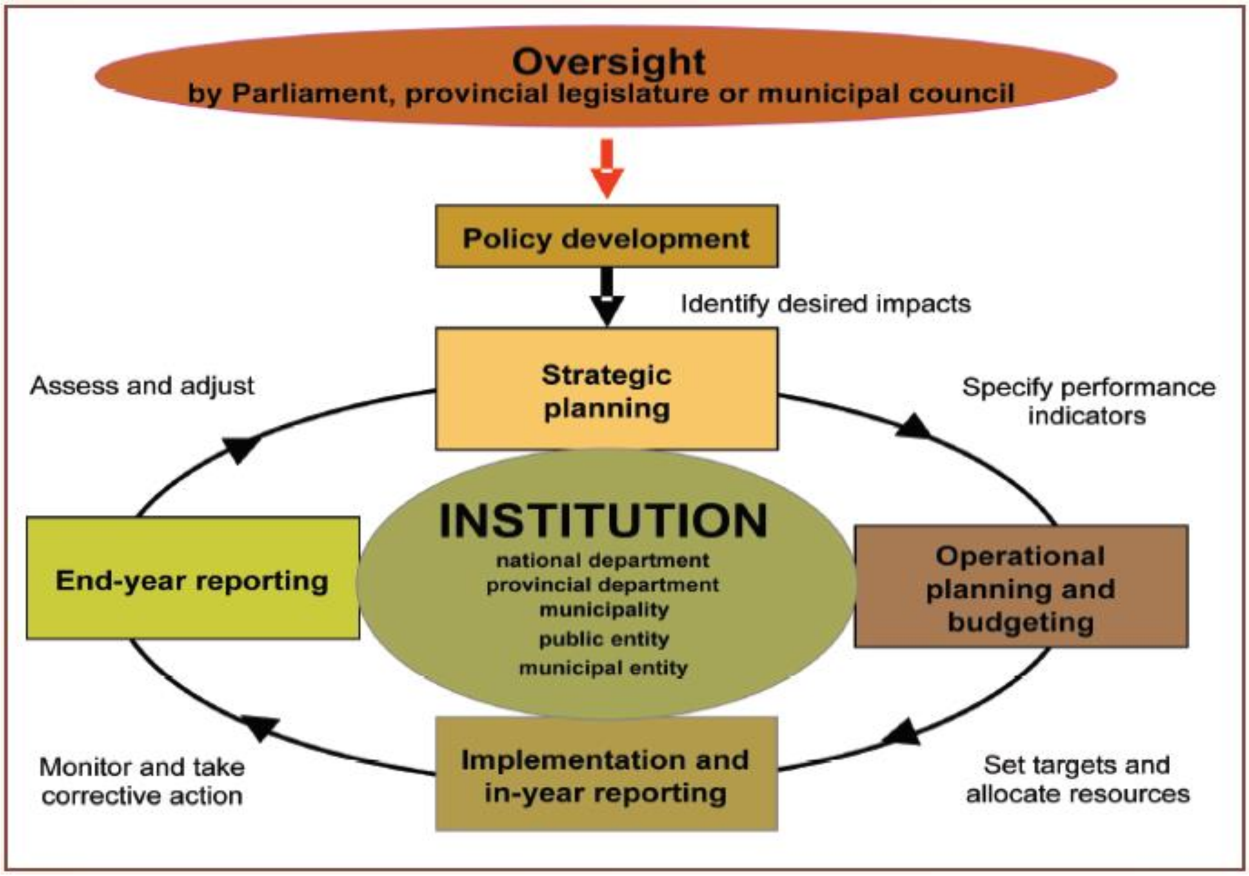
The 2022/23 MTREF has therefore been directly informed by the IDP revision process and the following tables provide reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

## 1.6 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS



Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:




The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).



The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

## MBRR Table SA8 - Performance indicators and benchmark

EC136 Emalahleni (Ec) - Supporting Table SA8 Performance indicators and benchmarks

| Description of financial indicator | Basis of calculation | 2018/19 | 2019/20 | 2020/21 | Current Year 2021/22 | | | | 2022/23 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2022/23 | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
| **Borrowing Management** | | | | | | | | | | | |
| Credit Rating | | | | | | | | | | | |
| Capital Charges to Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 0,0% | 1,2% | 0,9% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| Capital Charges to Own Revenue | Finance charges & Repayment of borrowing /Own Revenue | 0,0% | 6,1% | 3,7% | 0,1% | 0,1% | 0,1% | 0,1% | 0,2% | 0,2% | 0,2% |
| Borrowed funding of 'own' capital expenditure | Borrowing/Capital expenditure excl. transfers and grants and contributions | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| **Safety of Capital** | | | | | | | | | | | |
| Gearing | Long Term Borrowing/ Funds & Reserves | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| **Liquidity** | | | | | | | | | | | |
| Current Ratio | Current assets/current liabilities | 0,8 | 0,7 | 1,4 | (0,3) | (0,3) | (0,3) | (0,3) | (51,0) | 663,8 | – |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 0,8 | 0,7 | 1,4 | (0,3) | (0,3) | (0,3) | (0,3) | (51,0) | 663,8 | – |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 0,4 | 0,1 | 1,1 | (0,2) | (0,2) | (0,2) | (0,2) | (46,2) | 643,7 | – |
| **Revenue Management** | | | | | | | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing | | 0,0% | 0,0% | 0,0% | 47,7% | 46,2% | 46,2% | 40,3% | 39,1% | 38,2% |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) | | 0,0% | 0,0% | 0,0% | 47,7% | 46,2% | 46,2% | 40,3% | 39,1% | 38,2% | 36,7% |
| Outstanding Debtors to Revenue | Total Outstanding Debtors to Annual Revenue | 23,4% | 17,2% | 8,6% | 10,0% | 9,8% | 9,8% | 9,5% | 7,9% | 3,3% | 0,0% |
| Longstanding Debtors Recovered | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old | | | | | | | | | | |
| **Creditors Management** | | | | | | | | | | | |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within`MFMA' s 65(e)) | | | | | | | | | | |
| Creditors to Cash and Investments | | -410,5% | -37,2% | -24,5% | 3706,1% | 3706,1% | 3706,1% | 3706,1% | -0,6% | 0,0% | 0,0% |
| **Other Indicators** | | | | | | | | | | | |
| Electricity Distribution Losses (2) | Total Volume Losses (kW) | ########### | ########### | ########### | - | - | ########### | ########### | ########### | ########### | ########### |
| | Total Cost of Losses (Rand '000) | ########## | ########## | ########## | 13 000,00 | 13 000,00 | 12 804,00 | 12 804,00 | ########## | ########## | ########## |
| | % Volume (units purchased and generated less units sold)/units purchased and generated | | | | 0,21 | 0,21 | 0,21 | 0,21 | 0,19 | 0,17 | 0,15 |
| Water Distribution Losses (2) | Total Volume Losses (kℓ) | – | – | – | – | – | – | – | – | – | – |
| | Total Cost of Losses (Rand '000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | % Volume (units purchased and generated less units sold)/units purchased and generated | | | | | | | | | | |
| Employee costs | Employee costs/(Total Revenue - capital revenue) | 35,0% | 49,2% | 40,5% | 50,4% | 49,1% | 49,1% | 47,9% | 48,7% | 50,3% | 50,1% |
| Remuneration | Total remuneration/(Total Revenue - capital revenue) | 40,5% | 57,0% | 47,2% | 57,5% | 56,1% | 56,1% | | 55,6% | 57,4% | 57,2% |
| Repairs & Maintenance | R&M/(Total Revenue excluding capital revenue) | 1,9% | 4,7% | 0,7% | 1,3% | 1,8% | 1,8% | | 2,8% | 0,8% | 2,9% |
| Finance charges & Depreciation | FC&D/(Total Revenue - capital revenue) | 0,0% | 18,1% | 15,9% | 10,5% | 7,2% | 7,2% | 7,1% | 7,4% | 7,8% | 7,6% |
| **IDP regulation financial viability indicators** | | | | | | | | | | | |
| i. Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 60,9 | 112,0 | 15,1 | 14,3 | 14,3 | 14,3 | 17,0 | 15,5 | 15,6 | 16,3 |
| ii.O/S Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | 155,5% | 100,3% | 54,0% | 60,2% | 58,4% | 58,4% | 51,1% | 42,0% | 16,9% | 0,0% |
| iii. Cost coverage | (Available cash + Investments)/monthly fixed operational expenditure | (0,6) | (3,5) | (8,0) | (0,5) | (0,5) | (0,5) | (0,5) | 16,6 | 31,4 | 43,6 |

### 1.6.1 Performance indicators and benchmarks

#### *1.6.1.1 Borrowing Management*

Capital expenditure in local government can be funded by capital grants, own-source revenue and long-term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Emalahleni Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2022/23 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. This ration is by far below the borrowing capacity of the municipality, but it needs to be noted that capital grants and transfers has contributed significantly to the municipality's capital expenditure programs, thus limiting the need for borrowing.

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing is steady 0.1 percent increasing to 0.2 percent throughout the MTREF period. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality should limit external interest charges to the minimum.

- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The municipality does not intend borrowing in the 2022/23 and no other borrowings are planned over the MTREF period.

The Municipality's debt profile provides some interesting insights on the Municipality's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2022/2023 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

#### *1.6.1.2 Safety of Capital*

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves. This ratio is 0.0 % well below the norm, indicating a strong financial position.

- *The gearing ratio* is a measure of the total long-term borrowings over funds and reserves.

*1.6.1.3 Liquidity*

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of more than 2 which is a general benchmark, hence at no point in time should this ratio be less than 2. For the 2022/23 MTREF the current ratio is 1.1, this is lower than the set limit. Going forward it will be good financial practices if these levels can be improved.

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2022/23 financial year the ratio was 0.9 and it increases to 1.4 and 1.4 percent for the outer years of the MTREF which is an indication of a financially distressed Municipality, management will need to dramatically cut on expenditure and non-obligatory commitments in order to be able to improve the cashflow and financial health of the municipality.

*1.6.1.4 Revenue Management*

- As part of the financial sustainability, an aggressive revenue management framework should be implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears more than 90 days.

*1.6.1.5 Creditors Management*

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

*1.6.1.6 Other Indicators*

- The municipality needs to know what causes high electricity losses. The municipality has then to developed mechanism to determine what is an acceptable distribution loss and what should be contributed to theft.

- Employee costs as a percentage of operating revenue is constantly growing over the MTREF. This is primarily owing to the high employee costs which are growing on an annual basis, the municipality has taken an approach to either cut expenditure or keep it in line with prior year budget, however employee costs cannot be cut, the increases in revenue are therefore consumed by the growing employee costs, hence the employee costs percent against revenue has remained constant.

- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also fairly constant owing directly to cost drivers such as bulk purchases increasing far above inflation. The expenditure on repairs and maintenance is well below acceptable levels, but the actual cost will only be determined when a costing system is implemented.

### 1.6.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the MTREF 3900 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 50 kwh of electricity, free sanitation and free waste removal equivalent once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained elsewhere in this report.

## 1.7 OVERVIEW OF BUDGET RELATED-POLICIES

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

### 1.7.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council annually is currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. In addition, emphasis was placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, they are entitled to free basic services.

The 2022/23 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 60 per cent on current billings. In addition, the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Municipality's cash levels.

### 1.7.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition, the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

### 1.7.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

### 1.7.4 Supply Chain Management Policy

The Supply Chain Management Policy was reviewed presented to Council in March 2022. Any amendments policy to the policy will be considered by Council when it arises of which the amendments will be extensively consulted on.

### 1.7.5 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The amended policy to accommodate the requirements of mSCOA was workshopped and presented to Council in March 2022 and is expected to be adopted before the end of the financial year to be implemented in the 2022/2023 financial year.

### 1.7.6 Cash Management and Investment Policy

The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

### 1.7.7 Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

All the above policies are available on the website and at the main municipal building, as well as the following budget related policies:

- Property Rates Policy;
- Funding and Reserves Policy;
- Budget Policy; and
- Basic Social Services Package (Indigent Policy).

## 1.8 OVERVIEW OF BUDGET ASSUMPTIONS

### 1.8.1 External factors

Domestically, after five years of strong growth, during which about two million jobs were created, our economy shrank fast and millions of people lost their jobs. It is expected that recovery from this deterioration will be slow and uneven and that growth for 2022 will be minimal with a slightly better growth in the outer years.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

### 1.8.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2020/2021 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity; and
- The increase in the cost of remuneration.

### 1.8.3 Credit rating outlook

The Municipality did not perform a credit rating outlook.

### 1.8.4 Interest rates for borrowing and investment of funds

The municipality expected that interest rates will be adjusted slightly upwards during the MTREF period and it has been budget for as such.

### 1.8.5 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher that CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as an averaged percentage 42 per cent) of annual billings. Cash flow is assumed to be on average 42 per cent of billings. The performance of any increased collections or arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

### 1.8.6 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition, the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

### 1.8.7 Salary increases

An 0% increase have been provided for Councillors, a provision of 4,9% increase has been made for employee related costs and a 4,9% increase has been provided for Directors remuneration increase. Employee related costs including Councillor allowances now represent 50% of Total expenditure which is above NT maximum of 40%. The municipality will continue to improve its revenue enhancement and delay filling of non- crucial posts to ensure the percentage is brought down and maintained under control.

### 1.8.8 Impact of national, provincial and local policies

The Municipal Budget and Reporting Regulations, as well as various circulars issued by National Treasury, provides the guidance for budget preparation by local government.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. In addition, the municipality during the period immediately after the municipality's Adjustments Budget from March 2022 to May 2022 proactively embarked on a strategic long-term financial sustainability exercise in order to ensure that this budget, as well as future budgets, is compiled to ensure that services to the community remains at high levels without overburdening the consumers of municipal services with excessive tariffs.

The main items identified by the municipal wide strategic planning exercise can be summarised as follows:

- Improved service delivery;
- Underdeveloped areas;
- Impoverished communities;
- Co-operative governance;
- Unfunded mandates, core functions service delivery agents;
- Land availability for e.g. economic development;
- Land availability for establishing tip-sites;
- Alternative service delivery options;
- Obtaining a "clean audit" inclusive of performance management;
- Delegation- and procedure manuals;
- Risk management;
- Improved planning and beyond 5 years;
- High crime rate;

- Service delivery backlogs;
- Improved maintenance programs;
- Local economic development facilitation;
- Adequacy of municipal reserves and financial sustainability;
- Curtail electricity losses;
- Tourism initiatives; and
- Improved public participation.

For each of these risk areas the municipality is compiling business plans in order to prioritise expenditure according to the risk ratings. These business plans will all be implemented over the MTREF period according to available funding; however, in the 2022/2023 financial year limited provision was made for the implementation of the business plans due to the shrinkage of the fiscus and available budget. The South African Nation and the world at large has faced the most daunting

Challenge during this period , that of the Corona virus pandemic , which has made all the well laid out plans void and presented us with unforeseeable and unavoidable expenditure through numerous circulars to counter and slow down the spread of the virus across the nation , necessitating the procurement of protective masks , gloves and sanitisers that had previously not been catered for in the municipality's already stretched and lean budget .

The Municipality has also embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. The municipality, however, acknowledges that there can never be too much information and involvement in its interaction with the public at large, and for that reason it is still identified as a major risk area.

National Treasury's MFMA Circulars No. 75 and 112 as well as the Strategic Workshops and IDP consultation processes, were mainly used to guide the compilation of the 2022/2023 MTREF. Some of the key challenges faced by the municipality when compiling the budget were:

- The ongoing difficulties in the national and local economy;
- Aging roads and electricity infrastructure;
- The need to prioritise projects and expenditure within the existing resource envelope;
- The increased cost of electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be a point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects and the resultant operational costs associated with new infrastructure projects; and

The municipality is not in a healthy financial position, it therefore needs to at least stabilise and further strive to continuously better its financial position, coupled with acceptable levels of service delivery at affordable tariffs. The retention of sufficient cash-backed reserves is critical for the long-term sustainability of the municipality. The municipality is striving to establishing a Capital Replacing Reserve to fund future capital projects to help mitigate the over dependence on grants for funding capital projects.

The following budget principles and guidelines directly informed the compilation of the 2022/2023 MTREF:

- The 2021/2022 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2022/2023 draft budget;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should consider the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The budget must be spent in full, and all grants should be utilised in full;

### 1.8.9 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2022/23 MTREF of which performance has been factored into the cash flow budget.

## 1.9 OVERVIEW OF BUDGET FUNDING

### 1.9.1 Medium-term outlook: operating revenue

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity and solid waste removal, property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

Investment revenue contributes significantly to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

### 1.9.2 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

*MBRR SA10 – Funding compliance measurement*

**EC136 Emalahleni (Ec) Supporting Table SA10 Funding measurement**

| Description | MFMA section | Ref | 2018/19 | 2019/20 | 2020/21 | Current Year 2021/22 | | | | 2022/23 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2022/23 | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
| **Funding measures** | | | | | | | | | | | | |
| Cash/cash equivalents at the year end - R'000 | 18(1)b | 1 | (4 142) | (46 980) | (99 945) | (6 431) | (6 431) | (6 431) | (6 431) | 223 263 | 442 812 | 656 922 |
| Cash + investments at the yr end less applications - R'000 | 18(1)b | 2 | (13 393) | (14 107) | 26 761 | 289 716 | 288 850 | 288 850 | 287 990 | 175 287 | 173 341 | 156 425 |
| Cash year end/monthly employee/supplier payments | 18(1)b | 3 | (0,6) | (3,5) | (8,0) | (0,5) | (0,5) | (0,5) | (0,5) | 16,6 | 31,4 | 43,6 |
| Surplus/(Deficit) excluding depreciation offsets: R'000 | 18(1) | 4 | 25 690 | 265 | 75 768 | 55 687 | 64 389 | 64 389 | 69 043 | 79 960 | 43 768 | 45 196 |
| Service charge rev % change - macro CPIX target exclusive | 18(1)a,(2) | 5 | N.A. | 64,7% | 8,0% | (13,5%) | (2,8%) | (6,0%) | 8,5% | 12,3% | (2,0%) | (1,9%) |
| Cash receipts % of Ratepayer & Other revenue | 18(1)a,(2) | 6 | 0,0% | 0,0% | 0,0% | 52,4% | 47,9% | 47,9% | 43,3% | 45,9% | 44,7% | 43,5% |
| Debt impairment expense as a % of total billable revenue | 18(1)a,(2) | 7 | 51,2% | 57,3% | 24,8% | 9,7% | 6,2% | 6,2% | 5,5% | 5,3% | 7,6% | 7,3% |
| Capital payments % of capital expenditure | 18(1)c;19 | 8 | 0,0% | 0,0% | 0,0% | 100,0% | 88,3% | 88,3% | 88,3% | 0,0% | 0,0% | 0,0% |
| Borrowing receipts % of capital expenditure (excl. transfers) | 18(1)c | 9 | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| Grants % of Govt. legislated/gazetted allocations | 18(1)a | 10 | | | | | | | | 99,6% | 99,8% | 105,0% |
| Current consumer debtors % change - incr(decr) | 18(1)a | 11 | N.A. | 9,0% | (39,4%) | 4,3% | 0,0% | 0,0% | 0,0% | (15,1%) | (58,1%) | (100,0%) |
| Long term receivables % change - incr(decr) | 18(1)a | 12 | N.A. | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| R&M % of Property Plant & Equipment | 20(1)(vi) | 13 | 0,5% | 1,9% | 0,3% | 0,6% | 0,8% | 0,8% | 1,3% | 6,9% | 4,1% | 15,3% |
| Asset renewal % of capital budget | 20(1)(vi) | 14 | 3,2% | (86,3%) | (206,9%) | 46,5% | 35,5% | 35,5% | 0,0% | 25,2% | 3,4% | 3,4% |

Cash/cash equivalent position :

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium-term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short-term debt at the end of the financial year.

Cash plus investments less application of funds:

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in the previous page. the reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

Monthly average payments covered by cash or cash equivalents:

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

Surplus/deficit excluding depreciation offsets:

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets.

Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2022/23 MTREF and outer years the municipality has no

deficits.

It needs to be noted that a surplus or deficit does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

Property Rates/service charge revenue as a percentage increase less macro inflation target:

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will

include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 percent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth is higher than forecasted CPIX for the respective financial year of the 2019/20 MTREF which is mainly due to higher electricity tariff increase However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

Cash receipts as a percentage of ratepayer and other revenue:

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget,it can be seen that the outcome is at 95 per cent for 2022/23 and the outer financial years. Given that the assumed collection rate was based on an average of 95 per cent performance target, the cash flow statement has been conservatively determined. However, the percentage in the above table includes direct receipts for services being paid in cash such as agency services and permits.

This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

Debt impairment expense as a percentage of billable revenue:

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased

to offset under-collection of billed revenues. The provision has been appropriated between 30 and 28 per cent over the MTREF.

Capital payments percentage of capital expenditure:

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. A 100 per cent payments has been factored into the cash position

forecasted over the entire financial year.

Transfers/grants revenue as a percentage of Government transfers/grants available the purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers and therefore no percentage is being shown as outstanding. Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor, the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

Repairs and maintenance expenditure level This measure must be considered important within the context of the funding measures criteria because a

trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

**Asset renewal/rehabilitation expenditure level**

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, like the justification for ‘repairs and maintenance’ budgets.

## Expenditure on grants and reconciliations of unspent funds

EC136 Emalahleni (Ec) - Supporting Table SA18 Transfers and grant receipts

| Description | Ref | 2018/19 | 2019/20 | 2020/21 | Current Year 2021/22 | | | 2022/23 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2022/23 | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
| RECEIPTS: | 1, 2 | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | 93 037 | 130 529 | 161 446 | 141 902 | 141 902 | 141 902 | 152 376 | 152 435 | 161 472 |
| Local Government Equitable Share | | 93 037 | 123 739 | 153 799 | 135 035 | 135 035 | 135 035 | 145 688 | 147 360 | 156 314 |
| Finance Management | | – | 2 880 | 3 000 | 3 100 | 3 100 | 3 100 | 3 100 | 3 100 | 3 100 |
| EPWP Incentive | | – | 2 261 | 2 091 | 2 003 | 2 003 | 2 003 | 1 692 | – | – |
| Municipal Infrastructure Grant | | – | 1 649 | 2 556 | 1 764 | 1 764 | 1 764 | 1 896 | 1 975 | 2 058 |
| Other transfers/grants [insert description] | | | | | | | | | | |
| Provincial Government: | | – | – | – | – | – | – | – | – | – |
| Other transfers/grants [insert description] | | | | | | | | | | |
| District Municipality: | | – | – | – | – | – | – | – | – | – |
| *[insert description]* | | | | | | | | | | |
| Other grant providers: | | – | – | 116 | – | – | – | 50 | 50 | 50 |
| *Education, Training and Development Practices SETA* | | – | – | 116 | – | – | – | 50 | 50 | 50 |
| Total Operating Transfers and Grants | 5 | 93 037 | 130 529 | 161 562 | 141 902 | 141 902 | 141 902 | 152 426 | 152 485 | 161 522 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | – | 31 875 | 44 611 | 52 951 | 52 951 | 52 951 | 72 720 | 44 517 | 48 483 |
| Municipal Infrastructure Grant (MIG) | | – | 31 875 | 38 759 | 33 511 | 33 511 | 33 511 | 45 520 | 37 517 | 41 169 |
| Integrated National Electrification Programme Grant | | – | – | 5 852 | 19 440 | 19 440 | 19 440 | 27 200 | 7 000 | 7 314 |
| Other capital transfers/grants [insert desc] | | | | | | | | | | |
| Provincial Government: | | – | – | – | – | – | – | – | – | – |
| Other capital transfers/grants [insert description] | | | | | | | | | | |
| District Municipality: | | – | – | – | – | – | – | – | – | – |
| *[insert description]* | | | | | | | | | | |
| Other grant providers: | | – | – | – | – | – | – | – | – | – |
| *Education, Training an* | | | | | | | | | | |
| Total Capital Transfers and Grants | 5 | – | 31 875 | 44 611 | 52 951 | 52 951 | 52 951 | 72 720 | 44 517 | 48 483 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | | 93 037 | 162 404 | 206 173 | 194 853 | 194 853 | 194 853 | 225 146 | 197 002 | 210 005 |

EC136 Emalahleni (Ec) - Supporting Table SA19 Expenditure on transfers and grant programme

| Description | Ref | 2018/19 | 2019/20 | 2020/21 | Current Year 2021/22 | | | 2022/23 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2022/23 | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
| **EXPENDITURE:** | 1 | | | | | | | | | |
| **Operating expenditure of Transfers and Grants** | | | | | | | | | | |
| **National Government:** | | **60 778** | **129 526** | **116 749** | **132 076** | **130 765** | **130 765** | **138 543** | **147 471** | **154 491** |
| Equitable Share | | 58 993 | 128 020 | 109 738 | 124 659 | 123 861 | 123 861 | 132 791 | 141 779 | 149 153 |
| Expanded Public Works Programme Integrated Grant | | 1 020 | 939 | 2 032 | 2 003 | 2 003 | 2 003 | 1 692 | 460 | 0 |
| Local Government Financial Management Grant | | 764 | 259 | 2 739 | 3 650 | 3 138 | 3 138 | 2 150 | 3 100 | 3 100 |
| Municipal Infrastructure Grant | | 1 | 308 | 2 239 | 1 764 | 1 764 | 1 764 | 1 911 | 2 131 | 2 238 |
| Other transfers/grants [insert description] | | | | | | | | | | |
| **Provincial Government:** | | **–** | **451** | **1 257** | **3 750** | **3 750** | **3 750** | **3 273** | **3 424** | **2 449** |
| Specify (Add grant description) | | – | 451 | 1 257 | 3 750 | 3 750 | 3 750 | 3 273 | 3 424 | 2 449 |
| Other transfers/grants [insert description] | | | | | | | | | | |
| **District Municipality:** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| *[insert description]* | | | | | | | | | | |
| **Other grant providers:** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| *Education, Training and Development Practices SETA* | | | | | | | | | | |
| **Total operating expenditure of Transfers and Grants:** | | **60 778** | **129 977** | **118 006** | **135 826** | **134 515** | **134 515** | **141 817** | **150 895** | **156 940** |
| **Capital expenditure of Transfers and Grants** | | | | | | | | | | |
| **National Government:** | | **12 843** | **(18 941)** | **(60 825)** | **52 951** | **52 951** | **52 951** | **74 736** | **37 547** | **39 359** |
| Equitable Share | | – | – | – | – | – | – | 5 044 | 30 | 248 |
| Integrated National Electrification Programme Grant | | – | – | (1 939) | 19 440 | 19 440 | 19 440 | 27 200 | – | – |
| Municipal Infrastructure Grant | | 12 843 | (18 941) | (58 886) | 33 511 | 33 511 | 33 511 | 42 492 | 37 517 | 39 111 |
| Other capital transfers/grants [insert desc] | | | | | | | | | | |
| **Provincial Government:** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Other capital transfers/grants [insert description] | | | | | | | | | | |
| **District Municipality:** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| *[insert description]* | | | | | | | | | | |
| **Other grant providers:** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| *Education, Training an* | | | | | | | | | | |
| **Total capital expenditure of Transfers and Grants** | | **12 843** | **(18 941)** | **(60 825)** | **52 951** | **52 951** | **52 951** | **74 736** | **37 547** | **39 359** |
| **TOTAL EXPENDITURE OF TRANSFERS AND GRANTS** | | **73 621** | **111 036** | **57 181** | **188 777** | **187 467** | **187 467** | **216 553** | **188 442** | **196 298** |

*Councillor and employee benefits*

*MBRR SA 22 - Summary of councillor and staff benefits*

| EC136 Emalahleni (Ec) - Supporting Table SA22 Summary councillor and staff benefits | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Summary of Employee and Councillor remuneration** | **Ref** | **2018/19** | **2019/20** | **2020/21** | **Current Year 2021/22** | | | **2022/23 Medium Term Revenue & Expenditure Framework** | | |
| **R thousand** | | **Audited Outcome** | **Audited Outcome** | **Audited Outcome** | **Original Budget** | **Adjusted Budget** | **Full Year Forecast** | **Budget Year 2022/23** | **Budget Year +1 2023/24** | **Budget Year +2 2024/25** |
| | 1 | A | B | C | D | E | F | G | H | I |
| **Councillors (Political Office Bearers plus Other)** | | | | | | | | | | |
| Basic Salaries and Wages | | 5 476 | 11 396 | 10 461 | 11 082 | 11 082 | 11 082 | 11 526 | 11 987 | 12 466 |
| Pension and UIF Contributions | | – | – | 1 765 | 146 | 146 | 146 | 151 | 157 | 164 |
| Cellphone Allowance | | 695 | 1 391 | 1 468 | 1 840 | 1 840 | 1 840 | 1 914 | 1 990 | 2 070 |
| Housing Allowances | | – | – | – | – | – | – | – | – | – |
| Other benefits and allowances | | 336 | 699 | 613 | 532 | 532 | 532 | 553 | 575 | 598 |
| **Sub Total - Councillors** | | **6 508** | **13 486** | **14 307** | **13 600** | **13 600** | **13 600** | **14 144** | **14 710** | **15 298** |
| **% increase** | 4 | | **107,2%** | **6,1%** | **(4,9%)** | **–** | **–** | **4,0%** | **4,0%** | **4,0%** |
| **Senior Managers of the Municipality** | 2 | | | | | | | | | |
| Basic Salaries and Wages | | 4 003 | 8 063 | 5 539 | 756 | 756 | 756 | 791 | 827 | 865 |
| Pension and UIF Contributions | | 4 | 8 | 1 195 | 4 568 | 4 569 | 4 569 | 4 779 | 4 998 | 5 228 |
| Medical Aid Contributions | | – | – | 319 | 1 903 | 1 903 | 1 903 | 1 991 | 2 082 | 2 178 |
| Overtime | | – | – | – | – | – | – | – | – | – |
| Performance Bonus | | 28 | 103 | 47 | 30 | 30 | 30 | 31 | 33 | 34 |
| Motor Vehicle Allowance | 3 | – | – | 1 160 | 3 492 | 3 492 | 3 492 | 3 652 | 3 820 | 3 996 |
| Cellphone Allowance | 3 | 80 | 185 | 210 | 272 | 272 | 272 | 285 | 298 | 312 |
| Housing Allowances | 3 | – | – | 765 | 3 542 | 3 542 | 3 542 | 3 705 | 3 875 | 4 053 |
| Other benefits and allowances | 3 | 0 | 0 | 90 | 3 451 | 2 751 | 2 751 | 2 878 | 3 010 | 3 149 |
| Payments in lieu of leave | | – | – | – | – | – | – | – | – | – |
| Long service awards | | – | – | – | – | – | – | – | – | – |
| Post-retirement benefit obligations | 6 | – | – | (59) | 1 124 | 1 124 | 1 124 | 1 176 | 1 230 | 1 287 |
| **Sub Total - Senior Managers of Municipality** | | **4 115** | **8 359** | **9 266** | **19 139** | **18 439** | **18 439** | **19 287** | **20 174** | **21 102** |
| **% increase** | 4 | | **103,1%** | **10,8%** | **106,6%** | **(3,7%)** | **–** | **4,6%** | **4,6%** | **4,6%** |
| **Other Municipal Staff** | | | | | | | | | | |
| Basic Salaries and Wages | | 26 652 | 47 571 | 50 301 | 15 127 | 15 127 | 15 127 | 15 287 | 14 767 | 14 307 |
| Pension and UIF Contributions | | 4 227 | 9 659 | 8 944 | 13 363 | 13 363 | 13 363 | 14 113 | 15 986 | 17 860 |
| Medical Aid Contributions | | 1 448 | 3 195 | 3 221 | 1 672 | 1 672 | 1 672 | 1 749 | 1 830 | 1 914 |
| Overtime | | 688 | 1 748 | 2 212 | 4 975 | 4 975 | 4 975 | 5 204 | 5 443 | 5 693 |
| Performance Bonus | | 1 761 | 3 575 | 3 979 | 3 271 | 3 471 | 3 471 | 3 630 | 3 797 | 3 972 |
| Motor Vehicle Allowance | 3 | 1 501 | 4 766 | 4 168 | 3 952 | 3 952 | 3 952 | 4 134 | 4 324 | 4 523 |
| Cellphone Allowance | 3 | 503 | 583 | 760 | 7 545 | 7 545 | 7 545 | 7 892 | 8 255 | 8 634 |
| Housing Allowances | 3 | 82 | 1 039 | 200 | 2 687 | 2 687 | 2 687 | 2 810 | 2 939 | 3 075 |
| Other benefits and allowances | 3 | 230 | 1 317 | 2 398 | 21 553 | 21 473 | 21 473 | 22 461 | 23 494 | 24 575 |
| Payments in lieu of leave | | 41 | 2 727 | (1 861) | 1 754 | 1 754 | 1 754 | 1 835 | 1 919 | 2 007 |
| Long service awards | | 23 | 593 | 838 | 898 | 979 | 979 | 1 024 | 1 071 | 1 120 |
| Post-retirement benefit obligations | 6 | – | 707 | 1 604 | – | – | – | – | – | – |
| **Sub Total - Other Municipal Staff** | | **37 157** | **77 480** | **76 761** | **76 797** | **76 997** | **76 997** | **80 139** | **83 825** | **87 681** |
| **% increase** | 4 | | **108,5%** | **(0,9%)** | **0,0%** | **0,3%** | **–** | **4,1%** | **4,6%** | **4,6%** |
| | | | | | | | | | | |
| **Total Parent Municipality** | | **47 780** | **99 326** | **100 334** | **109 536** | **109 036** | **109 036** | **113 570** | **118 709** | **124 082** |
| | | | **107,9%** | **1,0%** | **9,2%** | **(0,5%)** | **–** | **4,2%** | **4,5%** | **4,5%** |
| **Board Members of Entities** | | | | | | | | | | |
| Basic Salaries and Wages | | – | – | – | – | – | – | – | – | – |
| **Sub Total - Board Members of Entities** | | – | – | – | – | – | – | – | – | – |
| **% increase** | 4 | – | – | – | – | – | – | – | – | – |
| **Senior Managers of Entities** | | | | | | | | | | |
| Basic Salaries and Wages | | – | – | – | – | – | – | – | – | – |
| **Sub Total - Senior Managers of Entities** | | – | – | – | – | – | – | – | – | – |
| **% increase** | 4 | – | – | – | – | – | – | – | – | – |
| **Other Staff of Entities** | | | | | | | | | | |
| Basic Salaries and Wages | | – | – | – | – | – | – | – | – | – |
| **Sub Total - Other Staff of Entities** | | – | – | – | – | – | – | – | – | – |
| **% increase** | 4 | – | – | – | – | – | – | – | – | – |
| **Total Municipal Entities** | | – | – | – | – | – | – | – | – | – |
| **TOTAL SALARY, ALLOWANCES & BENEFITS** | | **47 780** | **99 326** | **100 334** | **109 536** | **109 036** | **109 036** | **113 570** | **118 709** | **124 082** |
| **% increase** | 4 | | **107,9%** | **1,0%** | **9,2%** | **(0,5%)** | **–** | **4,2%** | **4,5%** | **4,5%** |
| **TOTAL MANAGERS AND STAFF** | 5,7 | **41 272** | **85 839** | **86 027** | **95 936** | **95 436** | **95 436** | **99 426** | **104 000** | **108 783** |

**EC136 Emalahleni (Ec) - Supporting Table SA24 Summary of personnel numbers**

| Summary of Personnel Numbers | Ref | 2020/21 | | | Current Year 2021/22 | | | Budget Year 2022/23 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Number | 1,2 | Positions | Permanent employees | Contract employees | Positions | Permanent employees | Contract employees | Positions | Permanent employees | Contract employees |
| **Municipal Council and Boards of Municipal Entities** | | | | | | | | | | |
| Councillors (Political Office Bearers plus Other Councillors) | | 7 | 7 | – | 7 | 7 | – | 7 | – | 7 |
| Board Members of municipal entities | 4 | – | – | – | – | – | – | – | – | – |
| **Municipal employees** | 5 | – | – | – | – | – | – | – | – | – |
| Municipal Manager and Senior Managers | 3 | 4 | 3 | 1 | 4 | 4 | – | 4 | 1 | 3 |
| Other Managers | 7 | 2 | 2 | – | 2 | 2 | – | 2 | – | 2 |
| Professionals | | – | – | – | – | – | – | – | – | – |
| *Finance* | | – | – | – | – | – | – | – | – | – |
| *Spatial/town planning* | | – | – | – | – | – | – | – | – | – |
| *Information Technology* | | – | – | – | – | – | – | – | – | – |
| *Roads* | | – | – | – | – | – | – | – | – | – |
| *Electricity* | | – | – | – | – | – | – | – | – | – |
| *Water* | | – | – | – | – | – | – | – | – | – |
| *Sanitation* | | – | – | – | – | – | – | – | – | – |
| *Refuse* | | – | – | – | – | – | – | – | – | – |
| *Other* | | – | – | – | – | – | – | – | – | – |
| Technicians | | – | – | – | – | – | – | – | – | – |
| *Finance* | | – | – | – | – | – | – | – | – | – |
| *Spatial/town planning* | | – | – | – | – | – | – | – | – | – |
| *Information Technology* | | – | – | – | – | – | – | – | – | – |
| *Roads* | | – | – | – | – | – | – | – | – | – |
| *Electricity* | | – | – | – | – | – | – | – | – | – |
| *Water* | | – | – | – | – | – | – | – | – | – |
| *Sanitation* | | – | – | – | – | – | – | – | – | – |
| *Refuse* | | – | – | – | – | – | – | – | – | – |
| *Other* | | – | – | – | – | – | – | – | – | – |
| Clerks (Clerical and administrative) | | 15 | 15 | 1 | 15 | 15 | 3 | – | – | – |
| Service and sales workers | | – | – | – | – | – | – | – | – | – |
| Skilled agricultural and fishery workers | | – | – | – | – | – | – | – | – | – |
| Craft and related trades | | – | – | – | – | – | – | – | – | – |
| Plant and Machine Operators | | 15 | 15 | – | 15 | 15 | – | – | – | – |
| Elementary Occupations | | 31 | 31 | – | 31 | 31 | – | 44 | 33 | 11 |
| **TOTAL PERSONNEL NUMBERS** | 9 | **74** | **73** | **2** | **74** | **74** | **3** | **57** | **34** | **23** |
| **% increase** | | | | | – | 1,4% | 50,0% | (23,0%) | (54,1%) | 666,7% |
| **Total municipal employees headcount** | 6, 10 | – | – | – | – | – | – | – | – | – |
| Finance personnel headcount | 8, 10 | – | – | – | – | – | – | – | – | – |
| Human Resources personnel headcount | 8, 10 | – | – | – | – | – | – | – | – | – |

**EC136 Emalahleni (Ec) - Supporting Table SA25 Budgeted monthly revenue and expenditure**

| Description | Ref | Budget Year 2022/23 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2022/23 | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
| **Revenue By Source** | | | | | | | | | | | | | | | | |
| Property rates | | 1 260 | 1 260 | 1 260 | 1 260 | 1 260 | 1 260 | 1 260 | 1 260 | 1 260 | 1 260 | 1 260 | 1 260 | 15 120 | 15 785 | 16 495 |
| Service charges - electricity revenue | | 1 464 | 1 464 | 1 464 | 1 464 | 1 464 | 1 464 | 1 464 | 1 464 | 1 464 | 1 464 | 1 464 | 1 464 | 17 565 | 18 197 | 18 872 |
| Service charges - water revenue | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Service charges - sanitation revenue | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Service charges - refuse revenue | | 430 | 430 | 430 | 430 | 430 | 430 | 430 | 430 | 430 | 430 | 430 | 430 | 5 160 | 5 387 | 5 629 |
| Rental of facilities and equipment | | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 540 | 564 | 589 |
| Interest earned - external investments | | 342 | 342 | 342 | 342 | 342 | 342 | 342 | 342 | 342 | 342 | 342 | 342 | 4 108 | 4 343 | 4 538 |
| Interest earned - outstanding debtors | | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 2 420 | 3 413 | 3 567 |
| Dividends received | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 200 | 209 | 218 |
| Licences and permits | | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 292 | 3 500 | 3 654 | 3 818 |
| Agency services | | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 1 591 | 1 690 | 1 766 |
| Transfers and subsidies | | 12 788 | 12 788 | 12 788 | 12 788 | 12 788 | 12 788 | 12 788 | 12 788 | 12 788 | 12 788 | 12 788 | 12 788 | 153 461 | 153 567 | 161 522 |
| Other revenue | | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 416 | 0 | 0 |
| Gains | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Revenue (excluding capital transfers and cont** | | **17 007** | **17 007** | **17 007** | **17 007** | **17 007** | **17 007** | **17 007** | **17 007** | **17 007** | **17 007** | **17 007** | **17 007** | **204 080** | **206 808** | **217 015** |
| **Expenditure By Type** | | | | | | | | | | | | | | | | |
| Employee related costs | | 8 286 | 8 286 | 8 286 | 8 286 | 8 286 | 8 286 | 8 286 | 8 286 | 8 286 | 8 286 | 8 286 | 8 285 | 99 426 | 104 000 | 108 783 |
| Remuneration of councillors | | 1 179 | 1 179 | 1 179 | 1 179 | 1 179 | 1 179 | 1 179 | 1 179 | 1 179 | 1 179 | 1 179 | 1 179 | 14 144 | 14 710 | 15 298 |
| Debt impairment | | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 2 000 | 3 000 | 3 000 |
| Depreciation & asset impairment | | 1 255 | 1 255 | 1 255 | 1 255 | 1 255 | 1 255 | 1 255 | 1 255 | 1 255 | 1 255 | 1 255 | 1 255 | 15 054 | 16 000 | 16 500 |
| Finance charges | | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 90 | 94 | 98 |
| Bulk purchases - electricity | | 1 083 | 1 083 | 1 083 | 1 083 | 1 083 | 1 083 | 1 083 | 1 083 | 1 083 | 1 083 | 1 083 | 1 083 | 13 000 | 14 616 | 15 274 |
| Inventory consumed | | 122 | 122 | 122 | 122 | 122 | 122 | 122 | 122 | 122 | 122 | 122 | 122 | 1 459 | 1 850 | 1 700 |
| Contracted services | | 1 633 | 1 633 | 1 633 | 1 633 | 1 633 | 1 633 | 1 633 | 1 633 | 1 633 | 1 633 | 1 633 | 1 633 | 19 594 | 19 261 | 24 308 |
| Transfers and subsidies | | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 1 235 | 1 995 | 2 299 |
| Other expenditure | | 2 570 | 2 570 | 2 570 | 2 570 | 2 570 | 2 570 | 2 570 | 2 570 | 2 570 | 2 570 | 2 570 | 2 570 | 30 838 | 32 033 | 33 041 |
| Losses | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Expenditure** | | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **196 840** | **207 558** | **220 302** |
| **Surplus/(Deficit)** | | **603** | **603** | **603** | **603** | **603** | **603** | **603** | **603** | **603** | **603** | **603** | **604** | **7 240** | **(750)** | **(3 287)** |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 6 060 | 6 060 | 6 060 | 6 060 | 6 060 | 6 060 | 6 060 | 6 060 | 6 060 | 6 060 | 6 060 | 6 060 | 72 720 | 44 517 | 48 483 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Transfers and subsidies - capital (in-kind - all) | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after capital transfers & contributions** | | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 664** | **79 960** | **43 768** | **45 196** |
| Taxation | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Attributable to minorities | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Share of surplus/ (deficit) of associate | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit)** | 1 | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 664** | **79 960** | **43 768** | **45 196** |

EC136 Emalahleni (Ec) - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

| Description | Ref | Budget Year 2022/23 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2022/23 | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
| **Revenue by Vote** | | | | | | | | | | | | | | | | |
| Vote 1 - Executive and council | | 680 | 680 | 680 | 680 | 680 | 680 | 680 | 680 | 680 | 680 | 680 | 680 | 8 154 | 8 409 | 8 742 |
| Vote 2 - Corporate Services | | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 50 | 50 | 50 |
| Vote 3 - Budget and Treasury | | 13 705 | 13 705 | 13 705 | 13 705 | 13 705 | 13 705 | 13 705 | 13 705 | 13 705 | 13 705 | 13 705 | 13 705 | 164 464 | 167 925 | 177 710 |
| Vote 4 - PEDTA | | (203) | (203) | (203) | (203) | (203) | (203) | (203) | (203) | (203) | (203) | (203) | (203) | (2 440) | (2 548) | (2 662) |
| Vote 5 - Community Services and Social Services | | 919 | 919 | 919 | 919 | 919 | 919 | 919 | 919 | 919 | 919 | 919 | 919 | 11 026 | 11 704 | 11 100 |
| Vote 6 - Infrastructure Development and Human Settler | | 7 962 | 7 962 | 7 962 | 7 962 | 7 962 | 7 962 | 7 962 | 7 962 | 7 962 | 7 962 | 7 962 | 7 962 | 95 547 | 65 785 | 70 559 |
| Vote 7 - COMMUNITY & SOCIAL SERVICES | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 8 - [NAME OF VOTE 8] | | | | | | | | | | | | | – | – | – | – |
| Vote 9 - [NAME OF VOTE 9] | | | | | | | | | | | | | – | – | – | – |
| Vote 10 - [NAME OF VOTE 10] | | | | | | | | | | | | | – | – | – | – |
| Vote 11 - [NAME OF VOTE 11] | | | | | | | | | | | | | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | | | | | | | | | | | | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | | | | | | | | | | | | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | | | | | | | | | | | | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | | | | | | | | | | | | – | – | – | – |
| **Total Revenue by Vote** | | **23 067** | **23 067** | **23 067** | **23 067** | **23 067** | **23 067** | **23 067** | **23 067** | **23 067** | **23 067** | **23 067** | **23 067** | **276 800** | **251 326** | **265 498** |
| **Expenditure by Vote to be appropriated** | | | | | | | | | | | | | | | | |
| Vote 1 - Executive and council | | 2 579 | 2 579 | 2 579 | 2 579 | 2 579 | 2 579 | 2 579 | 2 579 | 2 579 | 2 579 | 2 579 | 2 579 | 30 951 | 32 711 | 33 953 |
| Vote 2 - Corporate Services | | 3 156 | 3 156 | 3 156 | 3 156 | 3 156 | 3 156 | 3 156 | 3 156 | 3 156 | 3 156 | 3 156 | 3 156 | 37 877 | 41 787 | 47 353 |
| Vote 3 - Budget and Treasury | | 2 248 | 2 248 | 2 248 | 2 248 | 2 248 | 2 248 | 2 248 | 2 248 | 2 248 | 2 248 | 2 248 | 2 248 | 26 974 | 29 339 | 31 288 |
| Vote 4 - PEDTA | | 1 292 | 1 292 | 1 292 | 1 292 | 1 292 | 1 292 | 1 292 | 1 292 | 1 292 | 1 292 | 1 292 | 1 292 | 15 509 | 19 024 | 18 952 |
| Vote 5 - Community Services and Social Services | | 3 119 | 3 119 | 3 119 | 3 119 | 3 119 | 3 119 | 3 119 | 3 119 | 3 119 | 3 119 | 3 119 | 3 119 | 37 427 | 35 804 | 38 631 |
| Vote 6 - Infrastructure Development and Human Settler | | 4 008 | 4 008 | 4 008 | 4 008 | 4 008 | 4 008 | 4 008 | 4 008 | 4 008 | 4 008 | 4 008 | 4 008 | 48 101 | 48 894 | 50 125 |
| Vote 7 - COMMUNITY & SOCIAL SERVICES | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 8 - [NAME OF VOTE 8] | | | | | | | | | | | | | – | – | – | – |
| Vote 9 - [NAME OF VOTE 9] | | | | | | | | | | | | | – | – | – | – |
| Vote 10 - [NAME OF VOTE 10] | | | | | | | | | | | | | – | – | – | – |
| Vote 11 - [NAME OF VOTE 11] | | | | | | | | | | | | | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | | | | | | | | | | | | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | | | | | | | | | | | | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | | | | | | | | | | | | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | | | | | | | | | | | | – | – | – | – |
| **Total Expenditure by Vote** | | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **196 840** | **207 558** | **220 302** |
| **Surplus/(Deficit) before assoc.** | | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 664** | **79 960** | **43 768** | **45 196** |
| Taxation | | | | | | | | | | | | | – | – | – | – |
| Attributable to minorities | | | | | | | | | | | | | – | – | – | – |
| Share of surplus/ (deficit) of associate | | | | | | | | | | | | | – | – | – | – |
| **Surplus/(Deficit)** | 1 | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 664** | **79 960** | **43 768** | **45 196** |

EC136 Emalahleni (Ec) - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

| Description | Ref | Budget Year 2022/23 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2022/23 | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
| Revenue - Functional | | | | | | | | | | | | | | | | |
| ***Governance and administration*** | | **14 116** | **14 116** | **14 116** | **14 116** | **14 116** | **14 116** | **14 116** | **14 116** | **14 116** | **14 116** | **14 116** | **14 116** | **169 396** | **173 052** | **183 020** |
| Executive and council | | 630 | 630 | 630 | 630 | 630 | 630 | 630 | 630 | 630 | 630 | 630 | 630 | 7 554 | 7 783 | 8 087 |
| Finance and administration | | 13 487 | 13 487 | 13 487 | 13 487 | 13 487 | 13 487 | 13 487 | 13 487 | 13 487 | 13 487 | 13 487 | 13 487 | 161 842 | 165 269 | 174 933 |
| Internal audit | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| ***Community and public safety*** | | **167** | **167** | **167** | **167** | **167** | **167** | **167** | **167** | **167** | **167** | **167** | **167** | **2 006** | **2 096** | **1 060** |
| Community and social services | | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 1 065 | 1 113 | 33 |
| Sport and recreation | | 0 | – | – | – | – | – | – | – | – | – | – | – | 0 | 0 | 0 |
| Public safety | | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 941 | 983 | 1 027 |
| Housing | | 0 | – | – | – | – | – | – | – | – | – | – | – | 0 | 0 | 0 |
| Health | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| ***Economic and environmental services*** | | **4 109** | **4 109** | **4 109** | **4 109** | **4 109** | **4 109** | **4 109** | **4 109** | **4 109** | **4 109** | **4 109** | **4 109** | **49 308** | **39 701** | **43 446** |
| Planning and development | | 4 109 | 4 109 | 4 109 | 4 109 | 4 109 | 4 109 | 4 109 | 4 109 | 4 109 | 4 109 | 4 109 | 4 109 | 49 308 | 39 701 | 43 446 |
| Road transport | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Environmental protection | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| ***Trading services*** | | **4 283** | **4 283** | **4 283** | **4 283** | **4 283** | **4 283** | **4 283** | **4 283** | **4 283** | **4 283** | **4 283** | **4 283** | **51 399** | **31 580** | **32 856** |
| Energy sources | | 3 853 | 3 853 | 3 853 | 3 853 | 3 853 | 3 853 | 3 853 | 3 853 | 3 853 | 3 853 | 3 853 | 3 853 | 46 239 | 26 084 | 27 113 |
| Water management | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Waste water management | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Waste management | | 430 | 430 | 430 | 430 | 430 | 430 | 430 | 430 | 430 | 430 | 430 | 430 | 5 160 | 5 496 | 5 743 |
| ***Other*** | | **391** | **391** | **391** | **391** | **391** | **391** | **391** | **391** | **391** | **391** | **391** | **391** | **4 691** | **4 897** | **5 117** |
| **Total Revenue - Functional** | | **23 067** | **23 067** | **23 067** | **23 067** | **23 067** | **23 067** | **23 067** | **23 067** | **23 067** | **23 067** | **23 067** | **23 067** | **276 800** | **251 326** | **265 498** |
| Expenditure - Functional | | | | | | | | | | | | | | | | |
| ***Governance and administration*** | | **8 744** | **8 744** | **8 744** | **8 744** | **8 744** | **8 744** | **8 744** | **8 744** | **8 744** | **8 744** | **8 744** | **8 744** | **104 931** | **111 281** | **120 945** |
| Executive and council | | 2 322 | 2 322 | 2 322 | 2 322 | 2 322 | 2 322 | 2 322 | 2 322 | 2 322 | 2 322 | 2 322 | 2 322 | 27 858 | 29 451 | 30 540 |
| Finance and administration | | 6 260 | 6 260 | 6 260 | 6 260 | 6 260 | 6 260 | 6 260 | 6 260 | 6 260 | 6 260 | 6 260 | 6 260 | 75 124 | 80 167 | 88 675 |
| Internal audit | | 162 | 162 | 162 | 162 | 162 | 162 | 162 | 162 | 162 | 162 | 162 | 162 | 1 949 | 1 663 | 1 730 |
| ***Community and public safety*** | | **3 043** | **3 043** | **3 043** | **3 043** | **3 043** | **3 043** | **3 043** | **3 043** | **3 043** | **3 043** | **3 043** | **3 043** | **36 519** | **38 578** | **38 818** |
| Community and social services | | 1 961 | 1 961 | 1 961 | 1 961 | 1 961 | 1 961 | 1 961 | 1 961 | 1 961 | 1 961 | 1 961 | 1 961 | 23 535 | 24 900 | 25 514 |
| Sport and recreation | | 397 | 397 | 397 | 397 | 397 | 397 | 397 | 397 | 397 | 397 | 397 | 397 | 4 769 | 4 989 | 5 219 |
| Public safety | | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 205 | 2 464 | 2 709 | 2 818 |
| Housing | | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 5 751 | 5 981 | 5 267 |
| Health | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| ***Economic and environmental services*** | | **2 464** | **2 464** | **2 464** | **2 464** | **2 464** | **2 464** | **2 464** | **2 464** | **2 464** | **2 464** | **2 464** | **2 464** | **29 563** | **31 746** | **31 184** |
| Planning and development | | 2 188 | 2 188 | 2 188 | 2 188 | 2 188 | 2 188 | 2 188 | 2 188 | 2 188 | 2 188 | 2 188 | 2 188 | 26 261 | 29 582 | 29 403 |
| Road transport | | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 3 302 | 2 164 | 1 781 |
| Environmental protection | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| ***Trading services*** | | **1 834** | **1 834** | **1 834** | **1 834** | **1 834** | **1 834** | **1 834** | **1 834** | **1 834** | **1 834** | **1 834** | **1 834** | **22 012** | **22 313** | **25 567** |
| Energy sources | | 1 522 | 1 522 | 1 522 | 1 522 | 1 522 | 1 522 | 1 522 | 1 522 | 1 522 | 1 522 | 1 522 | 1 522 | 18 260 | 19 978 | 20 922 |
| Water management | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Waste water management | | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 986 | 366 | 1 061 |
| Waste management | | 231 | 231 | 231 | 231 | 231 | 231 | 231 | 231 | 231 | 231 | 231 | 231 | 2 766 | 1 969 | 3 584 |
| ***Other*** | | **318** | **318** | **318** | **318** | **318** | **318** | **318** | **318** | **318** | **318** | **318** | **318** | **3 814** | **3 640** | **3 788** |
| **Total Expenditure - Functional** | | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **16 403** | **196 840** | **207 558** | **220 302** |
| **Surplus/(Deficit) before assoc.** | | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 664** | **79 960** | **43 768** | **45 196** |
| Share of surplus/ (deficit) of associate | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit)** | 1 | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 663** | **6 664** | **79 960** | **43 768** | **45 196** |

*MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)*

**EC136 Emalahleni (Ec) - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)**

| Description | Ref | Budget Year 2022/23 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2022/23 | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
| **Multi-year expenditure *to be appropriated*** | 1 | | | | | | | | | | | | | | | |
| Vote 1 - Executive and council | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 2 - Corporate Services | | – | – | – | – | – | – | – | – | – | – | – | 0 | 0 | 0 | 0 |
| Vote 3 - Budget and Treasury | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 4 - PEDTA | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 5 - Community Services and Social Services | | 2 114 | 2 114 | 2 114 | 2 114 | 2 114 | 2 114 | 2 114 | 2 114 | 2 114 | 2 114 | 2 114 | 2 114 | 25 365 | 1 130 | 1 348 |
| Vote 6 - Infrastructure Development and Human Settler | | 4 222 | 4 222 | 4 222 | 4 222 | 4 222 | 4 222 | 4 222 | 4 222 | 4 222 | 4 222 | 4 222 | 4 222 | 50 668 | 37 831 | 39 438 |
| Vote 7 - COMMUNITY & SOCIAL SERVICES | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 8 - [NAME OF VOTE 8] | | | | | | | | | | | | | – | – | – | – |
| Vote 9 - [NAME OF VOTE 9] | | | | | | | | | | | | | – | – | – | – |
| Vote 10 - [NAME OF VOTE 10] | | | | | | | | | | | | | – | – | – | – |
| Vote 11 - [NAME OF VOTE 11] | | | | | | | | | | | | | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | | | | | | | | | | | | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | | | | | | | | | | | | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | | | | | | | | | | | | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | | | | | | | | | | | | – | – | – | – |
| **Capital multi-year expenditure sub-total** | 2 | **6 336** | **6 336** | **6 336** | **6 336** | **6 336** | **6 336** | **6 336** | **6 336** | **6 336** | **6 336** | **6 336** | **6 336** | **76 033** | **38 961** | **40 786** |
| **Single-year expenditure *to be appropriated*** | | | | | | | | | | | | | | | | |
| Vote 1 - Executive and council | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 2 - Corporate Services | | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 4 000 | 300 | 300 |
| Vote 3 - Budget and Treasury | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 4 - PEDTA | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 5 - Community Services and Social Services | | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 22 | 270 | 221 | 122 |
| Vote 6 - Infrastructure Development and Human Settler | | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 1 000 | 1 566 | 545 |
| Vote 7 - COMMUNITY & SOCIAL SERVICES | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 8 - [NAME OF VOTE 8] | | | | | | | | | | | | | – | – | – | – |
| Vote 9 - [NAME OF VOTE 9] | | | | | | | | | | | | | – | – | – | – |
| Vote 10 - [NAME OF VOTE 10] | | | | | | | | | | | | | – | – | – | – |
| Vote 11 - [NAME OF VOTE 11] | | | | | | | | | | | | | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | | | | | | | | | | | | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | | | | | | | | | | | | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | | | | | | | | | | | | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | | | | | | | | | | | | – | – | – | – |
| **Capital single-year expenditure sub-total** | 2 | **439** | **439** | **439** | **439** | **439** | **439** | **439** | **439** | **439** | **439** | **439** | **439** | **5 270** | **2 087** | **967** |
| **Total Capital Expenditure** | 2 | **6 775** | **6 775** | **6 775** | **6 775** | **6 775** | **6 775** | **6 775** | **6 775** | **6 775** | **6 775** | **6 775** | **6 775** | **81 303** | **41 047** | **41 753** |

**MBRR SA29 - Budgeted monthly capital expenditure (standard classification)*

**EC136 Emalahleni (Ec) - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)**

| Description | Ref | Budget Year 2022/23 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2022/23 | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
| **Capital Expenditure - Functional** | 1 | | | | | | | | | | | | | | | |
| ***Governance and administration*** | | **381** | **381** | **381** | **381** | **381** | **381** | **381** | **381** | **381** | **381** | **381** | **381** | **4 568** | **530** | **648** |
| Executive and council | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Finance and administration | | 381 | 381 | 381 | 381 | 381 | 381 | 381 | 381 | 381 | 381 | 381 | 381 | 4 568 | 530 | 648 |
| Internal audit | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| ***Community and public safety*** | | **1 997** | **1 997** | **1 997** | **1 997** | **1 997** | **1 997** | **1 997** | **1 997** | **1 997** | **1 997** | **1 997** | **1 997** | **23 967** | **21** | **22** |
| Community and social services | | 770 | 770 | 770 | 770 | 770 | 770 | 770 | 770 | 770 | 770 | 770 | 770 | 9 241 | 21 | 22 |
| Sport and recreation | | 1 227 | 1 227 | 1 227 | 1 227 | 1 227 | 1 227 | 1 227 | 1 227 | 1 227 | 1 227 | 1 227 | 1 227 | 14 725 | – | – |
| Public safety | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Health | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| ***Economic and environmental services*** | | **1 956** | **1 956** | **1 956** | **1 956** | **1 956** | **1 956** | **1 956** | **1 956** | **1 956** | **1 956** | **1 956** | **1 956** | **23 468** | **37 517** | **39 111** |
| Planning and development | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Road transport | | 1 956 | 1 956 | 1 956 | 1 956 | 1 956 | 1 956 | 1 956 | 1 956 | 1 956 | 1 956 | 1 956 | 1 956 | 23 468 | 37 517 | 39 111 |
| Environmental protection | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| ***Trading services*** | | **2 442** | **2 442** | **2 442** | **2 442** | **2 442** | **2 442** | **2 442** | **2 442** | **2 442** | **2 442** | **2 442** | **2 442** | **29 300** | **2 979** | **1 973** |
| Energy sources | | 2 350 | 2 350 | 2 350 | 2 350 | 2 350 | 2 350 | 2 350 | 2 350 | 2 350 | 2 350 | 2 350 | 2 350 | 28 200 | 1 879 | 873 |
| Water management | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Waste water management | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Waste management | | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 1 100 | 1 100 | 1 100 |
| ***Other*** | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Capital Expenditure - Functional** | 2 | **6 775** | **6 775** | **6 775** | **6 775** | **6 775** | **6 775** | **6 775** | **6 775** | **6 775** | **6 775** | **6 775** | **6 775** | **81 303** | **41 047** | **41 753** |
| | | | | | | | | | | | | | | | | |
| **Funded by:** | | | | | | | | | | | | | | | | |
| National Government | | 5 808 | 5 808 | 5 808 | 5 808 | 5 808 | 5 808 | 5 808 | 5 808 | 5 808 | 5 808 | 5 808 | **5 808** | **69 692** | **37 517** | **39 111** |
| Provincial Government | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| District Municipality | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Transfers recognised - capital** | | **5 808** | **5 808** | **5 808** | **5 808** | **5 808** | **5 808** | **5 808** | **5 808** | **5 808** | **5 808** | **5 808** | **5 808** | **69 692** | **37 517** | **39 111** |
| **Borrowing** | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Internally generated funds** | | 547 | 547 | 547 | 547 | 547 | 547 | 547 | 547 | 547 | 547 | 547 | 547 | 6 567 | 3 500 | 2 395 |
| **Total Capital Funding** | | **6 355** | **6 355** | **6 355** | **6 355** | **6 355** | **6 355** | **6 355** | **6 355** | **6 355** | **6 355** | 6 355 | 6 355 | 76 260 | 41 017 | 41 505 |

*MBRR SA30 - Budgeted monthly cash*

**EC136 Emalahleni (Ec) - Supporting Table SA30 Budgeted monthly cash flow**

| MONTHLY CASH FLOWS | Budget Year 2022/23 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2022/23 | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
| **Cash Receipts By Source** | | | | | | | | | | | | | 1 | | |
| Property rates | 457 | 457 | 457 | 457 | 457 | 457 | 457 | 457 | 457 | 457 | 457 | 457 | 5 487 | 5 761 | 5 761 |
| Service charges - electricity revenue | 279 | 279 | 279 | 279 | 279 | 279 | 279 | 279 | 279 | 279 | 279 | 279 | 3 346 | 3 346 | 3 346 |
| Service charges - water revenue | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Service charges - sanitation revenue | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Service charges - refuse revenue | 496 | 496 | 496 | 496 | 496 | 496 | 496 | 496 | 496 | 496 | 496 | 496 | 5 947 | 5 947 | 5 947 |
| Rental of facilities and equipment | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 544 | 567 | 592 |
| Interest earned - external investments | 261 | 261 | 261 | 261 | 261 | 261 | 261 | 261 | 261 | 261 | 261 | 261 | 3 130 | 3 261 | 3 405 |
| Interest earned - outstanding debtors | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Dividends received | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 150 | 156 | 163 |
| Licences and permits | 334 | 334 | 334 | 334 | 334 | 334 | 334 | 334 | 334 | 334 | 334 | 334 | 4 010 | 4 179 | 4 362 |
| Agency services | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 1 529 | 1 594 | 1 664 |
| Transfers and Subsidies - Operational | 12 154 | 12 154 | 12 154 | 12 154 | 12 154 | 12 154 | 12 154 | 12 154 | 12 154 | 12 154 | 12 154 | 12 154 | 145 852 | 148 389 | 144 009 |
| Other revenue | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 316 | 329 | 344 |
| **Cash Receipts by Source** | **14 193** | **14 193** | **14 193** | **14 193** | **14 193** | **14 193** | **14 193** | **14 193** | **14 193** | **14 193** | **14 193** | **14 193** | **170 312** | **173 530** | **169 593** |
| **Other Cash Flows by Source** | | | | | | | | | | | | | | | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 4 413 | 4 413 | 4 413 | 4 413 | 4 413 | 4 413 | 4 413 | 4 413 | 4 413 | 4 413 | 4 413 | 4 413 | 52 951 | 46 019 | 44 517 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Proceeds on Disposal of Fixed and Intangible Assets | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Short term loans | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Borrowing long term/refinancing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Increase (decrease) in consumer deposits | (0) | – | – | – | – | – | – | – | – | – | – | – | (0) | – | – |
| Decrease (increase) in non-current receivables | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Decrease (increase) in non-current investments | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Cash Receipts by Source** | **18 605** | **18 605** | **18 605** | **18 605** | **18 605** | **18 605** | **18 605** | **18 605** | **18 605** | **18 605** | **18 605** | **18 605** | **223 263** | **219 549** | **214 110** |
| **Cash Payments by Type** | | | | | | | | | | | | | | | |
| Employee related costs | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Remuneration of councillors | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Finance charges | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Bulk purchases - electricity | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Acquisitions - water & other inventory | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Contracted services | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Transfers and grants - other municipalities | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Transfers and grants - other | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Other expenditure | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Cash Payments by Type** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Other Cash Flows/Payments by Type** | | | | | | | | | | | | | | | |
| Capital assets | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Repayment of borrowing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Other Cash Flows/Payments | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Cash Payments by Type** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **NET INCREASE/(DECREASE) IN CASH HELD** | **18 605** | **18 605** | **18 605** | **18 605** | **18 605** | **18 605** | **18 605** | **18 605** | **18 605** | **18 605** | **18 605** | **18 605** | **223 263** | **219 549** | **214 110** |
| Cash/cash equivalents at the month/year begin: | – | 18 605 | 37 210 | 55 816 | 74 421 | 93 026 | 111 631 | 130 237 | 148 842 | 167 447 | 186 052 | 204 658 | – | 223 263 | 442 812 |
| Cash/cash equivalents at the month/year end: | 18 605 | 37 210 | 55 816 | 74 421 | 93 026 | 111 631 | 130 237 | 148 842 | 167 447 | 186 052 | 204 658 | 223 263 | 223 263 | 442 812 | 656 922 |

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

## 1.10 CAPITAL EXPENDITURE DETAILS

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

| EC136 Emalahleni (Ec) - Supporting Table SA34a Capital expenditure on new assets by asset class | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Description | Ref | 2018/19 | 2019/20 | 2020/21 | Current Year 2021/22 | | | 2022/23 Medium Term Revenue & Expenditure Framework | | |
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2022/23 | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
| **Capital expenditure on new assets by Asset Class/Sub-class** | | | | | | | | | | |
| **Infrastructure** | | **1 235** | **1 473** | **1 272** | **–** | **–** | **–** | **500** | **1 044** | **–** |
| Roads Infrastructure | | 1 235 | 1 473 | – | – | – | – | – | – | – |
| *Roads* | | 1 235 | 1 473 | – | – | – | – | – | – | – |
| Storm water Infrastructure | | – | – | – | – | – | – | – | – | – |
| Electrical Infrastructure | | – | – | – | – | – | – | 500 | 1 044 | – |
| *Power Plants* | | – | – | – | – | – | – | – | – | – |
| *MV Networks* | | – | – | – | – | – | – | 500 | 1 044 | – |
| Water Supply Infrastructure | | – | – | – | – | – | – | – | – | – |
| Solid Waste Infrastructure | | – | – | 1 272 | – | – | – | – | – | – |
| *Landfill Sites* | | – | – | 1 272 | – | – | – | – | – | – |
| Rail Infrastructure | | – | – | – | – | – | – | – | – | – |
| **Community Assets** | | **1 744** | **6 960** | **17 595** | **1 300** | **1 300** | **1 300** | **5 611** | **–** | **–** |
| Community Facilities | | 1 744 | 6 960 | 17 595 | 1 300 | 1 300 | 1 300 | 5 611 | – | – |
| *Centres* | | – | – | 16 675 | – | – | – | 5 611 | – | – |
| *Testing Stations* | | 286 | 2 501 | 336 | – | – | – | – | – | – |
| *Cemeteries/Crematoria* | | 1 287 | 1 607 | 584 | 1 300 | 1 300 | 1 300 | – | – | – |
| *Public Open Space* | | 170 | 2 852 | – | – | – | – | – | – | – |
| Sport and Recreation Facilities | | – | – | – | – | – | – | – | – | – |
| **Other assets** | | **–** | **–** | **–** | **–** | **–** | **–** | **200** | **–** | **–** |
| Operational Buildings | | – | – | – | – | – | – | 200 | – | – |
| *Municipal Offices* | | – | – | – | – | – | – | – | – | – |
| *Stores* | | – | – | – | – | – | – | 200 | – | – |
| **Computer Equipment** | | – | – | 321 | 0 | 0 | 0 | 500 | 300 | 300 |
| Computer Equipment | | – | – | 321 | 0 | 0 | 0 | 500 | 300 | 300 |
| **Furniture and Office Equipment** | | 299 | 997 | 481 | 50 | 50 | 50 | 217 | 21 | 22 |
| Furniture and Office Equipment | | 299 | 997 | 481 | 50 | 50 | 50 | 217 | 21 | 22 |
| **Machinery and Equipment** | | – | – | 2 036 | 400 | 400 | 400 | 550 | 722 | 645 |
| Machinery and Equipment | | – | – | 2 036 | 400 | 400 | 400 | 550 | 722 | 645 |
| **Transport Assets** | | – | – | 1 431 | 1 000 | 1 000 | 1 000 | 3 500 | 0 | 0 |
| Transport Assets | | – | – | 1 431 | 1 000 | 1 000 | 1 000 | 3 500 | 0 | 0 |
| **Land** | | – | – | – | – | – | – | – | – | – |
| Land | | – | – | – | – | – | – | – | – | – |
| **Zoo's, Marine and Non-biological Animals** | | – | – | – | – | – | – | – | – | – |
| Zoo's, Marine and Non-biological Animals | | – | – | – | – | – | – | – | – | – |
| **Total Capital Expenditure on new assets** | 1 | **3 277** | **9 430** | **23 136** | **2 750** | **2 750** | **2 750** | **11 078** | **2 087** | **967** |

| EC136 Emalahleni (Ec) - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Description | Ref | 2018/19 | 2019/20 | 2020/21 | Current Year 2021/22 | | | 2022/23 Medium Term Revenue & Expenditure Framework | | |
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2022/23 | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
| **Capital expenditure on renewal of existing assets by Asset Class/Sub-class** | | | | | | | | | | |
| | | | | | | | | | | |
| **Infrastructure** | | **–** | **13 880** | **(5 959)** | **21 457** | **19 357** | **19 357** | **15 771** | **–** | **–** |
| Roads Infrastructure | | – | 14 133 | (3 414) | 21 457 | 19 357 | 19 357 | 15 771 | – | – |
| *Roads* | | – | 14 133 | (3 414) | 21 457 | 19 357 | 19 357 | 15 771 | – | – |
| Storm water Infrastructure | | – | – | – | – | – | – | – | – | – |
| Electrical Infrastructure | | – | 26 | 0 | – | – | – | – | – | – |
| *Power Plants* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | – | 26 | 0 | – | – | – | – | – | – |
| Water Supply Infrastructure | | – | – | – | – | – | – | – | – | – |
| Solid Waste Infrastructure | | – | (278) | (2 545) | – | – | – | – | – | – |
| *Waste Processing Facilities* | | – | (278) | (2 545) | – | – | – | – | – | – |
| **Community Assets** | | **417** | **1 850** | **225** | **3 300** | **1 900** | **1 900** | **3 711** | **100** | **100** |
| Community Facilities | | – | – | – | 3 300 | 1 900 | 1 900 | 3 711 | 100 | 100 |
| *Centres* | | – | – | – | 3 300 | 1 900 | 1 900 | 3 711 | 100 | 100 |
| Sport and Recreation Facilities | | 417 | 1 850 | 225 | – | – | – | – | – | – |
| *Outdoor Facilities* | | 417 | 1 850 | 225 | – | – | – | – | – | – |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| **Other assets** | | **–** | **–** | **–** | **645** | **445** | **445** | **–** | **–** | **–** |
| Operational Buildings | | – | – | – | 645 | 445 | 445 | – | – | – |
| *Municipal Offices* | | – | – | – | 645 | 445 | 445 | – | – | – |
| **Machinery and Equipment** | | – | – | – | 250 | 150 | 150 | – | – | – |
| Machinery and Equipment | | – | – | – | 250 | 150 | 150 | – | – | – |
| **Transport Assets** | | – | – | – | 750 | 950 | 950 | 1 000 | 1 313 | 1 327 |
| Transport Assets | | – | – | – | 750 | 950 | 950 | 1 000 | 1 313 | 1 327 |
| **Total Capital Expenditure on renewal of** | 1 | **417** | **15 730** | **(5 734)** | **26 402** | **22 802** | **22 802** | **20 482** | **1 413** | **1 427** |
| | | | | | | | | | | |
| ***Renewal of Existing Assets as % of total capex*** | | *4,4%* | *-86,4%* | *-206,9%* | *46,5%* | *35,5%* | *35,5%* | *25,2%* | *3,4%* | *3,4%* |
| ***Renewal of Existing Assets as % of deprecn"*** | | *0,0%* | *73,2%* | *-46,0%* | *132,0%* | *162,8%* | *162,8%* | *136,1%* | *8,8%* | *8,7%* |

EC136 Emalahleni (Ec) - Supporting Table SA34c Repairs and maintenance expenditure by asset class

| Description | Ref | 2018/19 | 2019/20 | 2020/21 | Current Year 2021/22 | | | 2022/23 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2022/23 | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
| **Repairs and maintenance expenditure by Asset Class/Sub-class** | | | | | | | | | | |
| **Infrastructure** | | 1 066 | 2 598 | (588) | 1 355 | 1 355 | 1 355 | 2 300 | 592 | 1 459 |
| Roads Infrastructure | | – | – | – | – | – | – | – | – | – |
| *Roads* | | – | – | – | – | – | – | – | – | – |
| Storm water Infrastructure | | 850 | 2 054 | 89 | 200 | 200 | 200 | 650 | – | 679 |
| *Storm water Conveyance* | | 850 | 2 054 | 89 | 200 | 200 | 200 | 650 | – | 679 |
| Electrical Infrastructure | | 216 | 545 | (676) | 1 155 | 1 155 | 1 155 | 650 | 392 | 579 |
| *Power Plants* | | – | – | – | 50 | 50 | 50 | – | – | – |
| *MV Substations* | | 50 | 187 | 209 | 500 | 500 | 500 | – | 50 | 52 |
| *MV Networks* | | 86 | 230 | (1 099) | 200 | 204 | 204 | 500 | 185 | 57 |
| *LV Networks* | | 80 | 128 | 213 | 405 | 401 | 401 | 150 | 157 | 470 |
| Water Supply Infrastructure | | – | – | – | – | – | – | – | – | – |
| Information and Communication Infrastructu | | – | – | – | – | – | – | 1 000 | 200 | 200 |
| *Data Centres* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | – | – | – | – | – | – | 1 000 | 200 | 200 |
| | | | | | | | | | | |
| **Community Assets** | | 257 | 575 | 96 | – | – | – | 468 | 470 | 719 |
| Community Facilities | | 257 | 555 | 96 | – | – | – | 468 | 470 | 719 |
| *Halls* | | 232 | 370 | 162 | – | – | – | 368 | 261 | 501 |
| *Cemeteries/Crematoria* | | – | 23 | – | – | – | – | 100 | 209 | 218 |
| *Police* | | – | – | – | – | – | – | – | – | – |
| *Parks* | | 26 | 81 | – | – | – | – | – | – | – |
| *Public Open Space* | | – | 81 | (65) | – | – | – | – | – | – |
| Sport and Recreation Facilities | | – | 20 | – | – | – | – | – | – | – |
| *Outdoor Facilities* | | – | 20 | – | – | – | – | – | – | – |
| | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| **Heritage assets** | | – | – | – | – | – | – | – | – | – |
| Monuments | | – | – | – | – | – | – | – | – | – |
| **Investment properties** | | – | – | – | – | – | – | – | – | – |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| *Improved Property* | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| *Improved Property* | | – | – | – | – | – | – | – | – | – |
| **Other assets** | | 193 | 441 | 637 | – | – | – | 1 295 | 259 | 838 |
| Operational Buildings | | 193 | 441 | 476 | – | – | – | 1 295 | 259 | 838 |
| *Municipal Offices* | | 193 | 441 | 476 | – | – | – | 1 295 | 259 | 838 |
| Housing | | – | – | 161 | – | – | – | – | – | – |
| *Social Housing* | | – | – | 161 | – | – | – | – | – | – |
| **Biological or Cultivated Assets** | | – | – | – | – | – | – | – | – | – |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| **Intangible Assets** | | 48 | 70 | – | – | – | – | – | – | – |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | 48 | 70 | – | – | – | – | – | – | – |
| *Computer Software and Applications* | | 48 | 70 | – | – | – | – | – | – | – |
| **Computer Equipment** | | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | – | – | – | – | – | – | – | – | – |
| **Furniture and Office Equipment** | | – | – | – | – | – | – | – | – | – |
| Furniture and Office Equipment | | – | – | – | – | – | – | – | – | – |
| **Machinery and Equipment** | | 27 | 3 529 | 492 | – | – | – | 250 | 257 | 264 |
| Machinery and Equipment | | 27 | 3 529 | 492 | – | – | – | 250 | 257 | 264 |
| **Transport Assets** | | 648 | 962 | 859 | 1 100 | 2 119 | 2 119 | 1 170 | – | 3 021 |
| Transport Assets | | 648 | 962 | 859 | 1 100 | 2 119 | 2 119 | 1 170 | – | 3 021 |
| **Land** | | – | – | – | – | – | – | – | – | – |
| Land | | – | – | – | – | – | – | – | – | – |
| **Zoo's, Marine and Non-biological Anima** | | – | – | 55 | – | – | – | 130 | 100 | 100 |
| Zoo's, Marine and Non-biological Animals | | – | – | 55 | – | – | – | 130 | 100 | 100 |
| **Total Repairs and Maintenance** | 1 | 2 240 | 8 174 | 1 551 | 2 455 | 3 474 | 3 474 | 5 614 | 1 677 | 6 401 |
| ***R&M as a % of PPE*** | | 0,5% | 1,9% | 0,3% | 0,6% | 0,8% | 0,8% | 1,3% | 2,1% | 15,5% |
| ***R&M as % Operating Expenditure*** | | 2,4% | 4,0% | 0,8% | 1,3% | 1,8% | 1,8% | 2,9% | 0,9% | 3,1% |

## 1.18 LEGISLATION COMPLIANCE STATUS

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
   Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved.

2. Internship programme
   The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department and one in the Internal Audit Department,

3. Budget and Treasury Office
   The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee
   An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan
   The detail SDBIP document is at a draft stage and will be finalised after approval of the 2022/23 MTREF in May 2022.

6. Annual Report
   Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training
   The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.

8. Policies
   An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010.

**MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

EC136 Emalahleni (Ec) - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

| Description<br>R thousand | Ref<br>1 | Vote 1 - Executive and council | Vote 2 - Corporate Services | Vote 3 - Budget and Treasury | Vote 4 - PEDTA | Vote 5 - Community Services and Social | Vote 6 - Infrastructur e Development | Vote 7 - COMMUNITY & SOCIAL SERVICES | Vote 8 - [NAME OF VOTE 8] | Vote 9 - [NAME OF VOTE 9] | Vote 10 - [NAME OF VOTE 10] | Vote 11 - [NAME OF VOTE 11] | Vote 12 - [NAME OF VOTE 12] | Vote 13 - [NAME OF VOTE 13] | Vote 14 - [NAME OF VOTE 14] | Vote 15 - [NAME OF VOTE 15] | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue By Source** | | | | | | | | | | | | | | | | | |
| Property rates | | 600 | – | 16 960 | (2 440) | – | – | – | – | – | – | – | – | – | – | – | 15 120 |
| Service charges - electricity revenue | | – | – | 915 | – | – | 16 650 | – | – | – | – | – | – | – | – | – | 17 565 |
| Service charges - water revenue | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Service charges - sanitation revenue | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Service charges - refuse revenue | | – | – | – | – | 5 160 | – | – | – | – | – | – | – | – | – | – | 5 160 |
| Rental of facilities and equipment | | – | – | 500 | – | 40 | – | – | – | – | – | – | – | – | – | – | 540 |
| Interest earned - external investments | | – | – | 4 108 | – | – | – | – | – | – | – | – | – | – | – | – | 4 108 |
| Interest earned - outstanding debtors | | – | – | 31 | – | – | 2 389 | – | – | – | – | – | – | – | – | – | 2 420 |
| Dividends received | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | | – | – | – | – | 200 | – | – | – | – | – | – | – | – | – | – | 200 |
| Licences and permits | | – | – | 300 | – | 3 000 | 200 | – | – | – | – | – | – | – | – | – | 3 500 |
| Agency services | | – | – | – | – | 1 591 | – | – | – | – | – | – | – | – | – | – | 1 591 |
| Other revenue | | – | 0 | 416 | 0 | 0 | 0 | – | – | – | – | – | – | – | – | – | 416 |
| Transfers and subsidies | | 7 554 | 50 | 141 234 | – | 1 035 | 3 588 | – | – | – | – | – | – | – | – | – | 153 461 |
| Gains | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Revenue (excluding capital transfers and cont** | | **8 154** | **50** | **164 464** | **(2 440)** | **11 026** | **22 827** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **204 080** |
| **Expenditure By Type** | | | | | | | | | | | | | | | | | |
| Employee related costs | | 7 792 | 22 656 | 11 243 | 12 438 | 25 029 | 20 268 | – | – | – | – | – | – | – | – | – | 99 426 |
| Remuneration of councillors | | 14 144 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 14 144 |
| Debt impairment | | – | 2 000 | – | – | – | – | – | – | – | – | – | – | – | – | – | 2 000 |
| Depreciation & asset impairment | | 1 150 | 500 | 1 532 | 410 | 1 150 | 10 312 | – | – | – | – | – | – | – | – | – | 15 054 |
| Finance charges | | – | 90 | – | – | – | – | – | – | – | – | – | – | – | – | – | 90 |
| Bulk purchases - electricity | | – | – | – | – | – | 13 000 | – | – | – | – | – | – | – | – | – | 13 000 |
| Inventory consumed | | 110 | 50 | 110 | 50 | 630 | 509 | – | – | – | – | – | – | – | – | – | 1 459 |
| Contracted services | | 1 400 | 3 285 | 4 955 | 335 | 6 914 | 2 705 | – | – | – | – | – | – | – | – | – | 19 594 |
| Transfers and subsidies | | 15 | – | – | 1 220 | – | – | – | – | – | – | – | – | – | – | – | 1 235 |
| Other expenditure | | 6 340 | 9 296 | 9 134 | 1 057 | 3 704 | 1 307 | – | – | – | – | – | – | – | – | – | 30 838 |
| Losses | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Expenditure** | | **30 951** | **37 877** | **26 974** | **15 509** | **37 427** | **48 101** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **196 840** |
| **Surplus/(Deficit)** | | **(22 797)** | **(37 827)** | **137 490** | **(17 950)** | **(26 401)** | **(25 275)** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **7 240** |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | – | – | – | – | – | **72 720** | – | – | – | – | – | – | – | – | – | **72 720** |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Transfers and subsidies - capital (in-kind - all) | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after capital transfers & contributions** | | **(22 797)** | **(37 827)** | **137 490** | **(17 950)** | **(26 401)** | **47 446** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **79 960** |

EC136 Emalahleni (Ec) - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

| Description | Ref | 2018/19 | 2019/20 | 2020/21 | Current Year 2021/22 | | | | 2022/23 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2022/23 | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
| R thousand | | | | | | | | | | | |
| **ASSETS** | | | | | | | | | | | |
| **Consumer debtors** | | | | | | | | | | | |
| Consumer debtors | | 100 280 | 100 497 | 111 114 | (76 299) | (76 299) | (76 299) | (76 299) | 2 054 | – | – |
| Less: Provision for debt impairment | | (80 926) | (75 925) | (103 377) | 91 299 | 91 299 | 91 299 | 91 299 | – | – | – |
| **Total Consumer debtors** | 2 | **19 354** | **24 571** | **7 737** | **15 000** | **15 000** | **15 000** | **15 000** | **2 054** | **–** | **–** |
| **Debt impairment provision** | | | | | | | | | | | |
| Balance at the beginning of the year | | 71 384 | 71 384 | 78 520 | (85 015) | (85 015) | (85 015) | (85 015) | – | – | – |
| Contributions to the provision | | – | 2 539 | 15 855 | 1 386 | 1 386 | 1 386 | 1 386 | – | – | – |
| Bad debts written off | | 9 542 | 2 003 | 9 001 | (7 670) | (7 670) | (7 670) | (7 670) | – | – | – |
| **Balance at end of year** | | **80 926** | **75 925** | **103 377** | **(91 299)** | **(91 299)** | **(91 299)** | **(91 299)** | **–** | **–** | **–** |
| **Property, plant and equipment (PPE)** | | | | | | | | | | | |
| PPE at cost/valuation (excl. finance leases) | | 727 618 | 734 580 | 875 324 | 814 126 | 821 631 | 821 631 | 821 631 | 81 503 | 41 247 | 41 953 |
| Leases recognised as PPE | 3 | – | – | 1 206 | 1 600 | 1 600 | 1 600 | 1 600 | – | – | – |
| Less: Accumulated depreciation | | 277 293 | 310 082 | 337 122 | 390 818 | 390 818 | 390 818 | 390 818 | (30) | – | – |
| **Total Property, plant and equipment (PPE)** | 2 | **450 324** | **424 498** | **539 408** | **424 908** | **432 413** | **432 413** | **432 413** | **81 533** | **41 247** | **41 953** |
| | | | | | | | | | | | |
| **LIABILITIES** | | | | | | | | | | | |
| **Current liabilities - Borrowing** | | | | | | | | | | | |
| Short term loans (other than bank overdraft) | | – | – | – | – | – | – | – | – | – | – |
| Current portion of long-term liabilities | | – | 372 | – | – | 0 | 0 | 0 | – | – | – |
| **Total Current liabilities - Borrowing** | | **–** | **372** | **–** | **–** | **0** | **0** | **0** | **–** | **–** | **–** |
| **Trade and other payables** | | | | | | | | | | | |
| Trade Payables | 5 | 17 003 | 17 460 | 24 508 | (238 352) | (238 352) | (238 352) | (238 352) | (1 300) | 165 | – |
| Other creditors | | – | 488 | – | (901) | (901) | (901) | (901) | – | – | – |
| Unspent conditional transfers | | 17 874 | 1 950 | 12 582 | 0 | 0 | 0 | 0 | – | 100 | – |
| VAT | | 2 428 | 1 893 | 6 030 | (10 368) | (10 368) | (10 368) | (10 368) | (2 308) | – | – |
| **Total Trade and other payables** | 2 | **37 305** | **21 791** | **43 120** | **(249 622)** | **(249 622)** | **(249 622)** | **(249 622)** | **(3 608)** | **265** | **–** |
| **Non current liabilities - Borrowing** | | | | | | | | | | | |
| Borrowing | 4 | – | – | – | – | – | – | – | – | – | – |
| Finance leases (including PPP asset element) | | – | – | – | – | – | – | – | – | – | – |
| **Total Non current liabilities - Borrowing** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Provisions - non-current** | | | | | | | | | | | |
| Retirement benefits | | – | – | 10 374 | 11 500 | 11 500 | 11 500 | 11 500 | – | – | – |
| | | | | | | | | | | | |
| Refuse landfill site rehabilitation | | 12 812 | 2 225 | (0) | 0 | 0 | 0 | 0 | – | – | – |
| Other | | 135 | 38 | 3 184 | 0 | 0 | 0 | 0 | – | – | – |
| **Total Provisions - non-current** | | **12 947** | **2 263** | **13 558** | **11 500** | **11 500** | **11 500** | **11 500** | **–** | **–** | **–** |
| **CHANGES IN NET ASSETS** | | | | | | | | | | | |
| **Accumulated Surplus/(Deficit)** | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) - opening balance | | 404 443 | 404 904 | 431 826 | 387 375 | 387 375 | 387 375 | 387 375 | – | – | – |
| GRAP adjustments | | – | – | – | 0 | 0 | 0 | 0 | – | – | – |
| Restated balance | | 404 443 | 404 904 | 431 826 | 387 375 | 387 375 | 387 375 | 387 375 | – | – | – |
| Surplus/(Deficit) | | 25 690 | 265 | 75 768 | 55 687 | 64 389 | 64 389 | 69 043 | 79 960 | 43 768 | 45 196 |
| | | – | – | – | – | – | – | – | – | – | – |
| Transfers to/from Reserves | | – | – | – | (14 371) | (14 371) | (14 371) | (14 371) | – | – | – |
| Depreciation offsets | | – | – | – | 0 | 0 | 0 | 0 | – | – | – |
| Other adjustments | | 2 | 13 738 | (2 549) | 0 | 0 | 0 | 0 | – | – | – |
| **Accumulated Surplus/(Deficit)** | 1 | **430 135** | **418 908** | **505 045** | **428 692** | **437 393** | **437 393** | **442 047** | **79 960** | **43 768** | **45 196** |
| **Reserves** | | | | | | | | | | | |
| Housing Development Fund | | – | – | – | – | – | – | – | – | – | – |
| **Total Reserves** | 2 | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **TOTAL COMMUNITY WEALTH/EQUITY** | 2 | **430 135** | **418 908** | **505 045** | **428 692** | **437 393** | **437 393** | **442 047** | **79 960** | **43 768** | **45 196** |

# *CHAPTER 11 - PERFORMANCE MANAGEMENT SYSTEM FRAMEWORK*

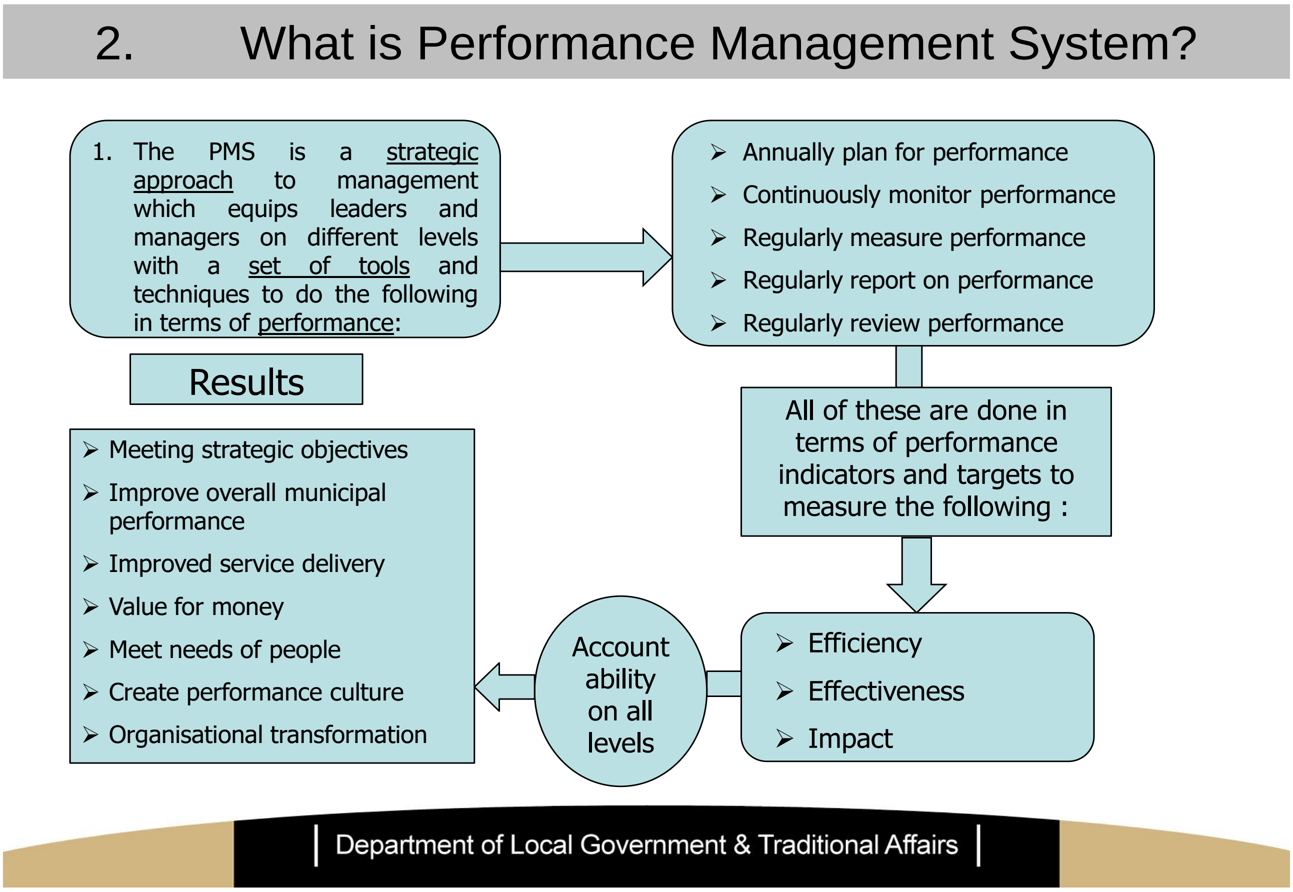
## 1. PREAMBLE

Performance management, aside from having legislative requirements to justify its existence, is also a necessity when it comes to ensuring that performance objectives and targets are met in the manner required, so that the desired service delivery objectives can be met and achieved by all.
The intention of a performance management system and model is to provide the organisation with the framework and tools necessary to ensure that a culture of performance management is developed throughout the organisation and managed in a formal and accountable manner. In this way, performance management becomes a management tool which enables the achievement of strategic objectives, which link closely to the IDP and Institutional Scorecard – enabling effective and efficient service delivery.

## 2. PURPOSE

The purpose of this policy and procedure is as follows:

1. To ensure the implementation of a Performance Management System within Emalahleni Municipality.
2. To ensure that all employees become acutely aware and comfortable with the practical application of the Performance Management System within this Municipality.
3. To create the boundaries required that will ensure that all employees and the political leadership contribute towards the achievement of goals as well as the KPA's and KPI's at both personal and organisational levels.
4. To ensure all parties have a clear and thorough understanding of their role and function within this process.




## 3. POLICY OBJECTIVES

The objectives of the Performance Management System may be defined as follows:

3.1. To capacitate the employees to manage their own performance.

3.2. To set clear objectives and goals to all parties and attainment is easily measured and verified.

3.3. To develop and capacitate employees in order to ensure that performance targets are met.

3.4. To recognized and/or rewarded in instances where performance exceeds the output criteria.

3.5. To assist employees in instances where performance falls short of the required standards.

3.6. To ensure a culture of performance optimization that must be institutionalized throughout the Municipality.

## 4. DEFINITIONS OF CONCEPTS/ ACRONYMS/ ABBREVIATIONS

| CONCEPT | DEFINITION |
|---|---|
| **Performance Management System (PMS)** | A strategic approach which provides a set of tools and techniques to plan regularly, monitor measure and review performance of the organisation and individuals.<br><br>Performance management is a system that is used to make sure that all parts of the municipality work together to achieve the goals and targets that are set. |
| **Organizational Performance Management** | Concerned with the overall performance of the Municipality/ Organization in relation to giving effect to the IDP (Macro Dynamics). |
| **Individual Performance Management** | Linked to the Organizational Performance Management System are the individuals who contribute to the success or failure of the Municipality/ Organization. Everyone will have performance objectives, targets and standards that are linked to objectives of his/her Division, Department and Municipality. |
| **Integrated Development Plan (IDP)** | Clearly defining 5-year Strategic Plan of a Municipality.<br><br>IDP should be reviewed annually or as required. |
| **Key Performance Area (KPA)** | Key areas of responsibility. |
| **Objective** | Statement about what outcomes do we want to achieve. |
| **Key Performance Indicators (KPI)** | Measures (qualitative or quantitative) that tell us whether we are making progress towards achieving our objectives. |
| **Input Indicators** | Indicator that measures resources economy and efficiency. |
| **Output Indicators** | Indicator that measures whether a set of activities yields the desired results or products/service. |
| **Formal Assessment** | Is where the s56 manager submits the portfolio of evidence to the assessor to substantiate his/her performance based on the performance agreement |
| **Informal Assessment** | Is where the s56 manager attest verbally his/her performance but can be requested to submit the portfolio of evidence to the assessor to substantiate his/her performance based on the performance agreement |
| **Outcome Indicators** | Measures the broader results achieved through the provision of goods and services (impact). |
| **Target** | The level of performance (or desired state of progress) of the indicator that is intended to be achieved by a specified time period. |

## 5. LEGISLATIVE FRAMEWORK

The requirement for the development and implementation of a Performance Management System provided for in legislation, which makes it peremptory for municipalities to comply. The Auditor General is required to audit municipalities for compliance with legislation, and non-compliance will result in adverse consequences.

The following pieces of legislation will inform and shape the content and prescripts of the Performance Management Policy:

| | |
|---|---|
| **Constitution 1996**<br><br>**(Section 152)** | **Mandates Local Government to:**<br>• Provide democratic and accountable government for local communities.<br>• Ensure the provision of services to communities in sustainable manner.<br>• Promote social and economic development.<br>• Promote a safe and healthy environment.<br>• Encourage the involvement of communities and community organisations in the matters of local government. |
| **Municipal System Act**<br><br>**Act 32 of 2000 (Chapter 6)** | **A Municipality must:**<br>• Establish a Performance Management System.<br>• Promote a performance culture.<br>• Administer its affairs in an economical, effective, efficient, and accountable manner.<br><br>**It further outlines the core components of a performance management system as follows:**<br>• Set KPI's as a yardstick for measuring performance.<br>• Set measurable performance targets about each of those development priorities and objectives.<br>• Monitor measure and review performance once per year.<br>• Take steps to improve performance.<br>• Report on performance to relevant stakeholders |

| | |
|---|---|
| **THE WHITE PAPER ON LOCAL GOVERNMENT (1998)** | The White Paper on Local Government (1998) suggested that local government should introduce the idea/concept of *performance management systems*.<br><br>The white paper acknowledges that, "involving communities in developing some municipal key performance indicators increases the accountability of the municipality. Some communities may prioritise the amount of time it takes a municipality to answer a query, others will prioritise the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving communities in setting key performance indicators and reporting back to communities on performance, accountability is increased, and public trust in the local government system enhanced" (The White Paper on Local Government, 1998). |
| BATHO PELE (1998) | The White Paper on Transforming Public Service Delivery (Batho Pele) puts forward eight principles for good public service. Our municipality is duty bound to uphold these principles:<br><br>✓ **Consultation:**<br>Communities should be consulted about the level and quality of public service they receive, and, where possible, should be given a choice about the services which are provided.<br>✓ **Service standards:**<br>Communities should know what standard of service to expect.<br>✓ **Access:**<br>All communities should have equal access to the services to which they are entitled.<br>✓ **Courtesy:**<br>Communities should be treated with courtesy and consideration.<br>✓ **Information:**<br>Communities should be given full and accurate information about the public services they are entitled to receive.<br>✓ **Openness and transparency:**<br>Communities should know how directorates are run, how resources are spent, and who is in charge of particular services.<br>✓ **Redress:**<br>If the promised standard of service is not delivered, communities should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made communities should receive a sympathetic, positive response.<br>✓ **Value-for-money:**<br>Public services should be provided economically and efficiently in order to give communities the best possible value-for-money.<br><br>Importantly, the Batho Pele White Paper notes that the development of a service-oriented culture requires the active participation of the wider community. Municipalities need constant feedback from service-users if they are to improve their operations. Local partners can be mobilized to assist in building a service culture. “For example, local businesses or non-governmental organizations may assist with funding a helpline, providing information about specific services, identifying service gaps or conducting a customer survey" - The White Paper on Local Government (1998). |

| | |
|---|---|
| MUNICIPAL STRUCTURES ACT (1998) | The Municipal Structures Act Section 19 (2)(a) mandates the council of the municipality to conduct annual reviews of the municipality's overall performance in achieving its set objectives. |
| THE MUNICIPAL SYSTEMS ACT (2000) | The Municipal Systems Act (2000) enforces the idea/concept of local government PMS and requires all municipalities to:<br>• Develop a performance management system<br>• Set *targets*, monitor, and *review performance* based on indicators linked to their IDP<br>• Publish an *annual report* on performance of the councillors, staff, the public and other spheres of government<br>• Incorporate and report on a set of *general indicators* prescribed nationally by the minister responsible for local government<br>• Conduct an *internal audit* on performance.<br>• Have their annual performance report audited by the Auditor-General<br>• *Involve the community* in setting indicators and targets and reviewing municipal performance<br>The Department of Provincial and Local Government has published national guidelines on performance management systems |
| MUNICIPAL PLANNING AND PERFORMANCE MANAGEMENT REGULATIONS (2001) | The Municipal Planning and Performance Management Regulations set out in detail requirements for municipal PM systems. However, the regulations do not sufficiently constitute a framework that fully proposes how the system will work. Each component of the proposed framework in this document is strongly informed by the regulations. |
| MUNICIPAL FINANCE MANAGEMENT ACT (2003) | The Municipal Finance Management Act states requirements for a municipality to include its annual municipal performance report with its financial statements and other requirements in constituting its annual report. This must be dealt with by the municipal council within 9 months of the end of the municipal financial year. |
| MUNICIPAL PERFORMANCE MANAGEMENT REGULATIONS (2006) | The Local Government Municipal Performance Regulations for municipal managers and managers directly accountable to municipal managers (Government Gazette No.29089, 1 August 2006), sets out how the performance of Section 57 staff will be uniformly directed, monitored, and improved. The regulations address both the employment contract and performance agreement of municipal managers and managers directly accountable to municipal managers. It further provides a methodology for the performance management system as well as criteria for performance bonus payments. The regulations also provide an approach for addressing under-performance, should this occur. The regulations will be discussed in greater detail in a later section of this framework document. |

## 6. PERFORMANCE MANAGEMENT SYSTEM FRAMEWORK

The statutory requirements for the framework of a Performance Management System are set out in the Local Government: Municipal Planning and Performance Management Regulations, 2001.

It requires a system that:

6.1 Complies with all the requirements of the Act.

6.2 Demonstrates how it is to operate and be managed from the planning stage up to the stages of performance review and reporting.
6.3 Clarifies the roles and responsibilities of each role-player, including the local community, in the functioning of the system.
6.4 Clarifies the processes of implementing the system within the framework of the integrated development planning process.
6.5 Determines the frequency of reporting and the lines of accountability for performance.
6.6 Demonstrates how it relates to the Municipality's employee performance management processes; and
6.7 Provides the procedure by which the system is linked to the Municipality's integrated development planning processes (IDP).
6.8 Due consideration was given to these requirements in the development of the proposed Performance Management System which is detailed further within this document, which also includes the procedures and practical application of this system.

## 7. POLICY PRINCIPLES

7.1 The Performance Management System and Framework will be guided by the following broad principles:

(7) Open communication to ensure that all parties understand the expectations and challenges facing them, whilst being able to discuss performance difficulties/challenges and issues freely.
(8) The alignment of departmental and individual performance objectives with the strategic objectives of Emalahleni Municipality (as relating to the IDP/ Municipal Budget and Service Delivery and Budget Implementation Plan)
(9) Commitment to the application of Performance Management within the prescripts of the framework and policy.
(10) Recognition and awarding of performance which meet or exceeds the required standards.
(11) Coaching and development in areas where performance does not meet the required standards; and providing developmental feedback in order to ensure that performance optimisation is fostered.

## 8. APPLICABILITY

This policy will be applicable to the following employees:

a. All S.54A Managers and S56 Manager duly defined as per the Municipal Systems Amendment Act No 32 of 2000.
b. All other Managers and staff who have negotiated fixed term contracts.
c. The policy upon consultation and approval will be applicable to all the employees of the Emalahleni municipality.

9. **GOVERNANCE ISSUES**

This policy and framework will be guided by the following governance and supporting structures:

1.1 Council (required to adopt this policy).
1.2 The Municipal Manager who facilitates the review and amendment of this policy.
1.3 The Corporate Services Director/Municipal Manager who assumes responsibility for the management and administration of performance management application; and
1.4 The Audit Committee and in their absence the Performance Audit Committee.

**10. IMPLEMENTATION CAPACITY**

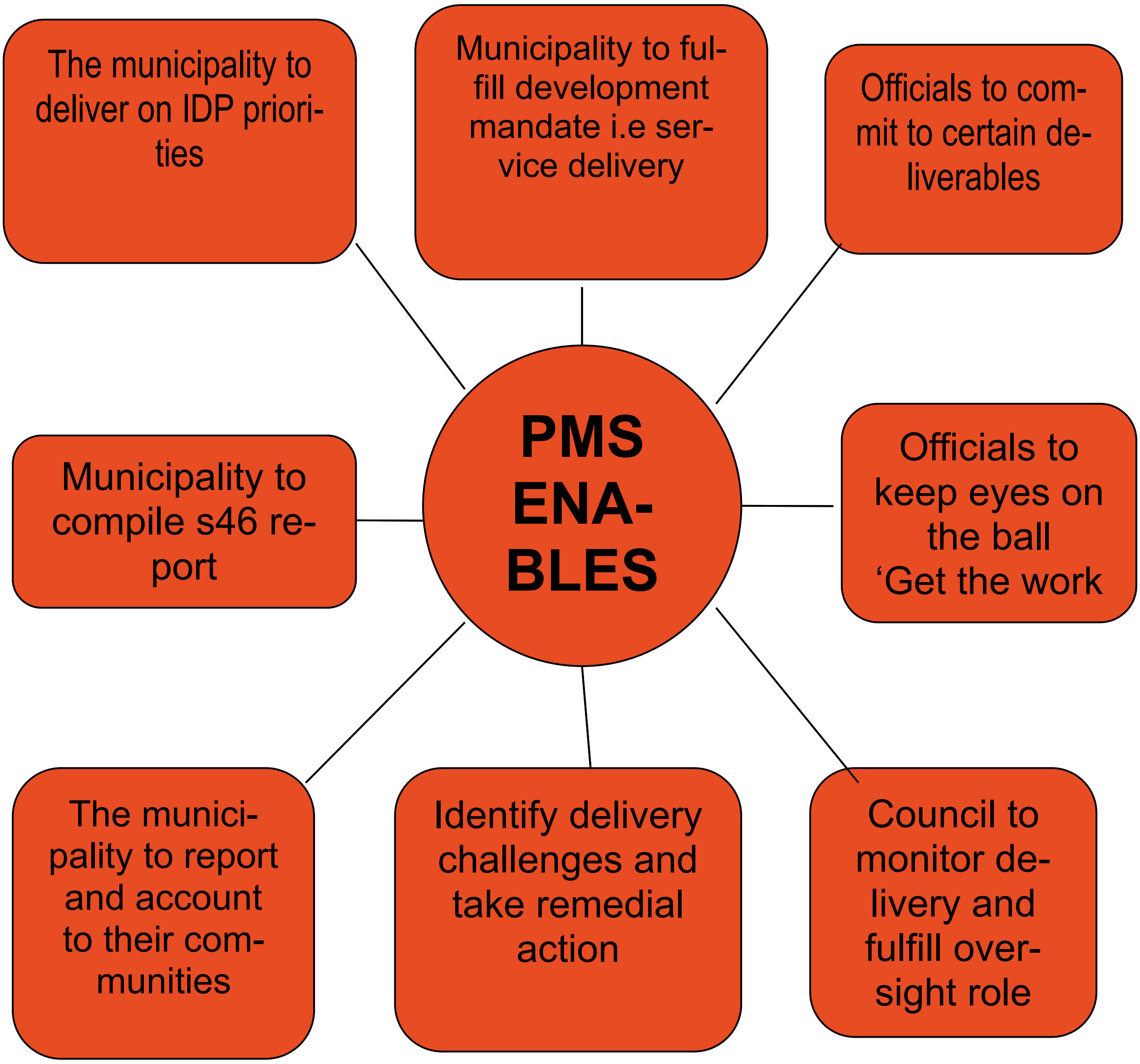
To ensure the successful application of this policy, it is critical that the necessary "buy in" and commitment to this process is obtained from all relevant role-players. Additionally, it is critically important to ensure that all staff are adequately trained, and work shopped to administer and implement the terms and conditions applicable to this process.

In this regard, the following development will be required:

10.1 All staff, at every level (as applicable in terms of the roll-out), will be required to attend training on the practical application of this process and will leave this training with a thorough knowledge and understanding of processes involved, including performance planning, performance reviews, coaching and mentoring.

10.2 All Corporate Services staff who would deal directly with Performance Management Administration will be required to be trained on the required administrative processes and will be required to be provided with all the necessary resources required for this responsibility and administrative function.

Labour will be work shopped in terms of the process itself to facilitate understanding, commitment and buy in to this process.


The municipality to deliver on IDP priorities
Municipality to fulfill development mandate i.e service delivery
Officials to commit to certain deliverables
Municipality to compile s46 report
PMS ENABLES
Officials to keep eyes on the ball 'Get the work
The municipality to report and account to their communities
Identify delivery challenges and take remedial action
Council to monitor delivery and fulfill oversight role

## OBLIGATIONS TO ENSURE COLLECTIVE PERFORMANCE

| COUNCIL | EMPLOYEE |
|---|---|
| • Enables environment to facilitate effective performance<br>• Clarifies development objectives and performance expectations (IDP)<br>• Regularly review employee performance and provide feedback on performance – oversight<br>• Works collaboratively with employee to solve problems that may negatively impact on performance<br>• Delegates powers required by employee to enable to meet performance objectives<br>• Make available necessary resources required to enable employee to perform. | • Understands the strategic intent (development mandate – IDP<br>• Buys into and participates in the Performance Management System<br>• Works collaboratively with employer to solve problems that may impact on performance<br>• Commits to fulfilling their part in enabling the institution to deliver on mandate<br>• Focus on fulfils commitment in terms of performance agreement |

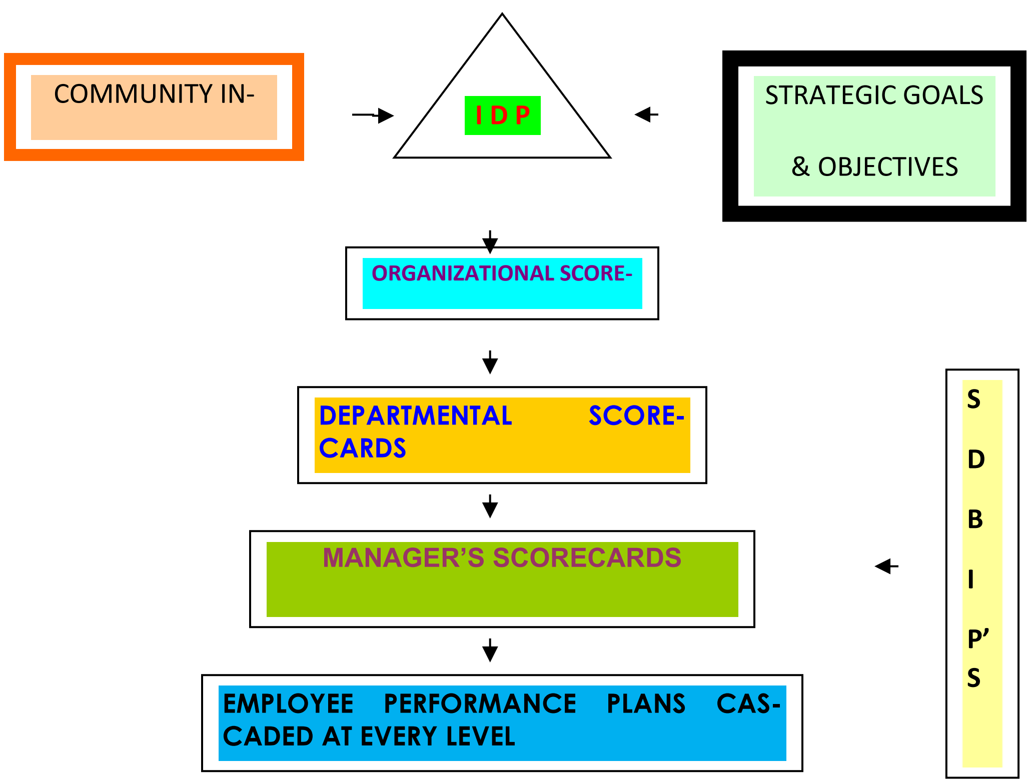
## PRACTICAL APPLICATION OF THE PERFORMANCE MANAGEMENT SYSTEM

### PHASES WITHIN THE PERFORMANCE MANAGEMENT CYCLE

The Performance Management Cycle is an annual cycle, which extends from 1 July to 30 June, during which time performance is measured against performance targets. Through the process of planning, steps are taken to "plan" and set performance targets for the period under review. These targets will be ultimately linked to the achievement of the IDP objectives, which represent the targets of the Municipality as a whole.

These targets in turn, are reflected within the Municipal Scorecard (as high-level strategic objectives) which is further translated into departmental objectives (as reflected also within the SDBIP's or Service Delivery Budget and Implementation Plans /Strategic Plan/ IDP and Budget. These, in turn, are translated into plans, which become increasingly operational, as they cascade from the senior Managers down to the lower levels. Each "subordinates" scorecard (depicting performance objectives and performance indicators) are drawn from the Manager's scorecard immediately.

The process flow is indicated more clearly in the diagram, as follows:



The Performance Management Cycle involves the following four phases:

**PLANNING, MONITOR/ MEASURE, REVIEW, AND REPORTING AND RECOGNITION**

These may be unpacked further as follows:

**PHASE 1: PLANNING**

The institutional performance is informed by the IDP, Municipal Budget and SDBIP. The employee's are expected on annual basis to commit themselves in achieving the objectives outlined in the above documents. These commitments are reflected in the employees score cards and performance plans.

The employee score cards, performance plans must be completed and signed off as per Regulation and/ or legislation.

**PHASE2: MONITOR/MEASURE**

Monitoring of performance will be an ongoing process throughout the year and will run parallel to the implementation of the IDP. It will be conducted within each department. Evidence of performance will be gathered, stored by each department, and presented to substantiate claims of meeting (or not meeting) performance targets and standards. The files gathered from this information will be regarded as Portfolio of Evidence (POE) and must be kept for purposes of performance measurement, performance reviews and audit in other phases.

**PHASE 3: REVIEW**

Performance review is a process where the municipality, after measuring its own performance as detailed in the previous phase, assesses whether its performance is giving effect to the IDP. This phase involves jointly assessing actual performance against set targets, which takes place on a quarterly basis in the form of formal and informal reviews.

**PHASE 4: REPORTING AND RECOGNITION**

Reporting requires that the municipality take its KPA's, KPI's, objectives, targets, measurements and analysis and present this information in an agreed institutional reporting format on a monthly/quarterly/half-yearly and annual basis. This phase establishes the link between performance and reward. It aims to direct and reinforce effective work behaviours by determining and allocating equitable and appropriate rewards to employees where such has been identified.

During these sessions it is required that the incumbent and line management meet, to discuss progress and to develop action plans in areas where appropriate interventions are required.

Records are required to be maintained of all discussions and action plans, which are developed as a result.

**11. MEASURING EMPLOYEE PERFORMANCE (Directors)**

The criteria to measure an employee performance (Directors) will be reflected on the scorecard as outputs (or agreed upon objectives, i.e., targets). This describes exactly what was required to be achieved during the year.

Performance Indicators for each output will be provided and will detail the evidence that will be required to assess whether the employee has achieved the required objective.

Actual performance will be evaluated on evidence provision and a Portfolio of Evidence will be required to be presented for each performance indicator to substantiate the achievement or non-achievement of required performance in all areas highlighted within the scorecard. The respective s.54A and 56 Manager/Employee will be required to give a verbal account on specific achievements/non achievements and the reasons for any deviations. Formal documentary evidence (evidence portfolio) must be provided to validate performance. Documentary evidence (evidence portfolio's may also be used to substantiate performance or to settle disputes and such evidence will be requested. A column entitled "Reason for Deviation" will be completed to indicate reasons for over or under achievement, so that ratings may be made within context.

## 12. WEIGHTINGS AND INDICATORS (Technical, CMC's and CCR's)

Indicators will be weighted according to the impact within each Key Performance Area on the scorecard.
As a standard rule and to ensure a balanced scorecard-type approach performance management, 80% of the final score will be made up of the Technical Key Performance Areas for the position in question.

CCR's (cross-cutting results) or Core Management Competencies (CMC's) will account for 20% of the final score.

As in the case of all indicators, evidence is required in order to measure actual performance achieved against the desired objectives.

## 13. THE FINAL ASSESSMENT (January)

The final assessment for the Performance Cycle occurs during January (after the adoption of the draft annual report of the previous financial year), however no ratification and payment of bonuses may be concluded until the Annual Report for the same period under review has been submitted to and ratified by Council.

## 14. THE PERFORMANCE REVIEW PANEL (FINAL REVIEW)

The constitution of the Performance Management System Evaluation Committee will be as follows:

**15.1Municipal Manager**:

(1) `Mayor.
(2) Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee.
(3) Member of the executive committee; (Portfolio Head: Corporate Services)

(4) Mayor or Municipal Manager from another municipality; and
(5) Member of a ward committee as nominated by the mayor.

**15.2 Directors:**

**(1)** Municipal Manager.
**(2)** Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
**(3)** Member of the executive committee ; and
**(4)** Municipal manager from another municipality

## 15. PERFORMANCE INFORMATION

Managers will be required to provide reports with evidence to support any formal evaluation of performance and will prepare for assessment meetings accordingly. It is critical to ensure that documentary evidence to support performance achieved, is obtained, and filed in a folder termed *a Portfolio of Evidence.* This document is made available to the Performance Review Panel, so that assessment results can be justified. SDBIP's must be used as the basis for measuring actual performance against planned targets.

Portfolios of Evidence files shall be required for purposes of monthly, quarterly, mid-year and annual performance reports.

The documentary evidence (POE) may also be used to substantiate performance or to settle disputes and such evidence will be requested.

## 16. SCORING PROCESS AND PROCEDURE

The process of scoring Directors should be in terms of the municipal performance management regulations.

Evaluation and/or scoring of these Managers are required to be undertaken on a quarterly basis. The most critically important reason for doing this quarterly is to ensure that issues are addressed "sooner rather than later", should deficiencies in performance exist.

Appropriate action in the "best interests of Council" would be enabled, thereby ensuring that Council is most likely to achieve its performance targets.

In the case of final evaluations and more specifically within the process of scoring, it is required that scores be made by each contributing member of the panel on a separate Score sheet. All scores from all parties are then averaged and a single consolidated score is written on the final scorecard (representing the average scores). The calculation of the average scores is done by the members of panel only, considering the score of the assesse.

1.1 The role of the Chairperson will be to lead the Evaluation Panel through the process of Performance Evaluation and to ensure that this occurs systematically and fairly as per system requirements.

1.2 The following procedure will be undertaken in this process of Performance Measurement and will be facilitated by the Chairperson:

1.2.1 During each evaluation, the Chairperson will lead the process by outlining each area on the populated scorecard.

1.2.2 Each member of the panel will rate the Manager under discussion.

1.2.3 The respective Directors will then be required to give formal documentary evidence to validate performance.

1.2.4 SDBIP's/documentary evidence and evidence portfolios must be used to substantiate performance or to settle disputes as and when required.

1.2.5 The chosen areas for the CMC's are clearly defined as per Municipal Performance Regulations and this must be used when scoring, to ensure consistency of application.

1.2.6 SDBIP's must be made available up front, so that easy reference can be made, and evidence obtained

1.2.7 Measures or scores from 1 – 5 will be used to rate each area under review and the guidelines and definitions for these ratings will appear for ease of reference on the score sheets.

## 17. RATING SCALE 1 TO 5

| | |
|---|---|
| 1 | Performance ***Unacceptable*** |
| 2 | Performance ***Not Fully Effective*** |
| 3 | Performance ***Fully Effective*** |
| 4 | Performance ***Significantly above*** expectations considering the circumstances: ***<u>More than half</u> (50%)*** of the Performance criteria and indicators specified in the Scorecard were met |
| 5 | Performance ***Outstanding*** considering the circumstances |

(1) Finally, all scores (as indicated on separate panel members' score sheets) will be added together (including scores by the assesse, which are meant to guide the panel) and divided by the number of panel member's present (who scored). An average or consolidated score will then be obtained for each area under review.

(2) A column that reads *"Reason for Deviations"* will be completed for all scored areas and scores to offer insight where deviations have occurred.

(3) A report indicating all consolidated scores will be submitted to the mayor within 2 weeks.

(4) Every effort must be made to evaluate performance objectively, realistically, and accurately.

18. Failure to do so (resulting in over- or under-stating performance) can only be detrimental – both to the organization and to the individual.

19. **RECOGNITION AND QUALIFICATION FOR BONUSES (Directors)**

The Municipal performance regulations for s.56 Managers promulgated in August 2006 in respect of the management of performance evaluation outcomes indicate that a performance bonus ranging between 5% and 14% of all-inclusive remuneration package may be paid to recognize **outstanding** performance.

In determining the performance bonus, it must be noted that the relevant percentages will be required to be based on the overall rating calculated by using the applicable assessment rating calculator.

Accordingly:

A score of 130% to 149% is awarded a performance bonus ranging from 5 – 9% and

150 and above is awarded a performance bonus ranging from 10-14%.

The electronic calculator will be used to calculate the scores and ultimately the performance bonus a manager qualifies for.

| **Score** | **% Bonus** |
|---|---|
| 130 | 5 |
| 134 | 6 |
| 138 | 7 |
| 142 | 8 |
| 146 | 9 |
| 150 | 10 |
| 154 | 11 |
| 158 | 12 |
| 162 | 13 |
| 166+ | 14 |

The KPA's must constitute 80% of the final score and the CCR's must constitute 20% of the final score.

## 20. PERFORMANCE REVIEWS

Performance Reviews shall be as follows:

| Performance Reporting Period | | Date |
|---|---|---|
| 1st Quarter | Informal | 07th October |
| Mid-Year | Formal | 07th January |
| 3rd Quarter | Informal | 07th April |
| Annual Performance | Formal | 07th July |

In the event that the above mentioned dates fall on a weekend, a Friday before shall serve as the submission date
Performance reviews, formal and informal shall be coordinated by the office of the municipal manager; prior to performance information being presented to the IDP and PMS Office in the Office of the Municipal Manager

On submission of the performance information, covering report will be prepared by the IDP and PMS Manager and submitted to the internal audit unit for final verification and confirmation

## 21. MANAGEMENT OF POOR PERFORMANCE

Poor perfomance will be required to be managed through ongoing coaching, however, formal coaching is required to be conducted during the September and March reviews.Failing the required improvement in performance, the employees will be managed as per the terms of their performance contracts and agreements (as per s.54A and 56 fixed-term contract positions) whilst other employees will have performance managed as per the Disciplinary and Grievance Procedure and Code.

In the event of blatant poor performnance when all avenues are explored it will then be the prerogative of the employer to do further recourse taking into account the Municipal Performance Regulations

## 22. STAKEHOLDER ANALYSIS AND THEIR ROLES

| STAKEHOLDERS | INVOLVEMENT WITH: IDP, ORGANISATIONAL PM, INDIVIDUAL PM | BENEFITS |
|---|---|---|
| **COUNCILORS:**<br>• Mayor<br>• Executive Committee<br>• Standing / Portfolio Committee<br>• Council | • Facilitate development of long-term Vision, IDP and PMS.<br>• Provide strategic direction and manage development of IDP. Manage the implementation of strategy.<br>• Review and monitor the implementation of IDP.<br>• Adapt PM framework and approve the IDP. | • Optimum and equitable service delivery.<br>• Promotes public awareness and satisfactions.<br>• Facilitates a process of benchmarking and collaboration with other municipalities. |

| | | |
|---|---|---|
| | • Monitor Performance. | • Provides a mechanism for the monitoring, implementation, and review of the IDP. |

23. **DISPUTE RESOLUTION**

Directors that have negotiated Fixed-Term Contracts:

(1) In the event that the section 54A and 56 Manager is dissatisfied with any decision or action of the panel in terms of the Performance assessment, or where a dispute or difference arises as to the extent to which the Manager has achieved the performance objectives and targets established in terms of the Agreement, the dissatisfied Manager may meet with the chairperson with a view to resolving the issue. All detail must be duly documented.

(2) If the Manager remains dissatisfied with the outcome of that meeting, she/he may raise the issue in writing to the next higher level of institution (Council) requesting that the issue be heard.

(3) The Council will discuss the matter and take a resolution upon the dispute.

# CHAPTER 12 – OTHER SECTOR PLANS

## Introduction

| Strategy/ Policy | Period | Status | IDP Annexure |
|---|---|---|---|
| HRD Strategy | | | ANNEXURE A |
| Communication strategy | | | ANNEXURE B |
| Customer Care Strategy & Petitions | | | ANNEXURE C |
| HIV & Aids Strategy | | | ANNEXURE D |
| ICT Strategy | | | ANNEXURE E |
| Occupational Health and Safety | | | ANNEXURE F |
| Public Participation Strategy | | | ANNEXURE G |
| Risk and Fraud | | | ANNEXURE H |
| IGR Terms of Reference | | | ANNEXURE I |
| Waste and Environment | | | ANNEXURE J |
| Forestry Management Plan | | | ANNEXURE K |
| SMME Strategy | | | ANNEXURE L |
| Tourism Marketing Plan | | | ANNEXURE M |
| LED Strategy | | | ANNEXURE N |
| SDF | | | ANNEXURE O |
| Housing Sector Plan | | | ANNEXURE P |
| Performance Management Framework | | | ANNEXURE Q |
| Audit Unit Plans | | | ANNEXURE R |
| PMU Implementation Plan | | | ANNEXURE S |
| SPU Strategy | | | ANNEXURE T |
| Ward Based Planning | | | ANNEXURE U |

**Department of Human Settlements**

| PROJECT NAME | LOCATION/WARD | PROJECT BUDGET | | PERIOD | | COMMENTS |
|---|---|---|---|---|---|---|
| | | Budget | Expenditure | Start | Finish | |
| Zwartwater 1000 ePHP | 9 | R 5 531 338,00 | R0.00 | 08 September 2015 | 30 June 2022 | Contractor on site-units completed 822 and 103 at various stages of completion. |
| Dordrecht 1001 (269 units) phase 1 | 11 | R 800 000,00 | R0.00 | 18 July 2014 | 30 May 2023 | 683 units completed, and proposal for redirection of a contractor to Lady Frere 715 to build 250 houses was not supported by Provincial Treasury. The Contractor will be reinstated to Dordrecht for 183 houses. |
| Dordrecht 1001 (420 units) phase 2 | | | | 28 July 2014 | 28 March 2018 | |
| Lady Frere 715 (Rectification Post 1994 | 4 | R 5 227 500,00 | R0.00 | Not yet appointed | Not started | Contractor terminated & Initiative to redirect a contractor from Dordrecht to lady Frere rectification project was not approved by Treasury and the project is referred to procurement for the appointment of contractor but Professional service provider is appointed on the 10th of March 2022.– Units completed 17 and 0 units at various stages of completion. |
| Sinakho Zwelethemba 289 | 11 | R 5 300 000,00 | R0.00 | Not yet appointed | Not started | Contractor busy with close out report for phase 1 – Units completed 150 and 0 units at various stages of completion. Planning process for phase 2 for 139 units which will include destitute cases. Currently busy with evaluation of application from the municipality as per application received to be |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | implementing Agent to be a developer. This will be procured during 2022.23 financial year for confirmed destitute & Vulnerable groups. |
| Indwe 500 Rectification | 15 | R0.00 | R0.00 | Not yet appointed | Not started | NHBRC has done and completed assessments reports. Implementation of the Project is on hold & affected by National Directive for its implementation as rectification get limited budget at +- 10% annually. |
| Mavuya Phase 1&2 462- Top Structure | 15 | R 5 150 000,00 | R0.00 | 05 April 2018 | 30 October 2022 | Contractor on site-units completed 315 and 23 at various stages of completion |
| Indwe West Gateway 160-Planning & Services | 15 | R0.00 | R0.00 | Not yet appointed | Not started | Feasibility study done and revealed bulk issues. Housing development Agency (HDA) has been, appointed as implementing Agent for the project. |
| Cacadu Extension 3&4 Mixed dev. 800 | 5 | R0.00 | R0.00 | Not yet appointed | Not started | Projects do not have bulk infrastructure and will be on hold till plan is in place. Municipality intends to be developer and implement these 03 projects with own private developer and will be forwarding application. Projects are on hold due to bulk issues. No formal application with Beneficiary lists and council resolutions received yet from Municipality but project was identified. |
| Dordrecht (Mixed Development ) 800 | 11 | R0.00 | R0.00 | Not yet appointed | Not started | |
| Indwe 800 (Mixed Development ) | 16 | R0.00 | R0.00 | Not yet appointed | Not started | |
| **GRAND TOTAL** | - | **R 22 008 3 38.00** | **R 0.00** | - | - | |

| Indicator and target | Project Name | Activities Planned for 2022/2023 | Budget Allocated for 2022/2023 |
|---|---|---|---|
| Number of existing rural agricultural enterprises supported | Emalahleni FPSU | Procurement of shearing shed equipment for 4 sheds, development of poultry development plan and provision of support thereof | R 1 701 000.00 |

**Special Day Care Centre**

| NO. | NAME OF ORGANISATION | FACILITY NO. | SUB PROG | NATURE | NO. OF BEN | ALLOCATION AMOUNT | WARD NO | LOCATION | CONCILLOR |
|---|---|---|---|---|---|---|---|---|---|
| 1. | Emadlelweni Special Day Care Centre | 3402 | Special Needs | Services to children with special needs from 0-18 years | 14 | R73 920 | 16 | Indwe | Nkohla C. Peter |

**Service Centers**

| NO. | NAME OF ORGANISATION | FACILITY NO. | SUB PROG | NATURE | NO. OF BEN | ALLOCATION AMOUNT | WARD NO | LOCATION | CONCILLOR |
|---|---|---|---|---|---|---|---|---|---|
| 1. | Hlalanathi Service Centre | 2282 | Older persons | Services to Older Persons | 34 | R128 929.00 | 05 | Cumakala | Unathi S. Mzandisi |
| 2. | Noncedo Service Centre | 3217 | Older persons | Services to Older Persons | 43 | R155 929.00 | 06 | Khundulu | Zola Bidi |
| 3. | Sosebenza Service Centre | 3552 | Older persons | Services to Older Persons | 43 | R155 929.00 | 16 | Indwe | Nkohla C. Peter |
| 4. | Masakhe Service Centre | 2354 | Older persons | Services to Older Persons | 60 | R206 929.00 | 17 | Maqhashu | Babalwa Mxathule |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 5. | Xonxa Service Centre | 3183 | Older persons | Services to Older Persons | 39 | R143 929.00 | 06 | Xonxa | Zola Bidi |
| 6. | Luxolo Service Centre | 9726 | Older Persons | Services to Older Persons | 28 | R110 929.00 | 10 | Tsembeyi | Yonwaba N. Sibeko |
| 7. | Soyi Service Centre | 3209 | Older persons | Services to Older Persons | 34 | R128 929.00 | 10 | Tsembeyi | Yonwaba N. Sibeko |
| 8. | Masonwabe Service Centre(Vaalbank) | 2262 | Older persons | Services to Older Persons | 20 | R86 929.00 | 09 | Vaalbank | Zanoxolo S. Qali |
| 9. | Thembalethu Service Centre | 2366 | Older persons | Services to Older Persons | 28 | R110 929.00 | 04 | Cacadu | Afika Hlanganyana |
| 10. | Masonwabe Service Centre | 2247 | Older persons | Services to Older Persons | 28 | R110.929,00 | 03 | Hala 1 | Singatwa S. Malotana |
| 11. | Sikhulile Service Centre | 3213 | Older persons | Services to Older Persons | 28 | R60 529.00 | 01 | Tshatshu | T. Mrwebi |
| 12. | Lady Frere Service Centre | 3265 | Older persons | Services to Older Persons | 25 | R101 929.00 | 04 | Lady FrereTown | Afika Hlanganyana |
| 13. | Siyavuya Service Centre | 2364 | Older persons | Services to Older Persons | 34 | R128 929.00 | 12 | Mkhaphusi | Thandiwe Ndlela |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 14. | Vukutye Service Centre | 2316 | Older persons | Services to older persons | 20 | R86 929.00 | 03 | Greyspan | Singathwa S. Malotana |
| 15. | Ayabulela Service Centre | 2353 | Older persons | Services to Older Persons | 28 | R110 929.00 | 03 | Eqaqeni | Singathwa S. Malotana |
| 16. | Khanyisa Service Centre | 3248 | Older persons | Services to older persons | 20 | R86 929.00 | 01 | Rodana | Wilson Bangisa |
| 17. | Sondelani Service Centre | 2263 | Older persons | Services to Older Persons | 34 | R128 929.00 | 03 | Hala 2 | Singathwa S. Malotana |
| 18. | Siyalinga Service Centre | 3184 | Older persons | Services to Older Persons | 20 | R89 929.00 | 17 | Ngcuka | Babalwa Mxathule |
| 19. | Sakhekile Service Centre | 3967 | Older persons | Services to Older Persons | 20 | R89 929.00 | 5 | Lady Frere Location | Unathi S. Mzandisi |
| 20. | Siyazama Service Centre | 3968 | Older persons | Services to Older Persons | 20 | R89 929.00 | 17 | Ngqoko, Lady Frere | Babalwa Mxathule |
| 21. | Ilingelethu Service Centre | | Older Person | Services to Older Persons | 20 | R89 929.00 | 17 | Ezingqolweni | Babalwa Mxathule |

**Old Age Home**

| NO. | NAME OF ORGANISATION | FACILITY NO. | SUB PROG | NATURE | NO. OF BEN | ALLOCATION AMOUNT | WARD NO | LOCATION | CONCILLOR |
|---|---|---|---|---|---|---|---|---|---|
| 1. | Nerinahof Old Age Home | 4351 | Older Persons | Residential services to Older Persons | 42 | R1 008 000.00 | 11 | Dordrecht | Mxolisi P. Masiza |

**Child Care and Protection**

| NO. | NAME OF ORGANISATION | FACILITY NO. | SUB PROG | NATURE | NO. OF BEN | ALLOCATION AMOUNT | WARD NO | LOCATION | CONCILLOR |
|---|---|---|---|---|---|---|---|---|---|
| 1. | ACVV Dordrecht | 1471 | Child Care and Protection | Services to Children | | R232 932,00 | 11 | Dordrecht | Mxolisi P. Masiza |

**HIV / Aids**

| NO. | NAME OF ORGANISATION | FACILITY NO. | SUB PROG | NATURE | NO. OF BEN | ALLOCATION AMOUNT | WARD NO | LOCATION | CONCILLOR |
|---|---|---|---|---|---|---|---|---|---|
| 1. | Masibambane HCBC | 3870 | HIV/AIDS | Home Community Based Care Service | 730 | R290 535.00 | 04 | Lady Frere Town | Afika Hlanganyana |
| 2. | Sakhingomso HCBC | 3527 | HIV/AIDS | Home Community Based Care Service | 730 | R290 535.00 | 16 | Indwe | Nkohla C. Peter |

**Families**

| NO. | NAME OF ORGANISATION | FACILITY NO. | SUB PROG | NATURE | NO. OF BEN | ALLOCATION AMOUNT | WARD NO | LOCATION | CONCILLOR |
|---|---|---|---|---|---|---|---|---|---|
| 1. | Indwe Family Resource Centre | 3559 | Families | Services to families | 580 | R113 225.00 | 16 | Indwe | Nkohla C. Peter |

**Victim Empowerment Programme**

| NO. | NAME OF ORGANISATION | FACILITY NO. | SUB PROG | NATURE | NO. OF BEN | ALLOCATION AMOUNT | WARD NO | LOCATION | CONCILLOR |
|---|---|---|---|---|---|---|---|---|---|
| 1. | Dordrecht White Door Centre of Hope | 3572 | Victim Empowerment Programme | Services to Victims of Domestic Violence and Crime | 270 | R172 515.00 | 14 | Dordrecht | Mncedisi Qomoyi |
| 2. | Lavelilanga Gender Empowerment | 3445 | Victim Empowerment Programme | Services to Victims of Domestic Violence and Crime | 270 | R176 051,00 | 15 | Indwe | Vuyokazi Mnyuko |
| 3. | Khuseleka support centre | 2239 | Victim Empowerment Programme | Services to Victims of Domestic Violence and Crime | 100 | R275 270.00 | 05 | Mckysnek | Unathi S. Mzandisi |
| 4. | Sakhisizwe White Door Centre | 2243 | Victim Empowerment Programme | Services to Victims of Domestic | 150 | R172 697.00 | 10 | Tsembeyi | Yonwaba N. Sibeko |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Violence and Crime | | | | | |

**Disability**

| NO. | NAME OF ORGANISATION | FACILITY NO. | SUB PROG | NATURE | NO.OF BEN | ALLOCATION AMOUNT | WARD NO | LOCATION | CONCILLOR |
|---|---|---|---|---|---|---|---|---|---|
| 1. | Kamvalethu Community Based Rehabilitation | 3360 | Disability | Skills Development | N/A | R100 000.00 | 16 | Indwe | Nkohla C. Peter |
| 2. | Siyathemba Protective Workshop | 3108 | Disability | Community Based Care and Rehabilitation | 25 | R60 000.00 | 11 | Dordrecht | Mxolisi P. Masiza |

**Substance Abuse**

| NO. | NAME OF ORGANISATION | FACILITY NO. | SUB PROG | NATURE | NO. OF BEN | ALLOCATION AMOUNT | WARD NO | LOCATION | CONCILLOR |
|---|---|---|---|---|---|---|---|---|---|
| 1. | TADA Emalahleni | 4098 | Substance Abuse | Prevention services to youth in and out of school youth | N/A | R150 751.00 | All Wards | Emalahleni Municipality | |
| 2. | Njongozethu Project | 3450 | Crime prevention | Prevention services to youth in and out of school youth. | 200 | R156 998.00 | 16 | Indwe | Nkohla C. Peter |

**Community Development and Research**

| NO | | NAME OF PROJECT | SUB-PROGRAMME | ACTIVITY | LOCATION | WARD | FUNDING ALLOCATION | NO OF BENEFICIARIES | STATUS |
|---|---|---|---|---|---|---|---|---|---|
| 1. | Equmbu CNDC | N/A | Sustainable Livelihood | CNDC | 120 | 9 | R200 000.00 | Equmbu Village | Zanoxolo S. Qali |

**Summary**

**SPECIAL DAY CARE CENTRE : 01**
**SERVICE CENTRES (OLDER PERSONS) : 21**
**OLD AGE HOME : 01**
**CPO (CHILD CARE AND PROTECTION) : 01**
**HIV/AIDS : 02**
**FAMILIES : 01**
**VICTIM EMPOWERMENT PROGRAMME : 04**
**DISABILITY : 02**
**SUBSTANCE ABUSE : 02**
**COMMUNITY DEVELOPMENT : 01**

**TOTAL: 36**

**SANRAL continuous projects for 2022-2023**

| PROJECT DESCRIPTION | STATUS |
|---|---|
| **R.056-040-2016/1 N6 – Dordrecht** | Special maintenance project<br>Project in construction<br>Project value R253 million<br>The project commences at km 0.0 at the interchange between the N6 and R56 and<br>terminates in Dordrecht at km 35.3<br>Duration = 33 months including mobilization period |
| **R.056-050-2016/1 Dordrecht to Indwe** | Special maintenance project<br>Project in construction phase<br>Project Value: (R485 million including Elliot and Maclear) |
| **R.056-050-2021/1 Indwe Erosion Stabilisation** | Special maintenance project<br>Project in pre-design phase |
| **R.056-067-2020/1 Indwe to Maclear** | Special maintenance project<br>Project in construction phase<br>Project value: R485 million (including Elliot & Maclear sections) |
| **R.410-012-2018/9 Queenstown to Lady Frere**<br>**Zanele Mlangeni** | Road improvement project<br>Project in design phase<br>Project value: +/-R800m |
| **X.003-043-2019/1 R56-East**<br>**Zanele Mlangeni** | Routine Road Maintenance (RRM) project<br>Project in design phase<br>Project value: +/-R70m |
| **R.056-068-2015/2 Indwe to KZN Border** | Routine Road Maintenance<br>Project in Defects Notification Phase |

## ESKOM

### EMALAHLENI 2022/23 Proposed Electrification Plan

| Municipality | Project Name | Project Type | DOE Total Planned CAPEX Excl. VAT 2022/23 | DOE Total Planned CAPEX Incl. VAT 2022/23 | DOE Total Planned Connections 2022/23 |
|---|---|---|---|---|---|
| Emalahleni | Emalahleni Ward Extensions | Household | R7 800 000.00 | R8 970 000.00 | 300 |
| | Emalahleni Ward Exts. | Pre-engineering | R623 000.00 | R716 450.00 | |
| | Emalahleni Type 2 Infills | Infills | R1 440 000.00 | R1 656 000.00 | 90 |
| | Emalahleni Schedule 5B | Pre-engineering | R350 000.00 | R402 500.00 | |
| Total Emalahleni | | | R10 213 000.00 | R11 744 950.00 | 390 |

**EMALAHLENI 2024/25 Proposed Electrification Plan**

| Municipality | Project Name | Project Type | DOE Total Planned CAPEX Excl. VAT 2024/25 | DOE Total Planned CAPEX Incl. VAT 2024/25 | DOE Total Planned Connections 2024/25 |
|---|---|---|---|---|---|
| Emalahleni | Emalahleni Ward Extensions | Household | R9 600 000 | R11 040 000 | 400 |
| | Emalahleni Ward Exts | Pre-engineering | R300 000 | R345 000 | |
| | Emalahleni Type 1 Infills | Infills | R900 000 | R1 035 000 | 150 |
| Total Emalahleni | | | R10 800 000 | R12 420 000 | 550 |

**TOTAL ALLOCATION FOR EMALAHLENI LM OVER 3 FINANCIAL YEARS**

| Financial Year | Amount Excluding VAT | Amount including VAT |
|---|---|---|
| 2022-2023 | R10 213 000 for 390 Connections | R11 744 950 |
| 2023-2024 | R11 000 000 for 400 Connections | R12 650 000 |
| 2024-2025 | R10 800 000 for 550 Connections | R12 420 000 |
| TOTAL | R32 013 000 for 1340 Connections | R36 814 950 |

## Chris Hani Development Agency (CHDA)

- To develop a proficient, viable and self-sustainable entity by 2025
- To mobilise funding and facilitate investment promotion into the district by 2025
- To develop economically viable and sustainable rural corridors by 2025

Mobilise funding and facilitate investment promotion

- R50m funding mobilised to support LED programmes
- R 200m secured in investments from investment promotion activities
- Investment promotion events

**Develop economically viable and sustainable rural corridors**

- 2000 jobs or work opportunities facilitated in CHDA programmes and LED activities along CHD development corridors
- 20 young people capacitated in critical or scarce skills in bursary support initiatives
- 5 young people successfully enrolled in approved artisan programme(s) career seminars
- R 10m facilitated on behalf of local SMME's from SMME support fundraising initiatives
- 1 corridor development masterplan developed
- 1 corridor critical skills masterplan developed
- 5 corridor commercial enterprise programme masterplans developed and approved

# East Cape School Building Program (ECSBP)

## DoE INFRASTRUCTURE MANAGEMENT REPORT:CHWD-CACADU CMC

# Table of content

- **Purpose of the report**
- **Programme status**
- **Breakdown of projects per IA**

# Purpose of the Report

- **Purpose**

The purpose is to provide progress achieved in the implementation of the School Building Programme for the period 2023/24

- **Background**

The DRPW ,IDT, TMT, CDC, AMATOLA WATER, DBSA and DOE are supporting the Department of Education in the implementation of School Building Programme . For the current financial ye (2019/20) the focus is in the four (4) programmes listed hereunder:

a) Program 6.1 (Administration & Learner Assessment)

b) Program 6.2 (Public and ordinary schools incl. the emergency schools sub-prog)

c) Program 6.3 (Special Schools)

d) Program 6.4 (Early Childhood Development Centres)

# Programme Status

| 2016/17 | W & S | ECDC | Classrooms & Ass | Hostel | Fencing | Maintenance & Disasters | Total |
|---|---|---|---|---|---|---|---|
| Total Projects allocated | 6 | | 1 | 1 | | | 8 |
| Documentation | | | | | | | |
| On Tender | | | | | | | |
| Planning | | | | | | | |
| Under Construction | 8 | | | | | | 8 |

CUSTOMER CARE: TEL 0800 864 951
E-mail: info@dpw.ecape.gov.za

Province of the EASTERN CAPE
ROADS & PUBLIC WORKS

# Project Breakdown

| PROJECT NAME | PROJECT COST | HANDOVER DATE | IA | STATUS |
|---|---|---|---|---|
| UPPER NGONYAMA PRIMARY | R 4 616 039.00 | 15-Mar-23 | MVULA TRUST | UNDERCONSTRUCTION |
| NOBANDLA PRIMARY | R 4 318 183.99 | 15-Mar-23 | MVULA TRUST | UNDERCONSTRUCTION |
| EMAZIMENI PRIMARY | R 4 149 082.90 | 22-Mar-23 | MVULA TRUST | UNDERCONSTRUCTION |
| ABRAHAM VANQA P | R 650 164.00 | 22-Jan-23 | DOE | UNDERCONSTRUCTION |
| NTLALONTLE PRIMARY | R 775 399.00 | 22-Jan-23 | DOE | UNDERCONSTRUCTION |
| THREE CROWNS PRIMARY | R 6 471 161.55 | 26-Apr-23 | MVULA TRUST | UNDERCONSTRUCTION |
| MASIZAKHE PRIMARY | R 44 870 388.81 | 24-Jan-23 | PUBLIC WORKS | UNDERCONSTRUCTION |
| NTSONKOTHA SECONDARY | R246 951 034,00 | 17-Nov-18 | IDT | UNDERCONSTRUCTION |

**DEPT OF HOME AFFAIRS EMALAHLENI MUNICIPALITY**

**OBJECTIVE 1: To ensure that birth registration is the only entry point for South Africans to National Population Register (NPR)**

- **Through promotion of birth registration within 30 days.**

| OUTPUT | PERFORMANCE INDICATOR | RESPONSIBLE PERSONS | TARGET AREAS | TIMEFRAME |
|---|---|---|---|---|
| Working together with primary health care institutions to concioutise pregnant mothers during antenatal classes about birth registration within 30 days and its requirements | Clinic visits to present importance of birth registration within 30 days, its requirements and consequences for non compliance. | DHA, Dept of Health, Cllrs | All clinics at Emalahleni Municipality | Ongoing |
| Birth to be registered in a spot at Glen Grey Hospital and within a week from Indwe and Dordretch | Birth registration within 2 weeks. | DHA, Dept of Hfealth, Cllrs | Glen Grey, Indwe and Dordretch Hospitals | Ongoing |
| **OBJECTIVE 2: South African Citizens turned 16 years of age be issued with IDs**<br>- **Through High School visitations where most targeted clients are found** | | | | |
| Obtaining list of High School learners in need of IDs from Dept of Basic Education (DBE)/ School principals | List of learners in need of IDs obtained from DBE / Schools | DHA, DBE, and all stakeholders | All high schools in Emalahleni | Q1, Q2 & Q4 |
| Drafting of itinerary for school visitations which will also benefit the surrounding communities | Itinerary be in place, communicated to schools and surrounding communities and follow ups be done to ensure that targeted groups are well informed | DHA, DBE, and all stakeholders | All high schools in Emalahleni | Q1, Q2 & Q4 |
| School visitation | Mobile units be deployed or any other means to ensure such clients are issued with IDs | DHA | All high schools in Emalahleni | Q1, Q2 & Q4 |
| **OBJECTIVE 3: To ensure the identification and registration of all South African Citizens and foreign nations to enhance the integrity and security of the identity**<br>- Through visitation of catchment areas with potential of unregistered persons (citizens/ noncitizens) to pursue process of registration for legitimate citizens and advise or enforce Immigration Act compliance to non citizens where the need arise | | | | |
| Identify catchment areas and draw itinerary for visitation / operations ie schools, farms, lodges/hotels, informal settlements, shops etc | Catchment areas be identified and visitation itinerary / inspection in loco conducted. | DHA and all Stakeholders | Identified Catchment areas | Ongoing |
| Visitation to advise legitimate citizens on processes to be followed and conducting inspection in loco | Assist clients in need of Late registration of birth (LRB) and IMS team be deployed through | DHA and Stakeholders | Identified Catchment areas | Ongoing |

| | | | | |
|---|---|---|---|---|
| | operations conduct inspection in loco | | | |
| DHA will extend Action plan to fulfil other mandates ie as custodian, protector and verifier of Identity and status of citizens<br>- Through ensuring correct change of one's demographics in NPR ie marital status and death registration | | | | |
| Information sharing with funeral undertakers and other relevant stakeholders on death registration | Meeting with funeral undertakers to ensure compliance with DHA legislations and SOPs in death registration. | DHA, Funeral undertakers, medical practitioners, and other stakeholders | Emalahleni Municipality<br>Funeral parlours | Ongoing |
| Information sharing with Pastors / Reverends who are marriage officers, community leaders and other relevant stakeholders on marriage | Meeting with Pastors / Reverends to ensure compliance with Marriage legislation and SOPs, also understanding of all marriage types ie recognition of customary marriage and civil union. | DHA and Church leaders, other stakeholders | Emalahleni Municipality | Q1&2 |

| MTEF -GRANTS | | | |
|---|---|---|---|
| GRANT | 22/23 | 23/24 | 24/25 |
| MUNICIPAL INFRASTRUCTURE GRANT | | | |
| Water | 29,056,000 | 23,615,000 | 24,500,000 |
| Sanitation | 11,300,000 | 21,300,000 | 6,500,000 |
| RBIG | | | |
| Water | 36,700,000 | 500,000 | 0 |
| WSIG | | | |
| **Water** | | 11,000,000 | |

**MIG SANITATION**

| PROJECT NAME | 2022/23 | STATUS/ PROGRESS | WARD NUMBER | VILLAGES TO BE SERVED |
|---|---|---|---|---|
| WTR BLG INDWE /MGWALANA WATER SUPPLY | 3,600,000 | Design | 14 | Indwe, Mgwalana |
| WTR BLG MHLANGA/MGWALANA BULK WATER SUPPLY | 3400,000 | Construction | 14,16 | Mhlanga and Mgwalana |
| WTR BLG GQEBENYA FARMS | 850,000 | Construction | 6 | Gqebenya |
| DORDRETCH W&S SERVICES UPGRADING BULK WTR SUPPLY- PHASE 4 | 9,206,000 | Construction | 14 | Dordrecht |
| WTR BLG XONXA WTW | 1000,000 | Planning | 1,6 | Xonxa; Efama; Kempdale; Gandu and Egcibhala |
| NJOMBELA WATER SUPPLY | 11,000,000 | Construction | 2 | Njombela |
| TOTAL | 29,056,000 | | | |

**MIG SANITATION**

| PROJECT NAME | 2022/23 | STATUS/PROGRESS | WARD NUMBER | VILLAGES TO BE SERVED |
|---|---|---|---|---|
| Rural Sanitation Backlog - Emalahleni | 11,300,000 | planning | 2, 3, 4, 5, 8, 9, 10, 12, 13, 14, 15 | To be determined after consultation |
| TOTAL | 11,300,000 | | | |

**RBIG ALLOCATION**

| Project name | 22/23 | Status/Progress | ward | village |
|---|---|---|---|---|
| WTR SUPPLY NORTHERN SCHEME SIKHUNGWINI TO NGXUMZA | 9,700,000 | Construction | 7,20 | Ezingqolweni, Elalini, Greyspan Maqhashu |
| WBLG SKUNGWINI-UPPER NDONGA | 21,000,000 | Construction | 3,17 | Ezingqolweni, Elalini, Greyspan Maqhashu |
| TOTAL: | 60,000,000 | | | |

**WSIG ALLOCATION**

| Project Name | 22/23 | STATUS/PROGRESS | WARD NUMBER | VILLAGES TO BE SERVED |
|---|---|---|---|---|
| WATER BACKLOG REG SCHEME 3: PHASE 1C | 50,000 | Construction | 2 | Maqhashu and surrounding villages |
| WATER BLG REGIONAL SCHEME 3: PHASE 1D | 300,000 | Construction | 20 | Bukwana abd surround villages |
| TOTAL: | 2,350,000 | | | |