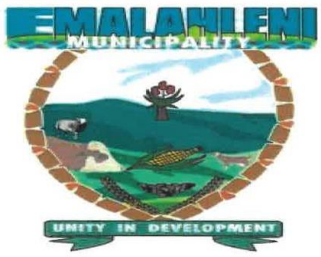
EMALAHLENI LOCAL MUNICIPALITY



INTERGRATED DEVELOPMENT PLAN (IDP) 2026/2027 FINANCIAL YEAR

Ms TT. MADOTYENI
MUNICIPAL MANAGER

DATE: 28 May 2026

CLLR .NF KONI
HONOURABLE MAYOR

DATE: 28 May 2026

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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	Kiloliter (1,000 liters)
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

Over the past four years of the current term, the Council of Emalahleni Local Municipality has demonstrated its committed to promoting clean governance and administration, infrastructure development and maintenance, local economic development and sustainability, financial viability, and responsive community services aimed at improving the quality of life of our people.

Through collaboration with our communities and stakeholders, we believe that we can build the Emalahleni we aspire to see — a Municipality that progressively responds to the needs of its people despite the limited resources at its disposal.

The recent escalation of economic challenges, owing to numerous domestic factors affected by global conflicts, required local government and society to embrace innovative ways of working and engaging communities.

These challenges create a substantial setback, since we have been grappling with the aftermath of the Covid19 pandemic, which compelled us to utilise technology-driven platforms for communication and public participation. While the pandemic brought immense hardship, it also accelerated our appreciation of technological advancement, and the opportunities associated with digital transformation. The reality is that the world has had to adapt to new ways of doing things, accompanied by significant behavioural changes across social, economic, political, and religious spheres

The Municipality continues to maintain institutional and political stability, enabling Council business and governance processes to proceed without disruption. However, we acknowledge that there are areas requiring urgent attention and improvement, particularly the prevalence of crime, substance abuse, and Gender-Based Violence within our communities. Women, children, and elderly persons continue to suffer abuse and violence, often perpetrated by individuals known to them. We therefore call upon men, community structures, law enforcement agencies, and all sectors of society to work collectively in confronting these social ills and restoring the moral fabric of our communities.

Water and sanitation challenges also remain a priority concern requiring coordinated intervention by both Emalahleni Local Municipality and Chris Hani District Municipality as the Water Services Authority and provider. We remain committed to implementing programmes such as the Community Work Programme (CWP) and the Expanded Public Works Programme (EPWP), which continue to create employment opportunities and build capacity within our communities.

Furthermore, contractors appointed on municipal projects have a responsibility to empower local Small, Medium and Micro Enterprises (SMMEs) through subcontracting opportunities. This approach seeks to strengthen local economic participation and support the growth and sustainability of emerging businesses within the Emalahleni area. We encourage the business community to uphold high standards of professionalism and quality service delivery while utilising these opportunities to build sustainable business profiles and develop the necessary skills and capacity to compete for larger projects beyond the municipal boundaries.

Youth development remains one of the Municipality's strategic priorities. During this financial year, we intend to intensify programmes aimed at empowering young people through partnerships with SETAs, government departments, and relevant stakeholders. Our Special Programmes and Skills Development initiatives will increasingly focus on future-oriented skills that respond to technological advancement and the evolving world of work.

. At the same time, we recognise the need to strengthen intergovernmental cooperation and coordination to improve service delivery outcomes. It is therefore important for all government departments to actively participate in Intergovernmental Relations Forums to ensure effective communication, coordination, and integrated planning.

In partnership with the Department of Roads, we are optimistic that the condition of our road infrastructure will further improve following the operationalisation of a Memorandum of Understanding that enables the Municipality to utilise departmental plant machinery for the construction and maintenance of access roads through internal municipal teams.

The "Thuma Mina" call to action is directed to every member of our society, including civil servants and community members alike. Public servants have a responsibility to serve communities efficiently, ethically, and with dedication. Equally, individuals and organisations with the capacity to assist others through employment creation, community development, and social support initiatives are encouraged to work hand in hand with government in building resilient and self-sustaining communities.

"Unity in Development," our slogan, remains central to our collective vision of building the Emalahleni, Chris Hani, Eastern Cape, South Africa, and indeed the world we aspire to live in — a society free from poverty, inequality, violence, and all social ills affecting our people daily. Together, let us join hands and build the future we want for generations to come.

COUNCILLOR NONTOMBIZANELE KONI
HONOURABLE MAYOR



EXECUTIVE SUMMARY

The current financial year marks the sunset of the Council term that commenced in 2021. In this regard, Emalahleni Local Municipality embarked on the process of reviewing its five-year credible strategic planning instrument, namely the Integrated Development Plan (IDP), together with a cash-backed budget aligned to the Medium-Term Revenue and Expenditure Framework (MTREF). The IDP has been reviewed and amended in accordance with the provisions of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

The needs and priorities of communities were informed through extensive public participation processes, including Mayoral Outreach Programmes, conducted in compliance with legislative requirements. It is important to note that the IDP and Budget are living documents whose implementation is continuously monitored through the Service Delivery and Budget Implementation Plan (SDBIP), thereby confirming the relevance and impact of Council programmes and projects. The IDP and Budget are designed to fulfil the constitutional mandate of Local Government, which includes institutional development and transformation, sustainable service delivery, local economic development, job creation, spatial planning, financial viability, and sound financial management. Furthermore, Emalahleni Local Municipality developed and approved a Business Process Re-engineering Plan to inform its macro institutional structure as part of efforts to give effect to the Municipality's strategic priority areas. We appreciate the continued support of Councillors, Traditional Leadership, communities, key stakeholders, and sector departments in accelerating service delivery to all communities in the spirit of cooperative governance and progressive intergovernmental relations.

As Management, our focus for the year ahead and beyond remains centred on Local Economic Development, youth empowerment, infrastructure development, financial sustainability, and the strengthening of community services. Executive Management further resolved that audit outcomes and internal control improvement measures should become standing agenda items in all management and governance structures. The Municipality continues to progressively address historical institutional challenges while strengthening accountability and governance systems. The political leadership and administration of Emalahleni Local Municipality have collectively committed to adopting a renewed and results-driven approach towards achieving a clean audit outcome, following three consecutive qualified audit opinions.

"Emalahleni is indeed moving forward in advancing the Back-to-Basics mandate through improved governance, accountability, and service delivery."

We are honored to present this important document in the life of Emalahleni Local Municipality as another deliberate contribution towards good governance, institutional sustainability, and meaningful service delivery. This represents our continued commitment to building a transformative and developmental partnership with the

Ms. TT. MADOTYENI
MUNICIPAL MANAGER

CHAPTER 1 - Strategic Overview of the Municipality

INTRODUCTION

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 fifth review process has been followed for 2026/2027 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 (reviewed 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).

(a) 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

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 & Situation 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: All PR and Ward Councillors of Emalahleni Municipality
2	The Mayor	Must ensure that the IDP is developed. Must ensure that the IDP is reviewed annually. Chairs the IDP/PMS and Budget Representative Forum 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: Preparing the process plan Undertaking the overall management and co-ordination of the planning process by ensuring: Participation and involvement of all different role players That time frames are adhered to That the planning process is aligned to the Provincial Growth and Development Strategy Conditions for community participation are provided. That the results of the planning and IDP review process are documented. Responding to comments on the draft IDP from the public and other spheres of Government to the satisfaction of the Municipal Council 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 Terms of Reference The committee shall be responsible: Collect and collate information for IDP, PMS and Budget Steering Committee Conduct research and Advises the IDP, PMS and Budget Steering Committee	The committee shall be composed of the following members of the municipal administration: Municipal Manager All Directors All Divisional Managers

No	Role Player	Roles and Responsibilities	Composition
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. Terms of reference The terms of reference for the IDP / PMS and Budget Steering Committee shall be the following: Establish sub-committees Commission research studies Consider and comment on: Inputs from sub-committees, study teams and consultants Inputs from provincial sector departments and support providers Processes, summarize and document inputs Make content recommendations Define the terms of reference for the IDP / PMS and Budget Representative Forum Inform the public about the establishment of the IDP / PMS and Budget Representative Forum Identify stakeholders to be part of the Forum in such a way that the public is well represented Providing relevant technical, sector and financial information for analysis and for determining priority issues Provide political guidance in the consideration of financial strategies and identification of projects 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: Mayor (Chairing) Council Speaker Chief Whip All Members of the Executive Committee Municipal Manager All Directors Manager: IDP and PMS 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. Terms of Reference The terms of reference for the IDP / PMS and Budget Representative Forum shall be as follows: Represent the interests of their constituents in the IDP process. Provide an organizational mechanism for discussion, negotiation and decision-making between stakeholders including municipal government. Ensure communication between all stakeholders including municipal government. Monitor the performance of the planning and implementation process. Provide a platform for engagement, input, and feedback to stakeholders on the IDP and PMS.	It is envisaged that the following organizations and/or stakeholders may be involved: Councillors Ward Committees Community Development Workers Inter-Governmental Forum Traditional Leaders Faith-based Organisations Stakeholder Representatives of Organized Groups Government department Representatives of Political Organisations Community Representatives Resource Persons
8	Inter-Governmental	**IGR Forum e**nhances the integrated development and consider priorities in	The composition of the Forum will be as follows: Emalahleni Local Municipality:

No	Role Player	Roles and Responsibilities	Composition
	Relations Committee	the entire municipality. Additional objectives include the following: Development of a Local Programme of Action in relation to the National, Provincial and District programmes. 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. To consult on policy issues that materially affects Local Government. To develop and provide mechanisms to engage provincial government, the Office of the Premier and DLGTA on IGR related matters and/or challenges. To consider such other matters of mutual interest as either party may place on the agenda of a meeting from time to time. To promote economic growth and development through trade, investment, and tourism. To share knowledge and expertise in local governance generally or in agreed functional areas.	The Honourable Mayor is the political champion of intergovernmental relations in Emalahleni LM and the Chairperson of the IGR Forum. The Speaker and EXCO members. The Municipal Manager and Chief Finance Officer Executive Directors (Emalahleni LM) Entities and other service delivery agencies Provincial and National Representatives: Department of Cooperative Governance Office of the Premier Department of Local Government and Traditional Affairs Provincial Treasury. South African Local Government Association Eastern Cape (SALGA- EC) Heads of Sector Departments in the Emalahleni LM area. Heads of National Departments in Emalahleni LM area. State owned enterprises (e.g., ESKOM, Telkom, ECDC) 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) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a performance audit committee. Member of the Executive Committee or in respect of a plenary type of municipality. Mayor and/or Municipal Manager from another municipality Member of a ward committee as nominated by the mayor

ACTION PROGRAMME

The municipality prepared and adopted its IDP Process Plan and action program and presented it to Council for adoption on the 29 August 2025 (with the following council resolution number **ODM/29/08/2025).** 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	PERIOD	RESPONSIBILTY	STATUS
June 2025			
Preparation of the SDBIP 2025 /2026 and presentation to the Mayor for tabling to Council	09 June 2025	Municipal Manager	Completed
Approval and publication of the SDBIP 2025-2026	26 June 2025	Mayor & MM	Completed
Preparation of the Annual Performance Report (Section 46) for the 2024-2025 financial year(non-Financial) with Directorate Listings	20 June 2025	Municipal Manager PEDTA	Completed
July 2025			
Publication of the SDBIP 2025-2026 ELM Website and Daily Dispatch	03- July -2025	PEDTA	Completed
Preparation of IDP/PMS Review and Budget process plan	10 July 2025 to 17 July -2025	All Directors Municipal Manager	Completed
Preparation and Submission of Signed Performance Agreements for Section 57 Managers to relevant stakeholders	30 July 2025	Municipal Manager	Completed
Ordinary Council Meeting	31 July 2025	Mayor	Completed
August 2025			
IGR/IDP/LRC/CWP	12 August 2025	PEDTA	Completed
Ward Committee Quarterly Meetings Committee (WCM)	19 August 2025	Mayor	Completed
EXCO/IBSC	21 August 2025	Mayor	Completed
Tabling of draft unaudited annual report with the annual financial statements to EXCO and MPAC, AUDC/PAC to review	22 August 2025	Municipal Manager Chief Financial Officer CAE and All	Completed
Special Council Meeting. Adoption of Budget PMS Process Plan, Presentation of Annual Performance Report, Annual Financial Statements and Draft Annual Report	29 August 2025	Chief Financial Officer Municipal Manager CAE	Completed
District Council Meeting	28 August 2025	Mayor	Completed
Submission of the Annual Performance Report (Section 46) for the 2024-2025 financial year(non-Financial) with Directorate Listings, Annual Financial Statements and Draft Annual Report for 2024\2025 Financial Year	29 August 2025	Municipal Manager Director PEDTA & CFO	Completed
September 2025			
Community Safety Forum (CSF)	3-September 2025	Mayor	Completed
Circulation of the situational Analysis under review (Situational Analysis review phase commences) to all internal stakeholders for 1st review of 2022-2027 IDP	05 September 2025	PEDTA	Completed
EXCO/IBSC	18 September 2025	Municipal Manager & Mayor	Completed
Special Council Meeting. Presentation on status of Situation Analysis	23 September 2025	Mayor	Completed
October 2025			
Executive Management Committee Meeting	06-October 2025	Municipal Manager	Completed
Performance Management System Evaluation Committee (PMS&EC)	09 September 2025	Municipal Manager & PEDTA	Completed
Departmental Standing Committee meetings	14-16 October 2025	PEDTA	Completed
Women's Caucus (WC)	20 October 2025	Mayor	Completed

MPAC	22 October 2025	Municipal Manager	Completed
EXCO/IBSC. Presentation of first Quarter SDBIP Performance	23 October 2025	Municipal Manager	Completed
Audit Committee Meeting. Presentation of first Quarter SDBIP Performance	24 October 2025	Municipal Manager	Completed
District Council Meeting	29 October 2025	Mayor	Completed
Presentation of the Audited Performance Report of the institution to the Office of the Mayor at the Ordinary Council Meeting	30 October 2025	Mayor	Completed
November 2025			
Executive Management Meeting: Presentation of Proposed dates for Mayoral Outreach Program (MOP)	03 November 25	Municipal Manager Mayor	Completed
PMS&EC	09 November 25	Municipa Manager & PEDTA	Completed
IGR & IDP Meeting	05 November 2025	PEDTA	Completed
Mayoral Outreach Programmes (MOP)	11,12, 13 & 14 November 2025	PEDTA Public Participation	Completed
Ward Committee Quarterly Meeting Committee (WCM)	18 November 25	Mayor	Completed
Public hearing – Consultation of the Draft Audited Annual Report	November \Dec\Jan 2025 - 2026 depending on finalization of Audit Report	Director PEDTA Office of the MM Office of the Speaker MPAC Chairperson Mayor All Ward Councilors	Completed
December 2025			
EXCO	04 December 2025	Municipal Manager	Completed
Imbizo to present Approved Audited Annual Report and oversight report as well as draft reviewed community needs	November \Dec\Jan 2025 - 2026 depending on finalization of Audit Report	Municipal Manager & PEDTA	Completed
IDP/PMS and Budget Steering Committee – Consider draft reviewed community needs and priorities and draft Audit Action Plan 2025-2026	09 December 2025	Mayor	Completed
District Council Meeting	10 December25	Mayor	Completed
Special Council Meeting	11 December 25	Mayor	Completed
January 2026			
Executive Management Meeting	06 January 2026	Municipal Manager & Mayor	Completed
EXCO/ IBSC	22January 2026	Municipal Manager	Completed
Approved audited annual report is submitted to Auditor-General, Provincial Treasury and Department of Corporate Government-EC for compliance. MSCOA	23 January 2026	Municipal Manager	Completed
Approval of adjustment Budget	24 January 2026	BTO	Completed
Presentation of Annual Financial Report 2024-2025 to the Council for approval	26 January 2026	Municipal Manager & MPAC Chairperson	Completed
Submission of performance report and performance information – Mid-Year Performance	27 January 2026	All Directors	Completed
District Council Meeting	28 January 2026	Municipal Manager Mayor	Completed

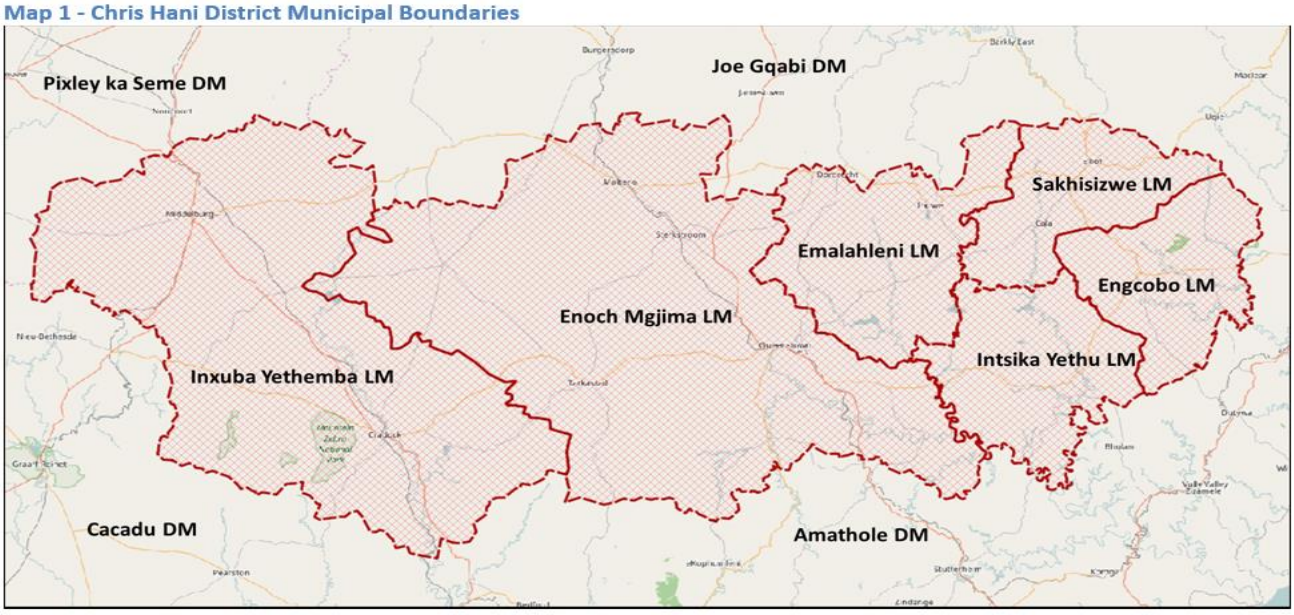
Special Council Meeting. Presentation of SDBIP and Budget Adjustment	29 January 2026	Mayor	Completed
IDP/PMS and Budget Steering Committee – Presentation of Mid-Year Performance to Executive Management Committee	30 January 2026	Municipal Manager All Directors	Completed
February 2026			
Executive Management Meeting	02 February 26	Municipal Manager	Completed
Departmental Standing Committee Meeting. Presentation on Mid-Year Performance Report	10-12 February26	PEDTA	Completed
MPAC	17-February 26	Municipal Manager	Completed
Executive Management Meeting	18 February 26	Municipal Manager	Completed
Audit Committee Meeting: Presentation on Mid-Year Performance Report Financial and non-Financial	20 February 26	Municipal Manager	Completed
Publication and Submission of the Mid-Year Performance Reports to the External Stakeholders (e.g., Treasury, CoGTA, AG)	21- February 26	PEDTA	Completed
Ordinary Council Meeting. Presentation on Mid-Year Performance Report Financial and non-Financial	26 February 2026	Mayor	Completed
District Council Meeting	27 February 26	Mayor	Completed
March 2026			
Executive Management Meeting. Tabling of Presentations for Institutional Strat Plan	02 March 2026	Municipal Manager	Completed
Institutional Strategic Plan	4, 5, 6 March 2026	Municipal Manager	Completed
IGR/IDP/LRC/CWP	18 March 2026	PEDTA	Completed
EXCO/IBSC	19 March 2026	Municipal Manager	Coplemted
AUDC/PAC	23 March 2026	Municipal Manager	Completed
Special Council Meeting – Presentation of the 1st Draft IDP 2026-2027 and Draft SDBIP 2026-2027. Presentation of IDP Roadshows	26 March 2026	Mayor	Completed
April 2026			
Executive Management Meeting	01 April 2026	Municipal Manager	Completed
Departmental Standing Committee Meetings. Presentation of Third Quarter Performance SDBIP	9-14- April 2026	PEDTA	Completed
MPAC & WC	15- April 2026	Municipal Manager	Completed
Executive Management Meeting	16- April 2026	Municipal Manager	Completed
MSCOA	20- April 2026	Municipal Manager	Completed
Public meetings and consultation schedule Mayoral Outreach Programmes (MOP)	April 2026	Municipal Manager	Completed
AUDC/PAC	23 April 2026	Municipal Manager & CAE	Completed
District Council Meeting	29 -April -2026	Mayor	Completed
Submission of the adopted draft IDP and budget to the office of the Provincial and National Treasury, District Municipality and the MEC for EC-CoGTA	30-April 2026	Municipal Manager	Completed
Tabling of the audited 3rd quarterly performance report to Ordinary Council Meeting for noting	30-April 2026	Mayor	Completed
May 2026			
Executive Management Committee	04 May 2026	Municipal Manager	Completed
Ward Committee Quarterly Meeting Committee (WCM)	11- May 2026	Mayor	Completed
EXCO/IBSC	21- May 2026	Municipal Manager	Completed

IDP/PMS and Budget Steering Committee to consider public comments and those from sector departments.	22- May 2026	PEDTA	Completed
District Council Meeting	27 -May -2026	Mayor	Completed
Council meeting to consider and adopt the final IDP and Budget 2026-2027	29 May 2026	Mayor	Completed
June 2026			
Executive Management Meeting	01 June 2026	PEDTA	
IGR/IDP/LRC/CWP	03- June 2026	Municipal Manager	
Submission of the Approved Reviewed IDP and Budget 2026-2027 to the National Provincial Treasury Department, MEC for EC-CoGTA and the District Municipality (CHDM)	04-June 2026	Municipal Manager	
EXCO	18- June 2026	Municipal Manager	
District Council Meeting	24-June -2026	Mayor	
Special Council Meeting to approve the final SDBIP 2026-2027 (if not approved in May)	25-June 2026	Mayor	

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 2020/2021 IDP	RATING 2022/2023 IDP	RATING 2023/2024 IDP	RATING 2024/2025 IDP	RATING 2025/2026 IDP

Spatial Planning, Human Settlements and Environment Management	HIGH	HIGH	HIGH	MEDIUM	HIGH
Basic Service Infrastructure Development	HIGH	MEDIUM	HIGH	BASIC	BASIC
Local Economic Development	HIGH	HIGH	HIGH	HIGH	HIGH
Financial Planning and Budget	HIGH	MEDIUM	HIGH	HIGH	HIGH
Good Governance and Public Participation	HIGH	MEDIUM	HIGH	HIGH	HIGH
Institutional Arrangements	HIGH	MEDIUM	HIGH	HIGH	HIGH
OVERALL RATING	HIGH	MEDIUM	HIGH	HIGH	HIGH

ACTIONS TO ADDRESS COMMENTS RAISED BY MEC FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

KPA 1 & 2 SPATIAL PLANNING, HUMAN SETTLEMENTS & ENVIRONMENTAL MANAGEMENT	ACTION UNDERTAKEN
The municipality must reflect information on the status of all its landfill sites whether they are licensed for operation	The municipality has 1 landfill site and 2 transfer stations which are licensed
The municipality must reflect existence of Trade Effluent Policy to control waste emissions.	Nature of the municipality is rural and doesn't have / need a Trade Effluent Policy for now to control waste emissions
The municipality must reflect budget for Operations and Maintenance for the implementation of the Trade Effluent Policy when it has been developed.	n/a
The municipality must reflect the existence of the Leachate Plan	The municipality doesn't have the Leachate Plan and will consider developing it after the upgrading of the landfill site.
The municipality must reflect the provision of hazardous waste disposal	The municipality meets its minimum requirements in this regard and will expand when the landfill site is upgraded.
The municipality must reflect on availability of an Infrastructure Asset Management Plan (IAMP).	The municipality uses the Facilities Management Plan and the IDP reflets so. There is no IAMP.
The municipal IDP must reflect existence of an approved Integrated Transport Plan (ITP)	No reflection in the IDP as the document does have and Integrated Transport Plan
The municipality must reflect the 3 Year Capital Plan inclusive of public transport facilities if municipality is planning to implement such project.	n/a
The municipality must reflect the availability of a Disaster Management Plan and integrate in the IDP as per Amended Disaster Management Act 16 of 2015	There is a Disaster Management Plan and the IDP review will reflect as such
The municipality must reflect availability of a Disaster All-hazard Contingency Plan	This forms part of the above plan

The municipality must indicate existence of its capacity to draft a Level 1 Disaster Management Plan.	This forms part of the above plan
The municipality must reflect the availability of disaster early warning systems, procedures and plans and reflect them in the IDP.	The municipality work closely with the district Municipality, receive information and disseminate accordingly. A detail will be provided in the IDP under review.
The municipality must indicate the backlogs statistics for Electricity Infrastructure for better planning and alignment of resources with other sector partners like ESKOM and Energy.	The municipality assessed backlogs in all 17 wards and came up with a backlog of 2258 households as at 30 September 2025
The municipality must reflect budget allocated for response and recovery in line with gazetted national thresholds and indicate this in the IDP document.	The Municipality doesn't have budget but depends on referrals or recommendation done to other departments
The municipality must reflect availability of adequate firefighting and reserve vehicles including equipment to deal with fire risks within its locality.	There is minimal equipment, and the municipality is mostly supported by the district for the function whilst we have negotiations with CoGTA in dealing with the issue fire risks in the locality
The municipality must reflect budget allocated for the development of fire-safety by-laws	None currently, the municipality intends to budget for it in the next generation IDP.
KPA 3: Financial Planning and Budgets Overall Rating: HIGH The municipality must reflect the availability and implementation of a revenue enhancement strategy	The municipality has a revenue enhancement strategy in place, it will reflect in the IDP under review as well as its implementation.
KPA 4: Local Economic Development: HIGH The municipality has achieved a100% in this KPA	n/a
KPA 5: Good Governance and Public Participation: HIGH The municipality must outline in the IDP predetermined objectives and compliance issues.	The municipality obtained an unqualified audit opinion from the audit by Auditor General of south Africa with no material findings and will reflect that in the IDP under review.
KPA 6: Institutional Arrangements: HIGH The municipality must reflect dates of review for HR policies and plans in the IDP document.	The HR Policies were reviewed in May 2025, the municipality will ensure inclusion of dates for policy review in the IDP review for 2026-2027 FY.

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. This is 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.

The situation of Emalahleni:

	2022	**2011**
Total population	**128 873**	120 758
Young children (0-14 years)	30,6%	35,1%
Working age population (15-64 years)	57,6%	55,0%
Elderly (65+ years)	11,8%	9,9%
Dependency ratio	73,5	81,9
Sex ratio	94,8	90,1
No schooling (20+ years)	12,0%	18,8%
Higher education (20+ years)	4,2%	3,8%
Number of households	32 771	32 005
Average household size	3,9	3,8
Formal dwellings	83,4%	55,8%
Flush toilets connected to sewerage	38,6%	13,1%
Weekly refuse disposal service	39,2%	8,2%
Access to piped water in the dwelling	31,1%	8,6%
Electricity for lighting	95,5%	78,5%

Total Population

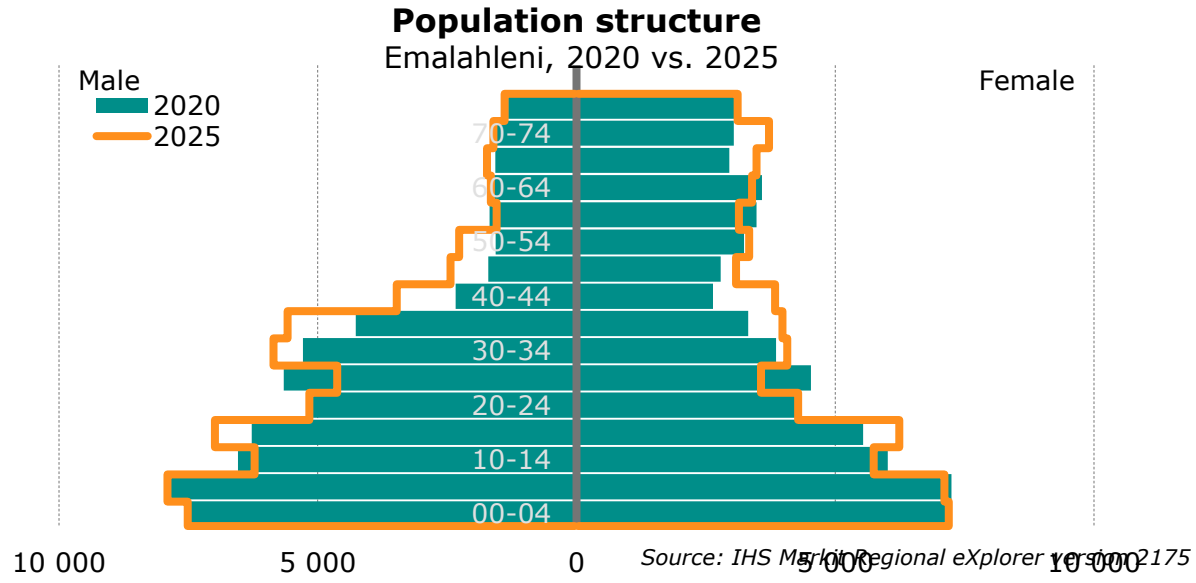
Population statistics is important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income.

With 128 873 people, the Emalahleni Local Municipality housed 0.21% of South Africa's total population in 2022. Between 2010 and 2022 the population growth averaged 0.61% per annum which is more than half than the growth rate of South Africa as a whole (1.80%).

	2022	2011	Growth	Average	% of population
Chris Hani	828 387	806 476	2,72%	0,25%	15,56%
Eastern Cape	7 230 204	6 562 053	10,18%	0,93%	1,78%
SA	62 027 503	51 770 476	19,81%	1,80%	0,21%
Emalahleni	128 873	120 758	6,72%	0,61%	100%

The population projection of Emalahleni Local Municipality shows an estimated average annual growth rate of 0.61% in 2022. The average annual growth rate in the population over the projection period for Chris Hani District Municipality, Eastern Cape Province and South Africa is 0.25%, 0,93% and 1.80% respectively.

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.

Population by population group, GENDER, and Age

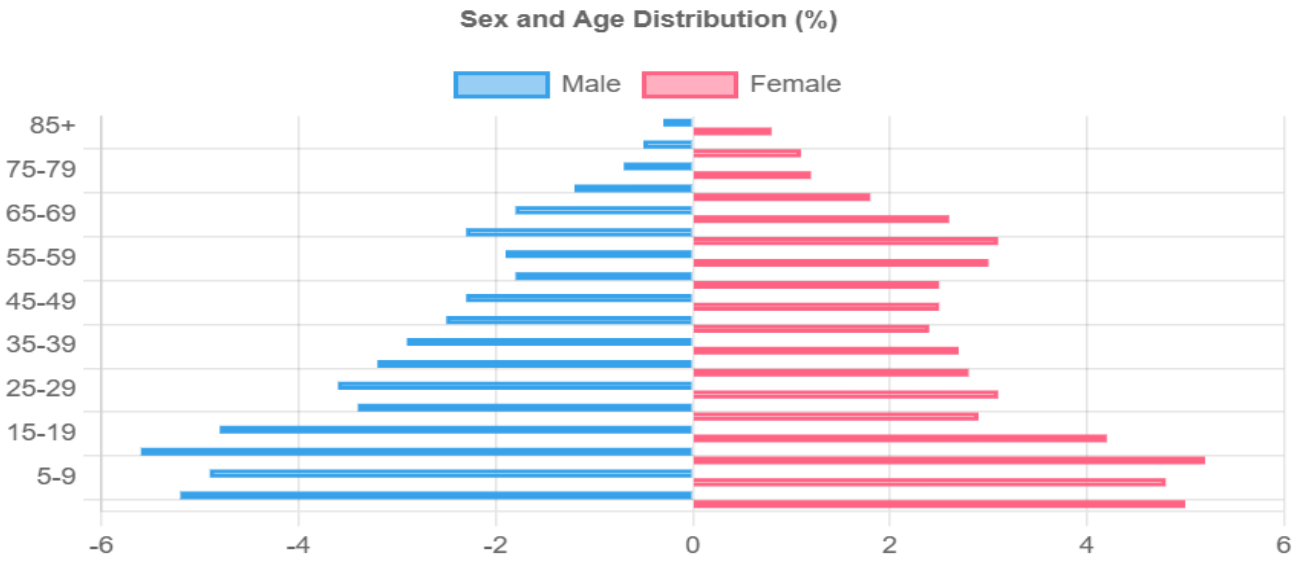
The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, 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, 2022 [Number].

Local Municipality	Male	%	Female	%	Total
Inxuba Yethemba Local Municipality	36 323	46,8%	41 254	53,2%	77 577
Intsika Yethu Local Municipality	62 202	48,6%	65 899	51,4%	128 101
Emalahleni Local Municipality	62 702	48,7%	66 171	51,3%	128 873
Engcobo Local Municipality	63 403	47,7%	69 396	52,3%	132 799
Sakhisizwe Local Municipality	31 226	48,8%	32 755	51,2%	63 981
Enoch Mgijima Local Municipality	140 782	47,4%	156 273	52,6%	297 055
Chris Hani	**396 638**	**47,9%**	**431 748**	**52,1%**	**828 386**

Emalahleni Local Municipality's male population is 48,7% while female is at 51,3%. The Emalahleni Local Municipality appears to be a stable population with the share of female population (51.3%). In total there were 66 171 (51.03%) females and 66171 (51.3%) males.

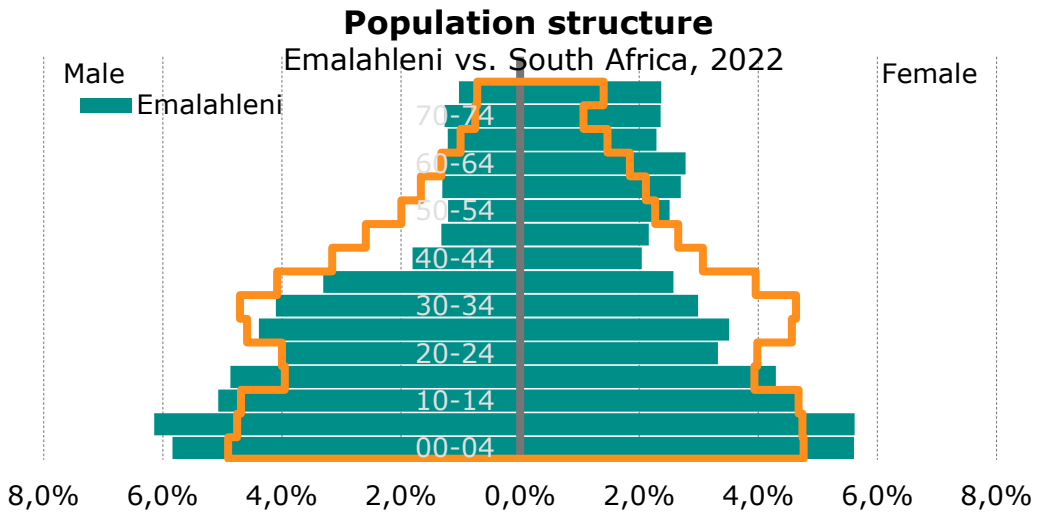
Population Pyramids



Population pyramid - Emalahleni Local Municipality vs. South Africa, 2022 [Percentage]

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 population structure of 2022 to that of South Africa.



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 (30.6%) 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.

In 2010, there were a significant smaller share of young working age people - aged 20 to 34 (20.3%) - compared to 2022 (57.6%). Fertility in 2010 was very similar compared to that of 2022. The share of children between the ages of 0 to 14 years is significantly larger in 2010 (34.7%) compared to 2022 (30.6%). Life expectancy is increasing. In 2022, 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%.

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.

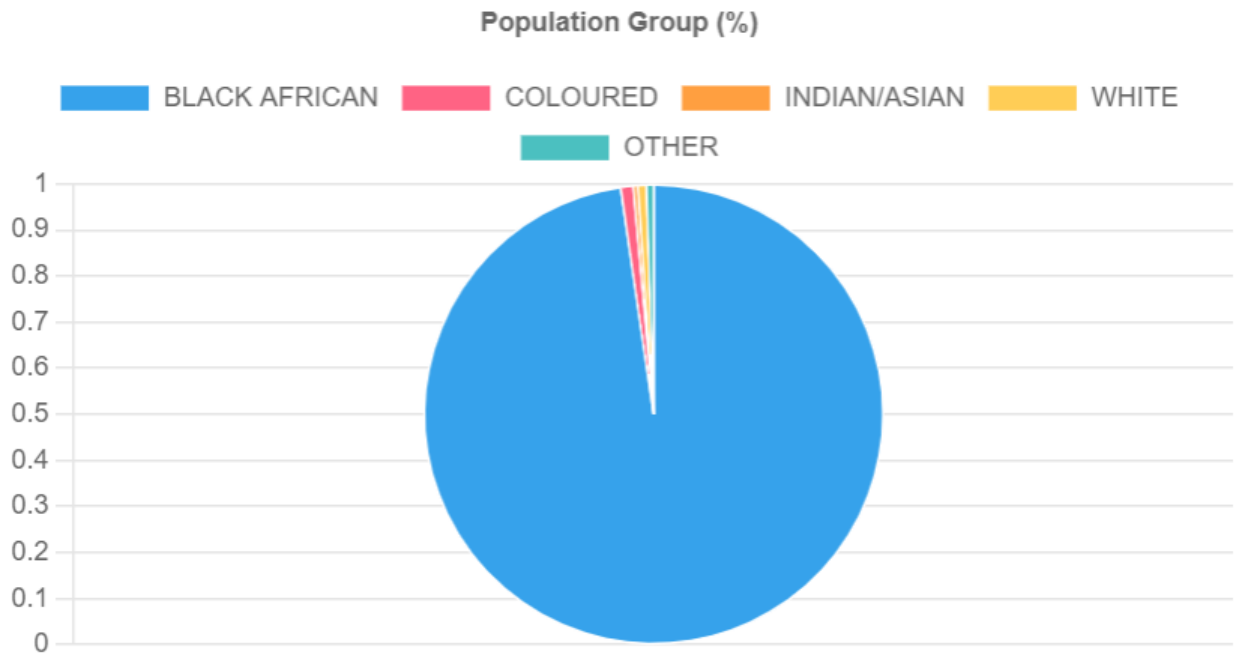
An individual is considered part of a household if he/she spends at least four nights a week within the household. To categorise a household according to population group, the population group to which the head of the household belongs, is used.

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 2022, the Emalahleni Local Municipality comprised of 32 771 households. This equates to an average annual growth rate of 0.67% in the number of households from 2010 to 2022. 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 3.9 persons per household in 2022.

Relative to the district municipality, the Emalahleni Local Municipality had a lower average annual growth rate of 0.67% from 2010 to 2022. 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 Municipality.

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 0.6% (ranking second). The Coloured population group had a total composition of 0.9% of the total households. The smallest population group by households is the Asian population group with only 0.3% in 2022.

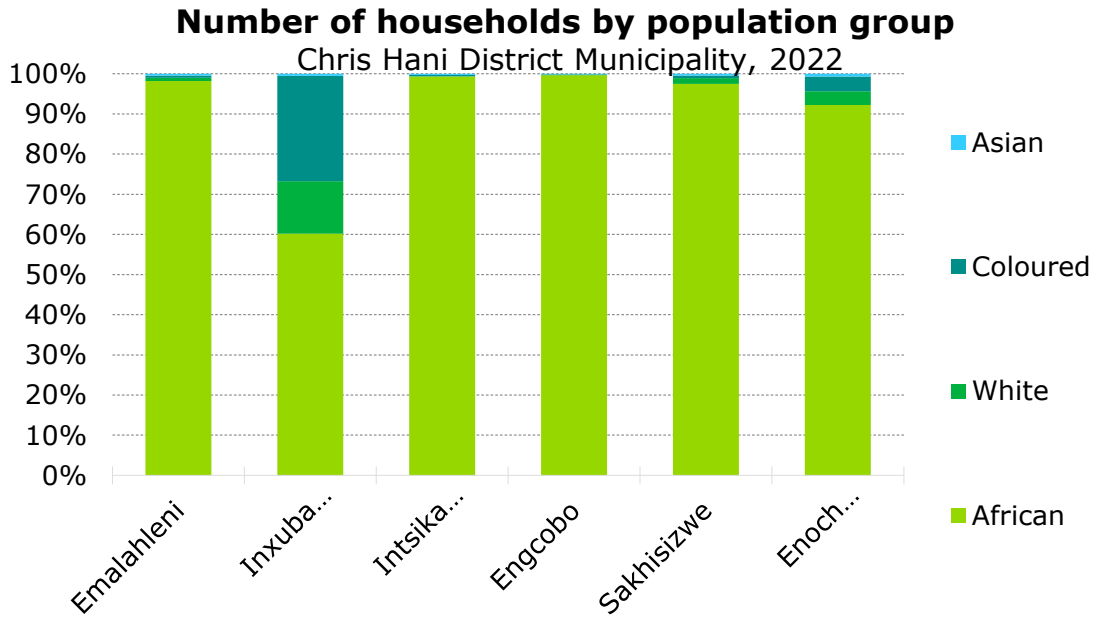
Number of households by population group – Emalahleni Local Municipality, 2022 [Percentage]



Source: Stats SA 2022

The growth in the number of African headed households was on average 0.66% per annum between 2010 and 2022, 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 2022 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, 2022 [percentage]



Source: Stats SA

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.

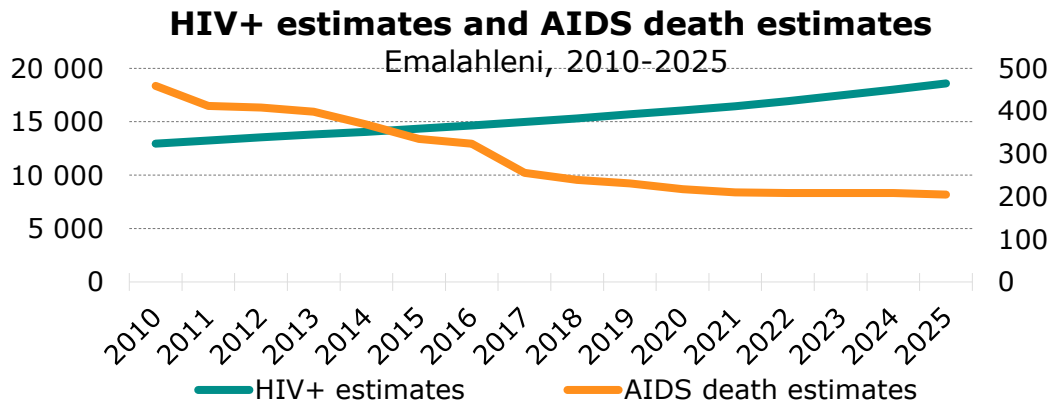
The HIV+ estimates are calculated by using the prevalence rates from the HIV/AIDS model built by the Actuarial Society of Southern Africa (ASSA-2008). These rates are used as base rates on a provincial level. IHS slightly adjusted the provincial ASSA-2008 data to reflect the national HIV Prevalence rate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

In 2022, 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 2022 represented 12.45% of the local municipality's total population. The Chris Hani District Municipality has had an average annual growth rate of 1.99% from 2010 to 2022 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 2022. 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 2022 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 2022. This number denotes a decrease from 2010 to 2022 with a high average annual rate of -7.22% (or -242 people). For the year 2022, 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, 2010-2022 [R billions, Current prices]

	Emalah-leni	Chris Hani	Eastern Cape	National To-tal	Emalah-leni as % of district munici-pality	Emalah-leni as % of prov-ince	Emalah-leni 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%
2022	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 2022 (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 2022 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 2022 (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, 2010-2022 [Annual percentage change, Constant 2010 prices]

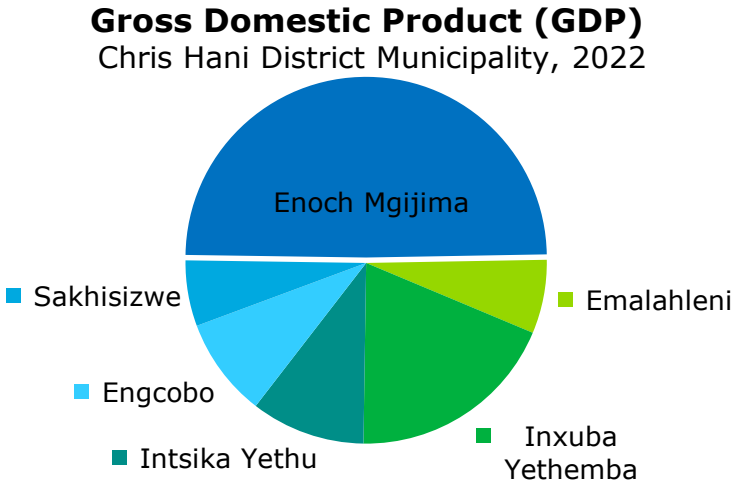
	Emalahleni	Chris Hani	Eastern Cape	National Total
2010	-0.8%	1.0%	1.9%	2.6%

	Emalahleni	Chris Hani	Eastern Cape	National Total
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%
2022	5.7%	5.5%	6.5%	6.4%
Average Annual growth 2010-2022	0.43%	0.75%	0.40%	0.74%

Source: IHS Markit Regional eXplorer version 2175

In 2022, the Emalahleni Local Municipality achieved an annual growth rate of 5.7% 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 2022 GDP growth rate was-6.4%. Contrary to the short-term growth rate of 2022, 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, 2022 [Percentage]



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 2022 (6.6%) slightly smaller compared to what it was in 2010 (6.7%). For the period 2010 to 2022, 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 2022, share and growth

	2022 (Current prices)	Share of district municipality	2010 (Constant prices)	2022 (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%

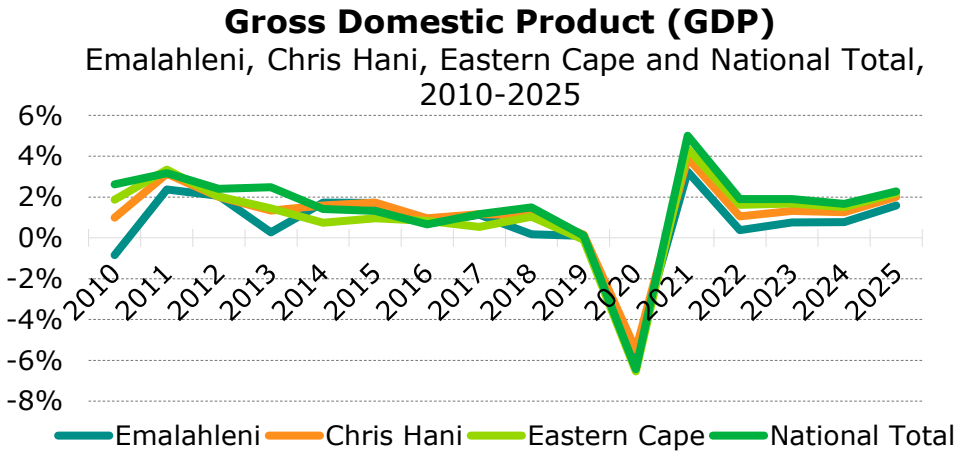
Source: IHS Markit Regional Explorer version 2175

Enoch Mgijima had the highest average annual economic growth, averaging 0.76% between 2010 and 2022, when compared to the rest of the regions within Chris Hani District Municipality. The Inxuba Yethemba Local Municipality had the second highest average annual growth rate of 0.65%. Sakhisizwe Local Municipality had the lowest average annual growth rate of 0.12% between 2010 and 2022.

Economic Growth Forecast

It is expected that Emalahleni Local Municipality will grow at an average annual rate of 1.34% from 2022 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

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 2022. At a 1.34% average annual GDP growth rate between 2022 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.

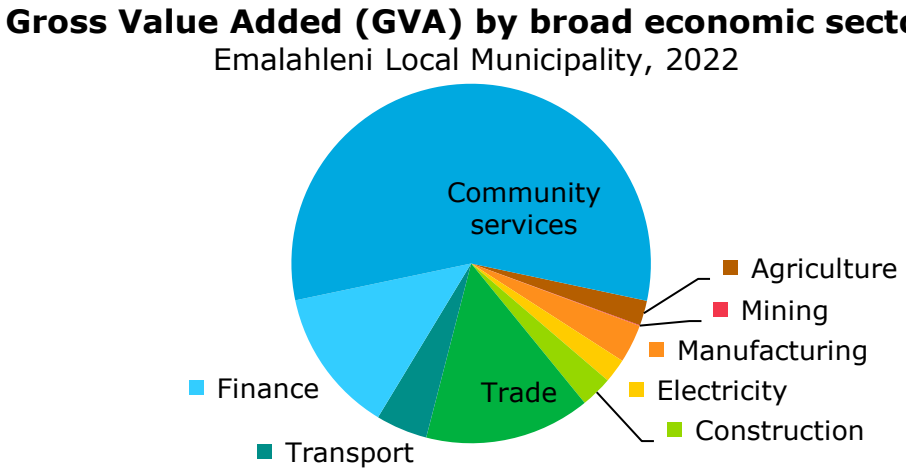
The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Emalahleni Local Municipality.

Gross Value Added (GVA) by broad economic sector - Emalahleni Local Municipality, 2022 [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%

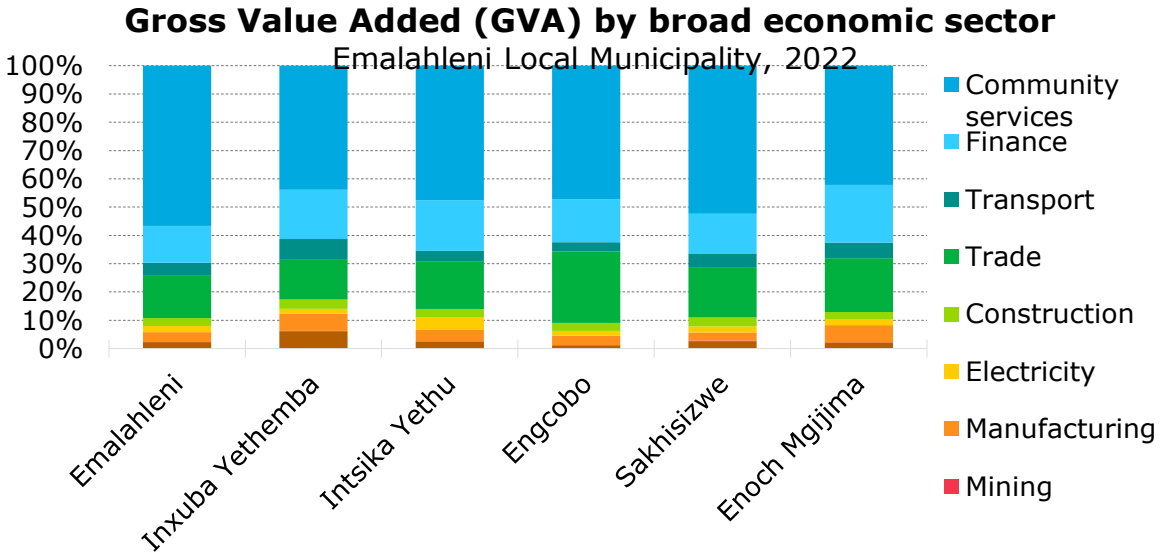
In 2022, the community services sector is the largest within Emalahleni Local Municipality accounting for R 1.17 billion or 56.6% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Emalahleni Local Municipality is the trade sector at 14.9%, 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, 2022 [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, 2022 [percentage composition]



Historical Economic Growth

For the period 2022 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.

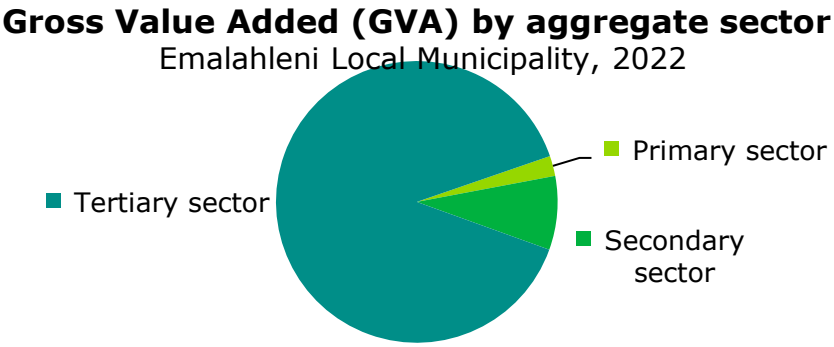
Gross Value Added (GVA) by broad economic sector - Emalahleni Local Municipality, 2010, 2015 and 2022 [R millions, 2010 constant prices]

	2010	2015	2022	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, 2022 [percentage]

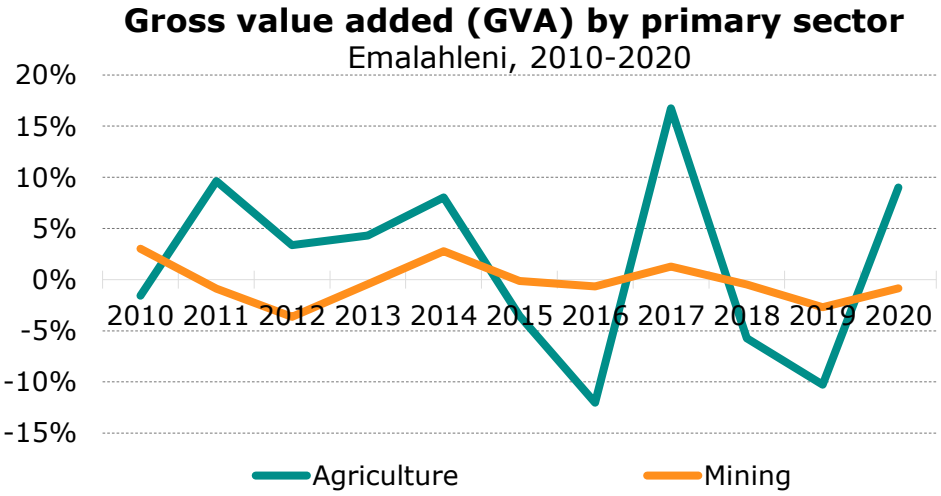


The following is a breakdown of the Gross Value Added (GVA) by aggregated sector:

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]



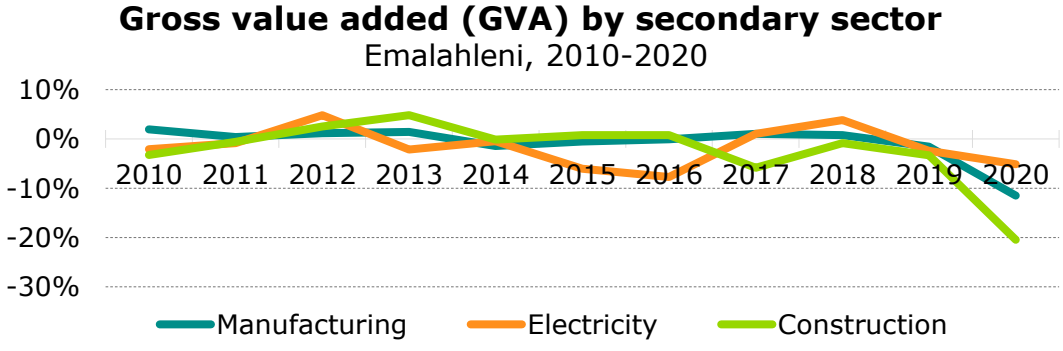
Source: IHS Markit Regional eXplorer version 2175

Between 2010 and 2020, the agriculture sector experienced the highest 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]



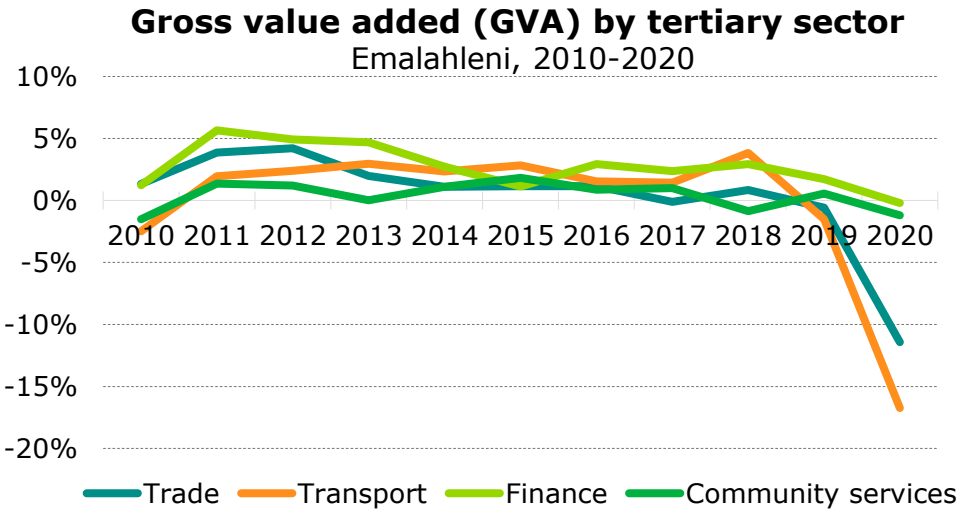
Source: IHS Markit Regional eXplorer version 2175

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.

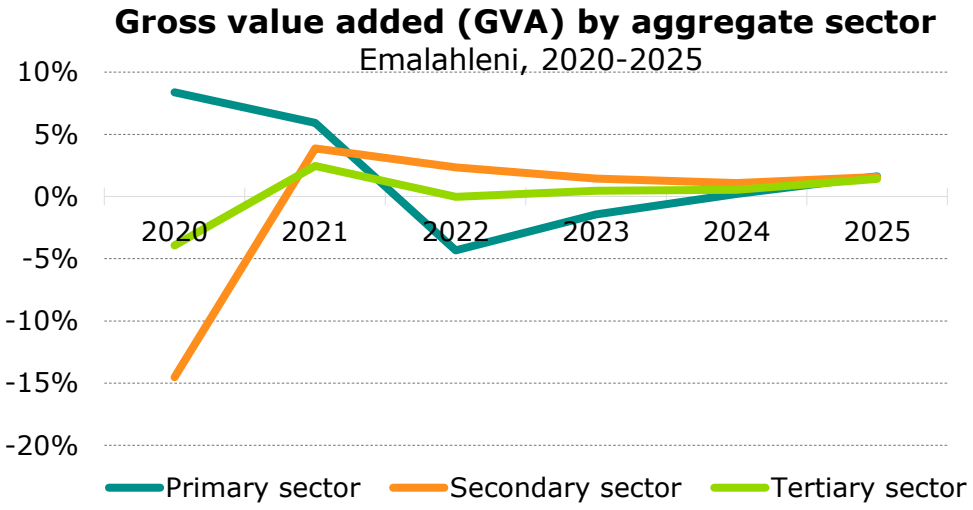
Gross value added (GVA) by broad economic sector - Emalahleni Local Municipality, 2020-2025 [R millions, constant 2010 prices]

	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

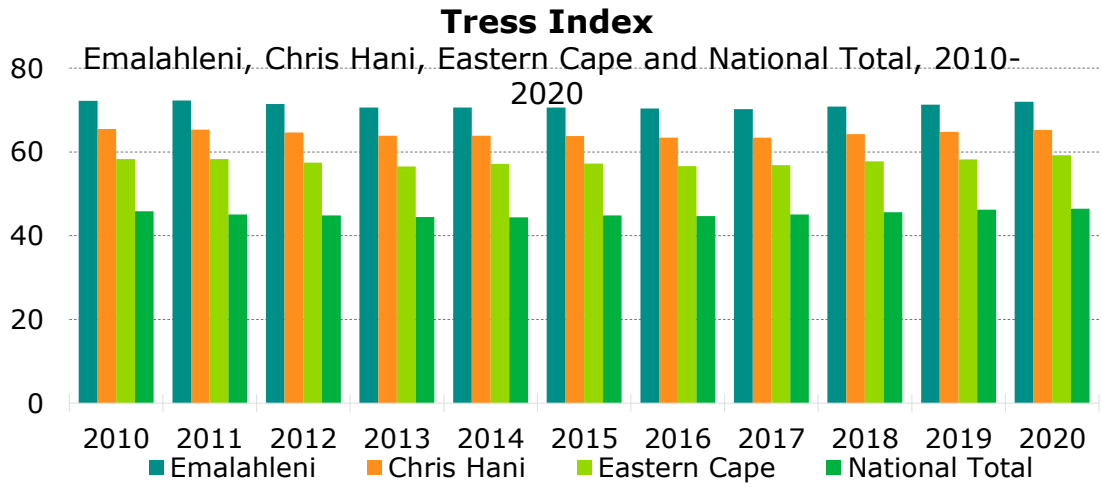
The Primary sector is expected to grow at an average annual rate of 0.34% between 2020 and 2025, with the Secondary sector growing at 2.05% on average annually. The Tertiary sector is expected to grow at an average annual rate of 0.97% for the same period.

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.

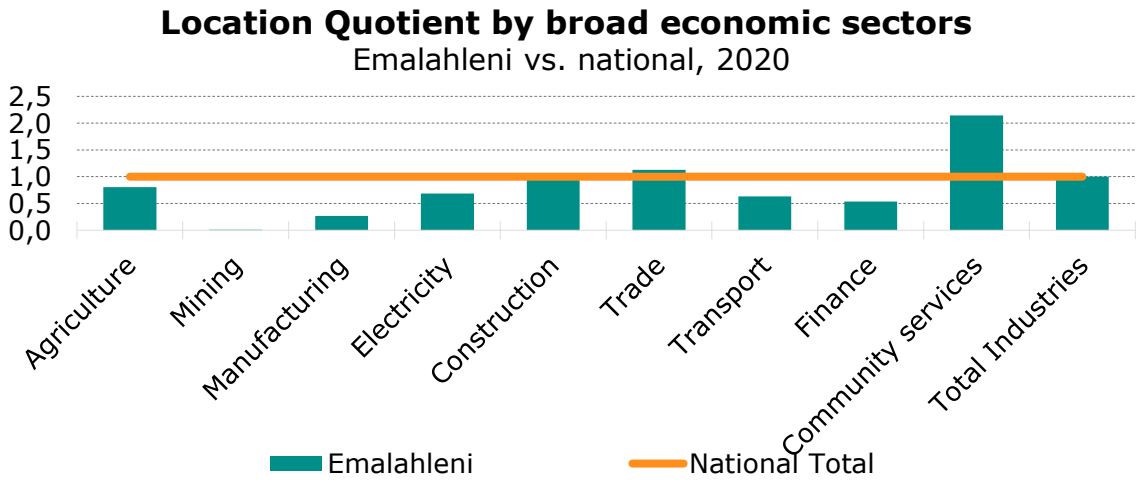
The more diverse an economy is, the more likely it is to create employment opportunities across all skills levels (and not only - for instance - employment opportunities that cater for highly skilled labourers),and maintain a healthy balance between labour-intensive and capital-intensive industries.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



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.

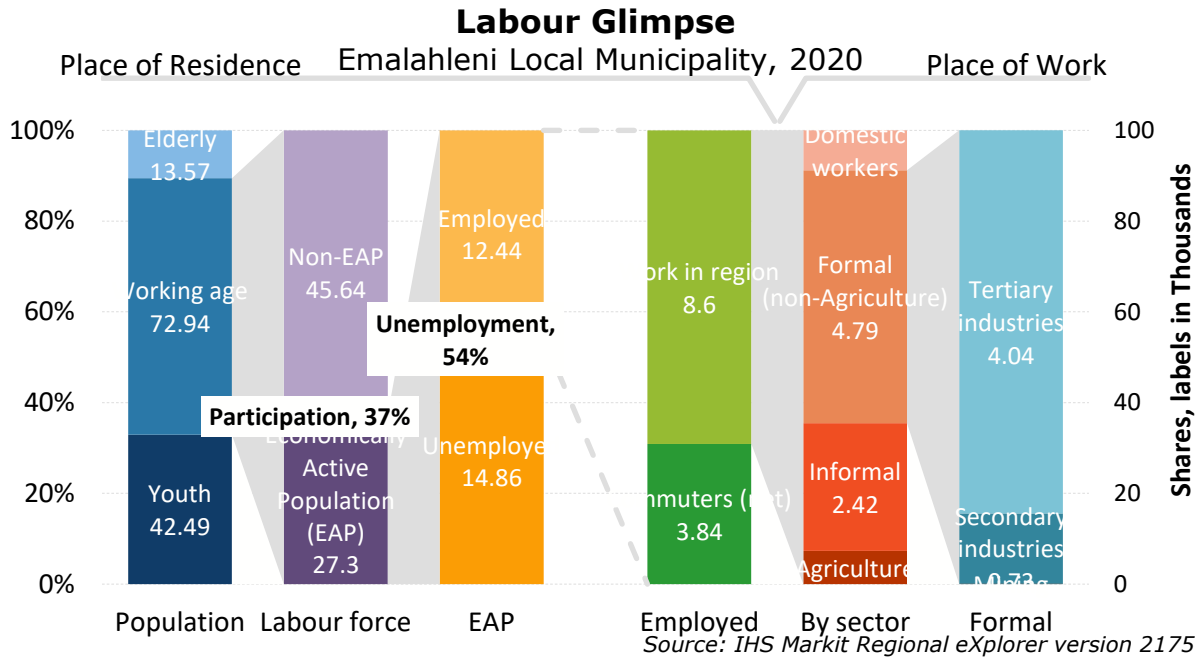
Working age population in Emalahleni, Chris Hani, Eastern CAPE, and National Total, 2010 and 2022 [Number]

	Emalahleni		Chris Hani		Eastern Cape		National Total	
	2010	2022	2010	2022	2010	2022	2010	2022
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

The working age population in Emalahleni in 2022 was 74 230,848 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 2022.

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, 2022



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

Economically Active Population (EAP)

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

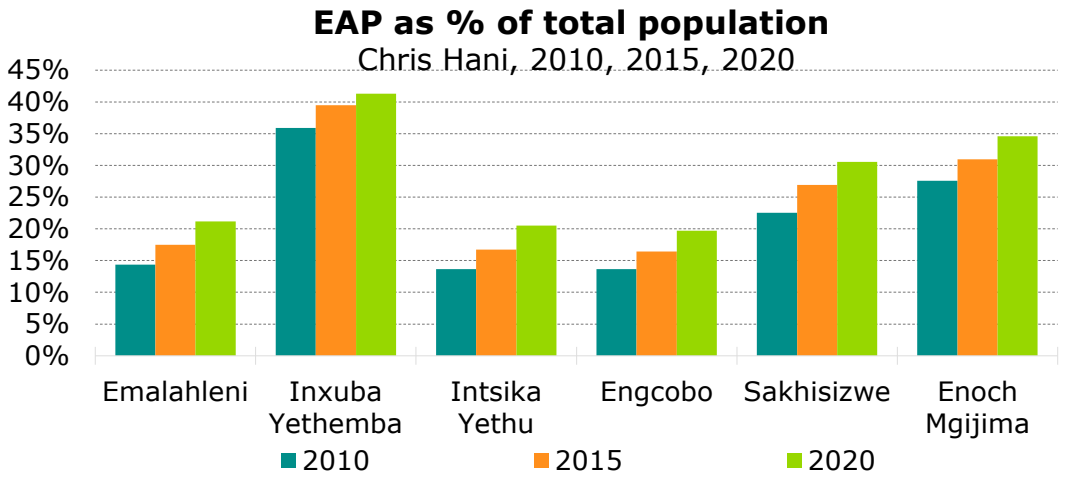
Economically active population (EAP) - Emalahleni, Chris Hani, Eastern Cape and National Total, 2010-2020 [number, PERCENTAGE]

	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 128 873, 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]

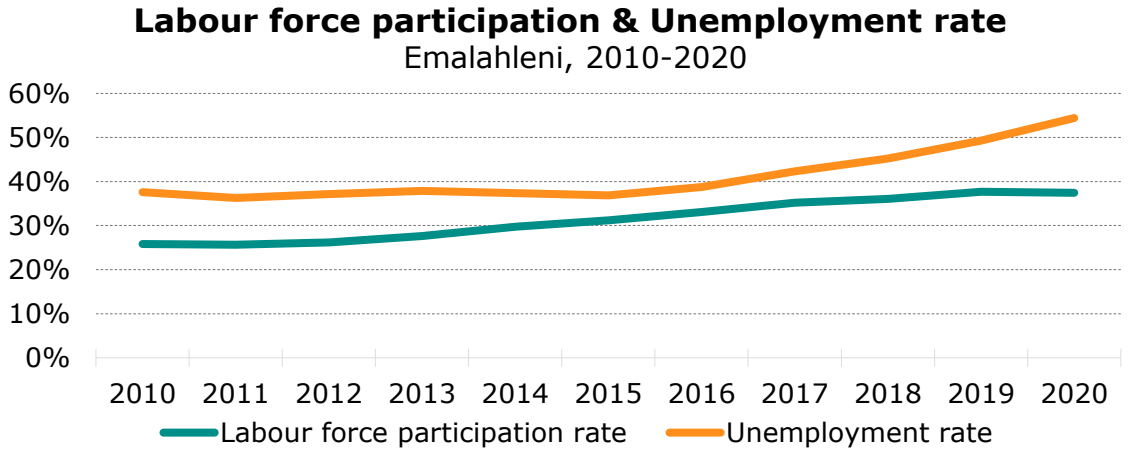
	Emalahleni	Chris Hani	Eastern Cape	National Total
2010	25.8%	35.4%	42.5%	54.1%
2011	25.7%	34.9%	42.2%	53.9%
2012	26.2%	35.5%	42.5%	54.3%
2013	27.7%	37.1%	43.8%	55.2%

	Emalahleni	Chris Hani	Eastern Cape	National Total
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]

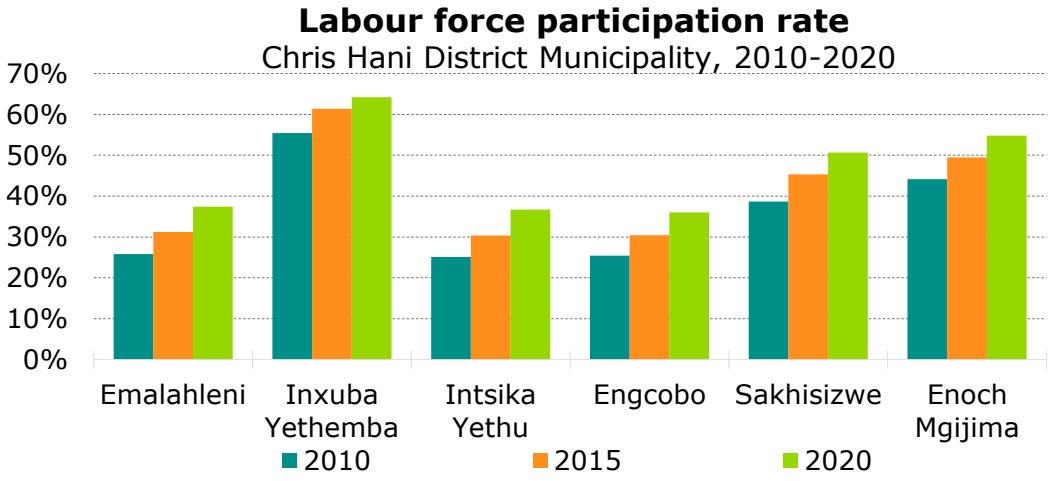


Source: IHS Markit Regional eXplorer version 2175

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, 2010-2022 [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

	Emalahleni	Chris Hani	Eastern Cape	National Total
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
2022	74,2308	501,1741	4,518877	41,682482
Average Annual growth				
2010-2022	1.22%	1.04%	0.95%	1.39%

Source: IHS Markit Regional eXplorer version 2175

In 2022, 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 2022.

Total employment per broad economic sector - Emalahleni and the rest of Chris Hani, 2022 [Numbers]

	Emal-ahleni	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
Manufac-turing	313	977	565	468	191	2,450	4,965
Electricity	43	60	43	40	77	218	480
Construc-tion	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

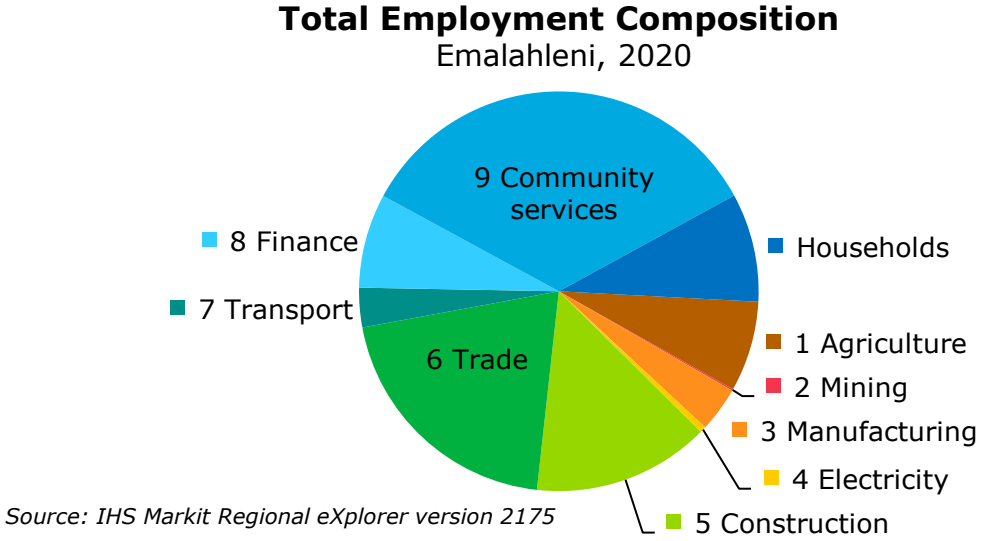
	Emal-ahleni	Inxuba Yethemba	Intsika Yethu	Engcobo	Sakhisizwe	Enoch Mgijima	Total Chris Hani
Commu-nity ser-vices	2,940	6,640	4,900	5,140	3,320	19,200	42,113
House-holds	757	1,880	1,050	720	805	5,980	11,188
Total	8,600	21,300	13,600	12,800	10,200	56,800	123,304

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 2022 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]



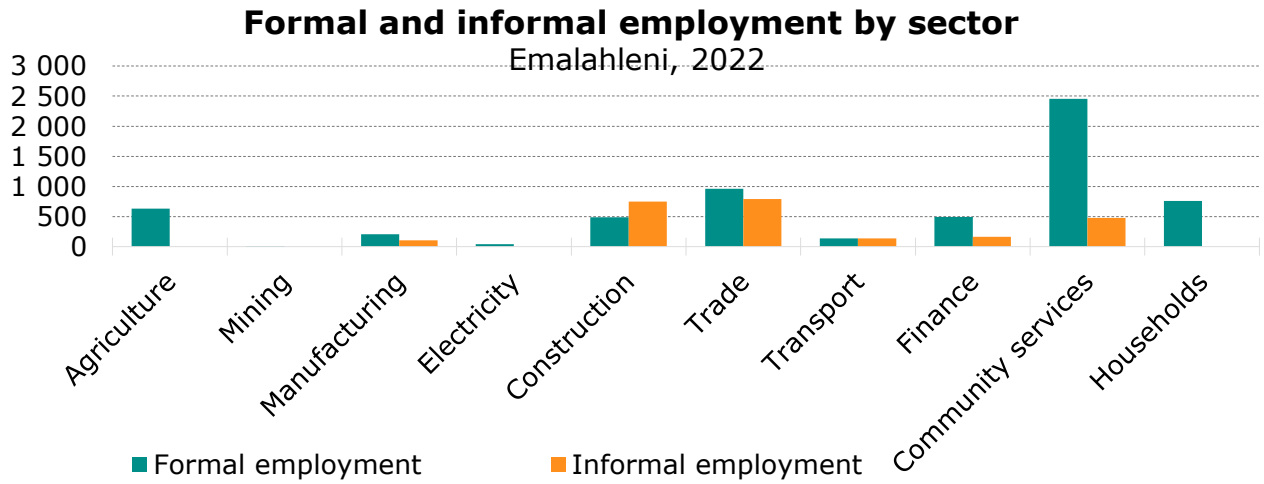
Source: IHS Markit Regional eXplorer version 2175

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 2022, 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 2022.

Formal and informal employment by broad economic sector - Emalahleni Local Municipality, 2022 [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 2022 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, 2022 [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:

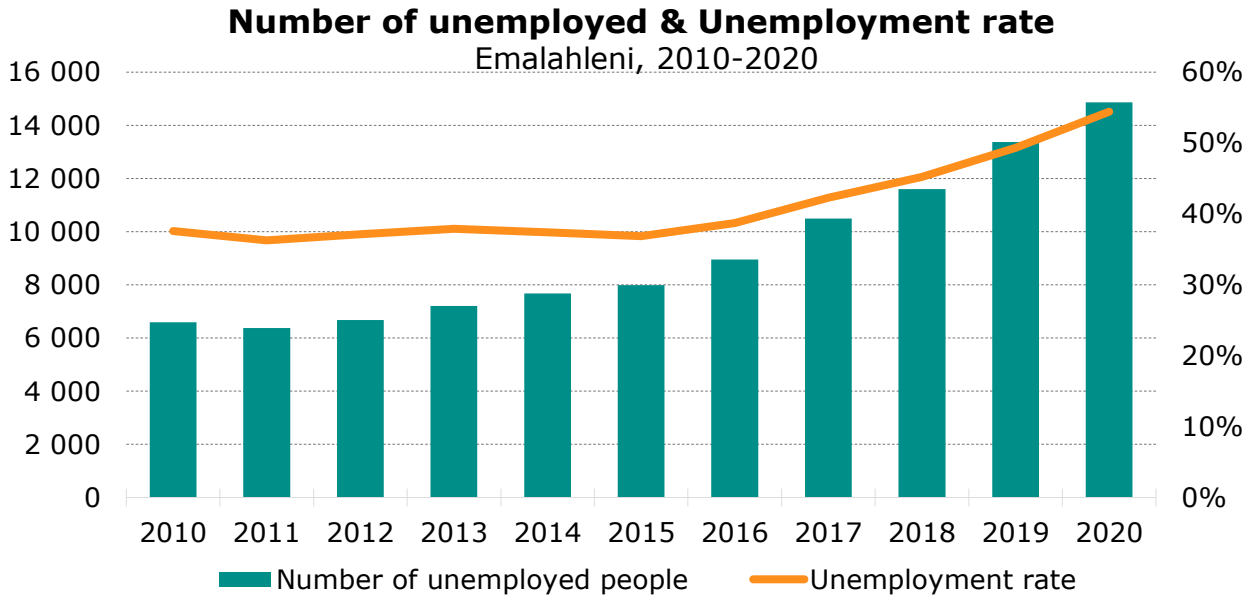
"Without work", i.e., not in paid employment or self-employment.

"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.

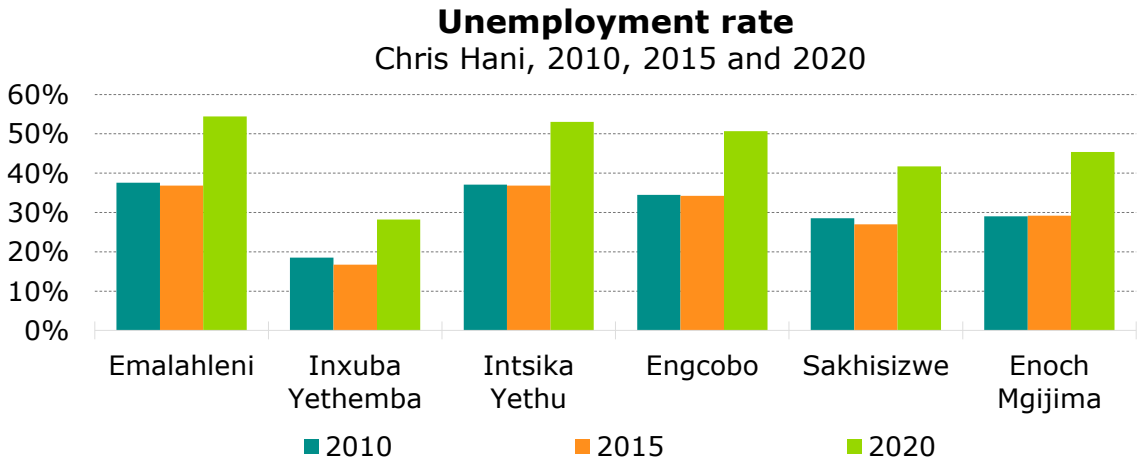
Unemployment and unemployment rate (official definition) - Emalahleni Local Municipality, 2010-2020 [NUMBER PERCENTAGE]



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. 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]

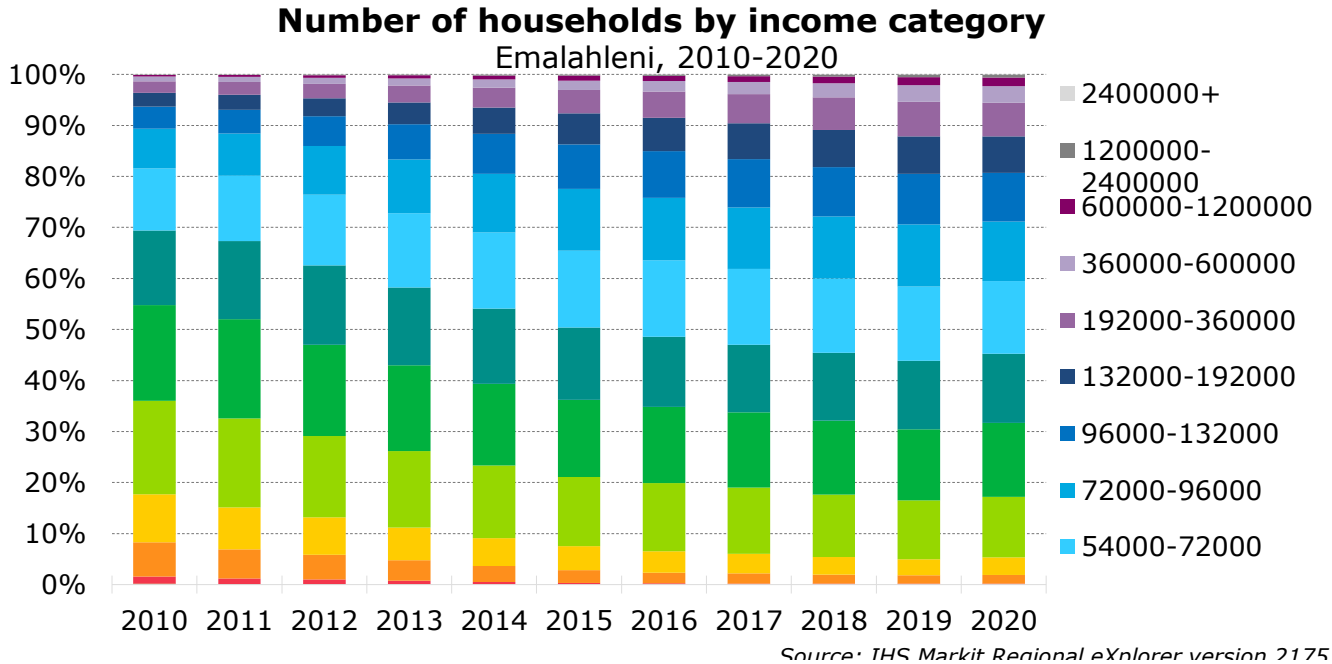
	Emalahleni	Chris Hani	Eastern Cape	National Total	Emalahleni as % of district municipality	Emalahleni as % of province	Emalahleni as % of national
0-2400	3	18	152	1,550	15.5%	1.84%	0.18%
2400-6000	53	347	2,980	28,100	15.3%	1.78%	0.19%
6000-12000	574	3,660	30,600	264,000	15.7%	1.88%	0.22%
12000-18000	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%

	Emal-ahleni	Chris Hani	Eastern Cape	National To-tal	Emal-ahleni as % of district munic-ipality	Emal-ahleni as % of prov-ince	Emal-ahleni as % of na-tional
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]



Source: IHS Markit Regional eXplorer version 2175

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]

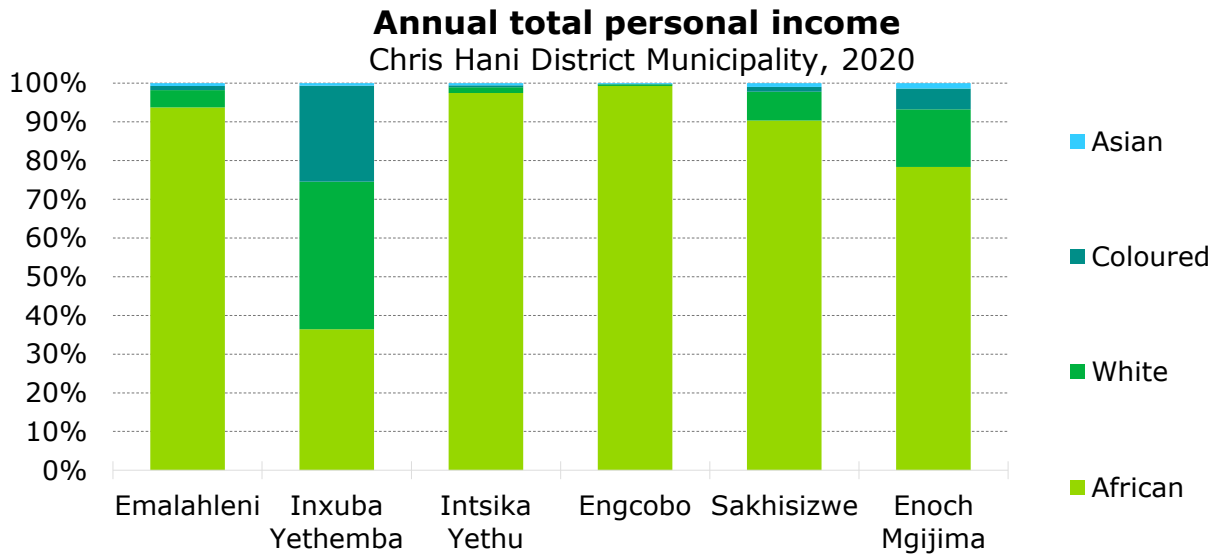
	Emalahleni	Chris Hani	Eastern Cape	National Total
2010	1.8	16.8	174.5	2,121.9
2011	2.0	18.3	189.2	2,322.5
2012	2.2	20.4	211.1	2,531.7
2013	2.4	22.2	229.5	2,735.2
2014	2.6	24.1	247.3	2,944.2
2015	2.9	26.4	269.7	3,186.1
2016	3.1	28.3	288.2	3,419.9
2017	3.5	30.8	311.8	3,668.6
2018	3.8	33.1	332.8	3,906.1
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
Emalah-leni	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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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

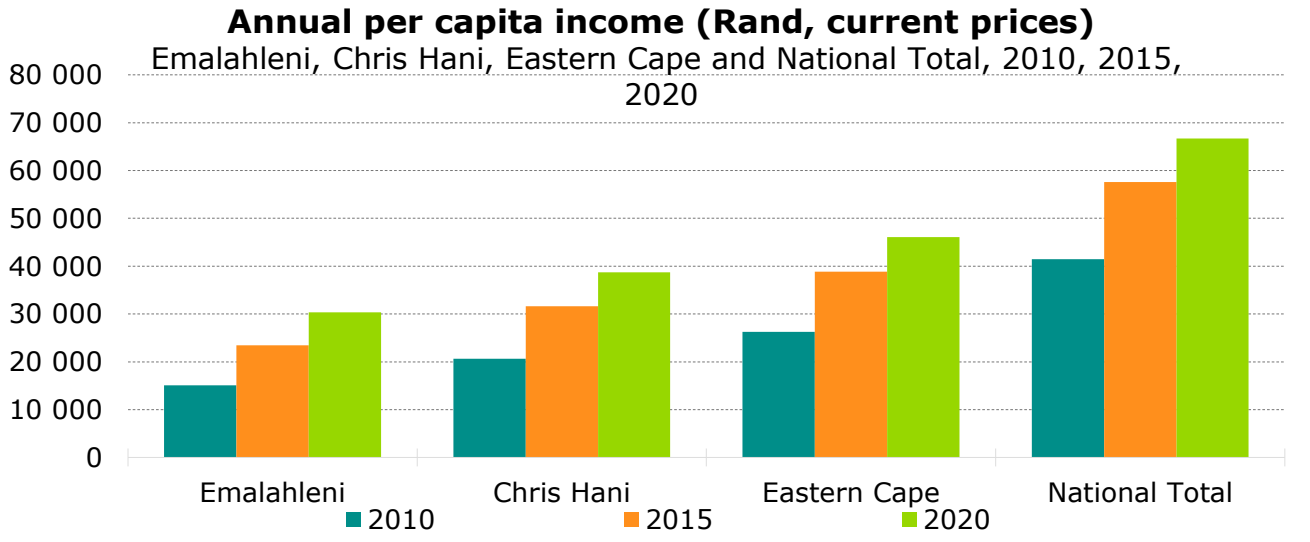
When looking at the annual total personal income for the regions within Chris Hani District Municipality it can be seen that the Enoch Mgijima Local Municipality had the highest total personal income with R 12.9 billion which increased from R 6.52 billion recorded in 2010. It can be seen that the Sakhisizwe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



Source: IHS Markit Regional eXplorer version 2175

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, 2022 [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, 2022 [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

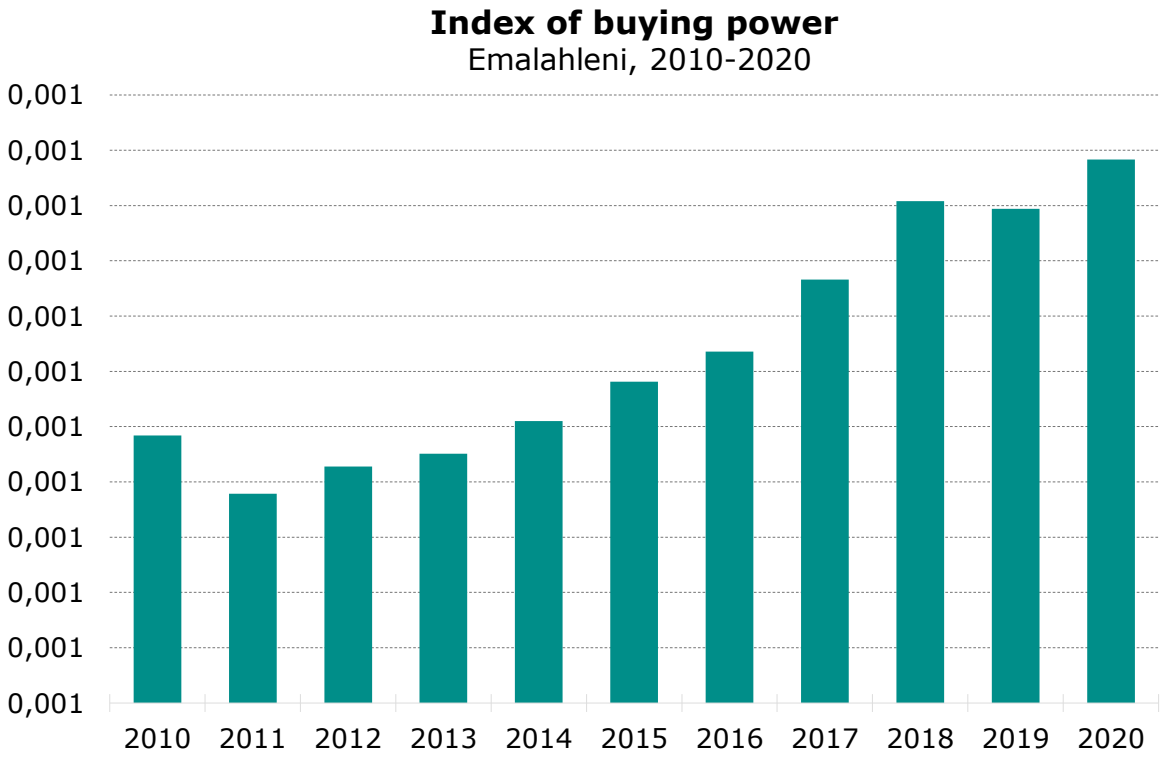
	Emalahleni	Chris Hani	Eastern Cape	National Total
Retail - share of national total	0.1%	0.9%	8.3%	100.0%
Index	0.00	0.01	0.09	1.00

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]



Source: IHS Markit Regional eXplorer version 2175

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.

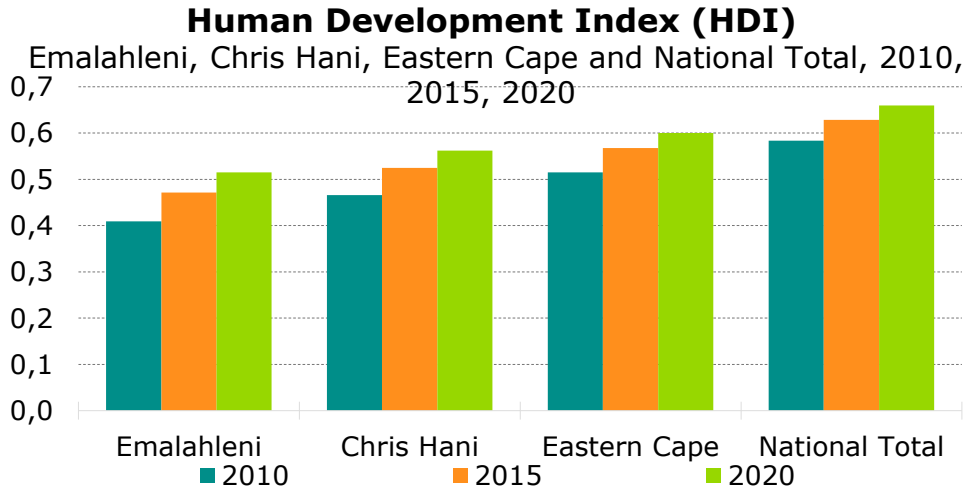
Another indicator that is widely used is the number (or percentage) of people living in poverty. Poverty is defined as the deprivation of those things that determine the quality of life, including food, clothing, shelter and safe drinking water. More than that, other "intangibles" is also included such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

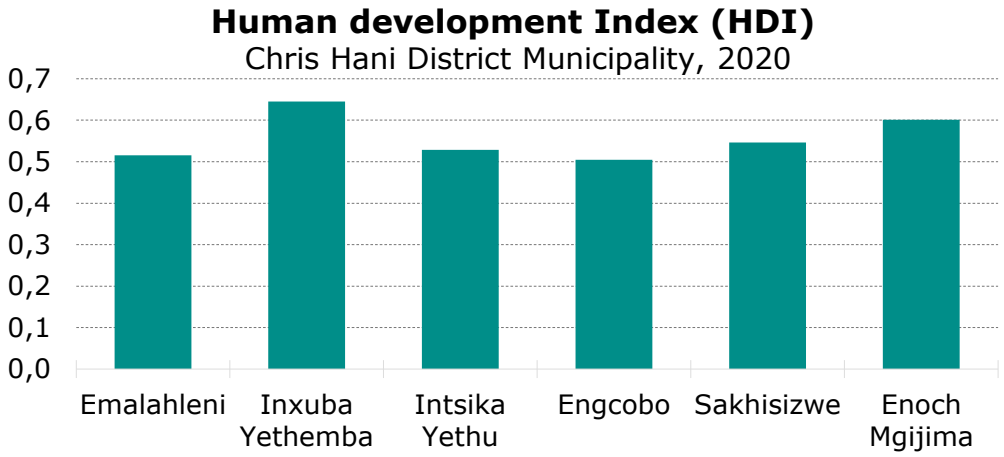


Source: IHS Markit Regional eXplorer version 2175

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

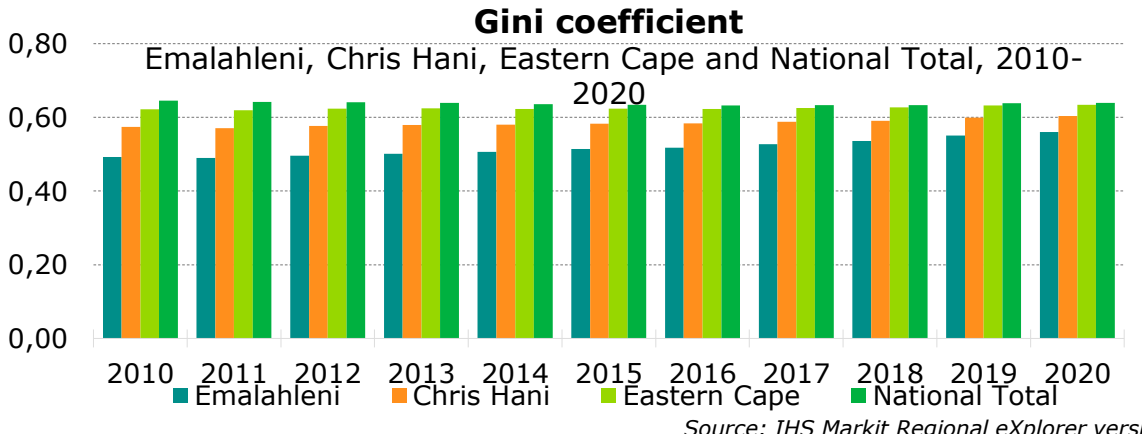
In terms of the HDI for each the regions within the Chris Hani District Municipality, Inxuba Yethemba Local Municipality has the highest HDI, with an index value of 0.645. The lowest can be observed in the Engcobo Local Municipality with an index value of 0.505.

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.

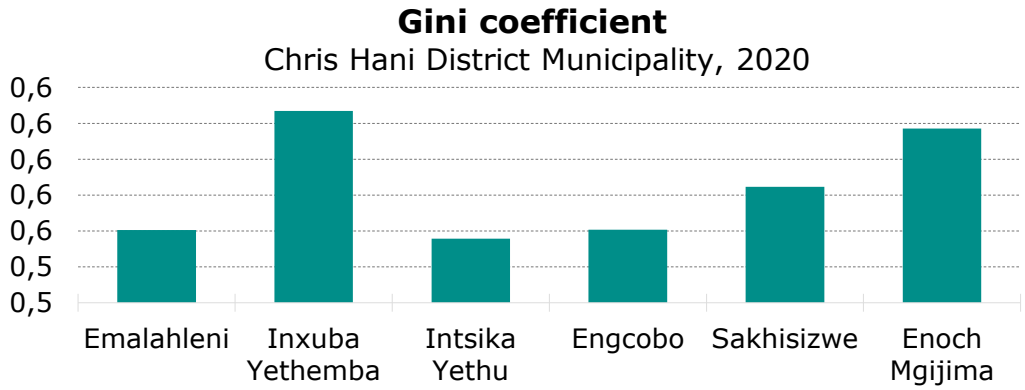
Gini coefficient - Emalahleni, Chris Hani, Eastern Cape and National Total, 2010-2020 [Number]



Source: IHS Markit Regional eXplorer version 2175

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]



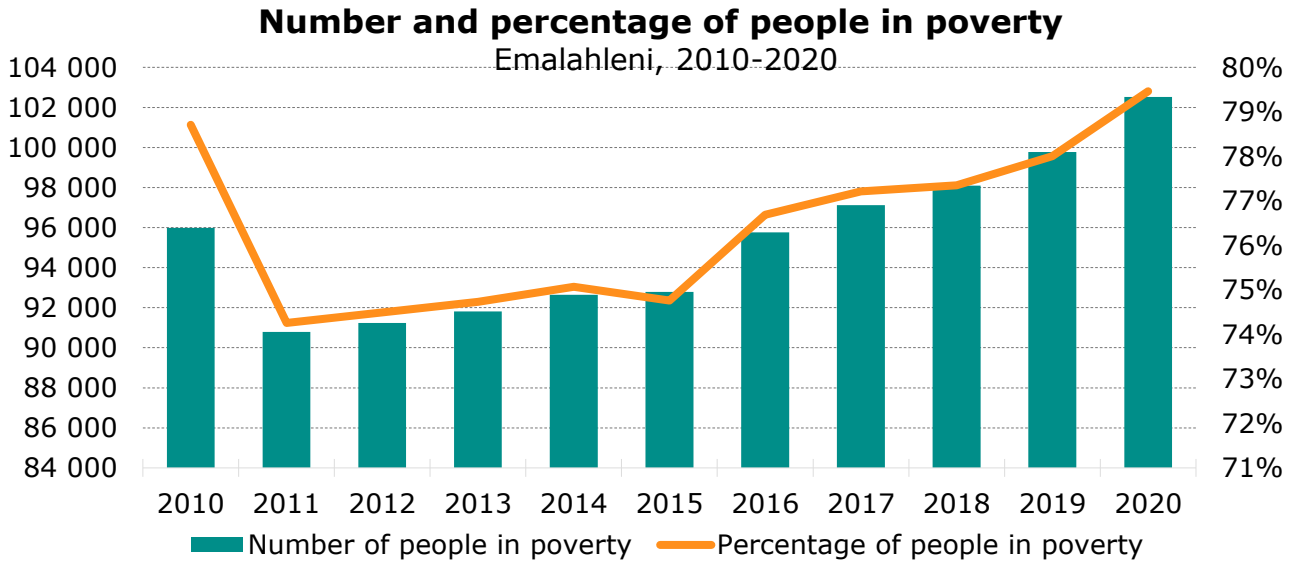
Source: IHS Markit Regional eXplorer version 2175

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 Stats SA as the level of consumption at which individuals can purchase both sufficient food and non-food items without sacrificing one for the other. These 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 Stats SA.

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.

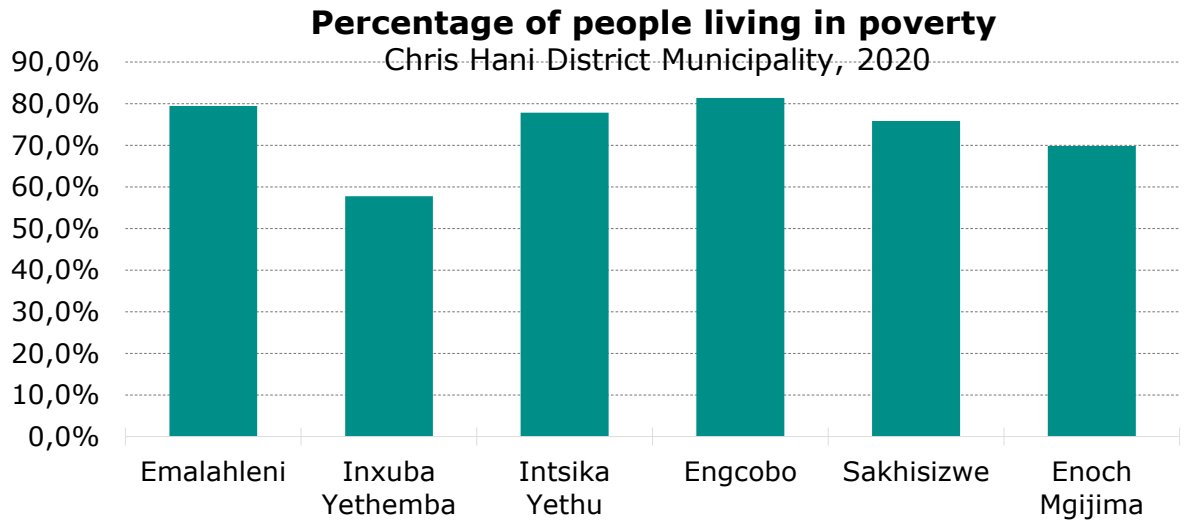
Percentage of people living in poverty by population group - Emalahleni, 2010-202[Percentage]

	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 2022, 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 2022.

Percentage of people living in poverty - Emalahleni and the rest of Chris Hani District Municipality,2020 [percentage]



Source: IHS Markit Regional eXplorer version 2175

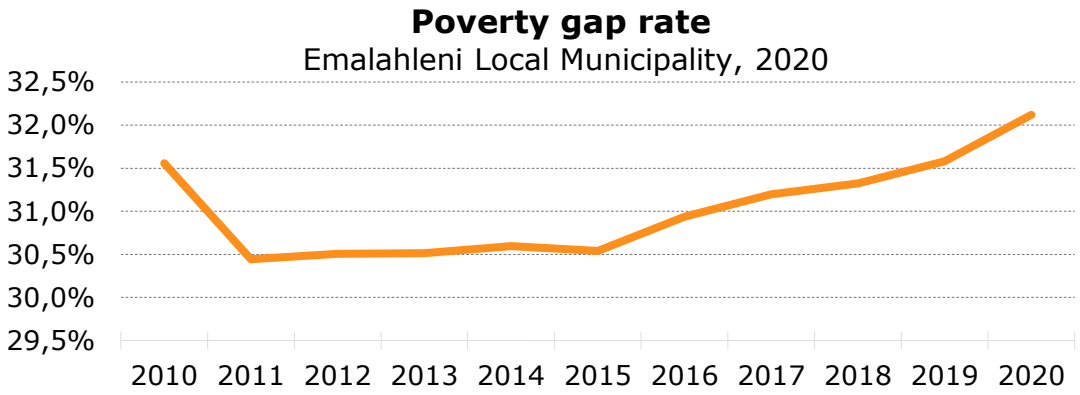
In terms of the percentage of people living in poverty for each of the regions within the Chris Hani District Municipality, Engcobo Local Municipality has the highest percentage of people living in poverty, with a total of 81.4%. The lowest percentage of people living in poverty can be observed in the 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 Stats SA. 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 Stats SA 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.

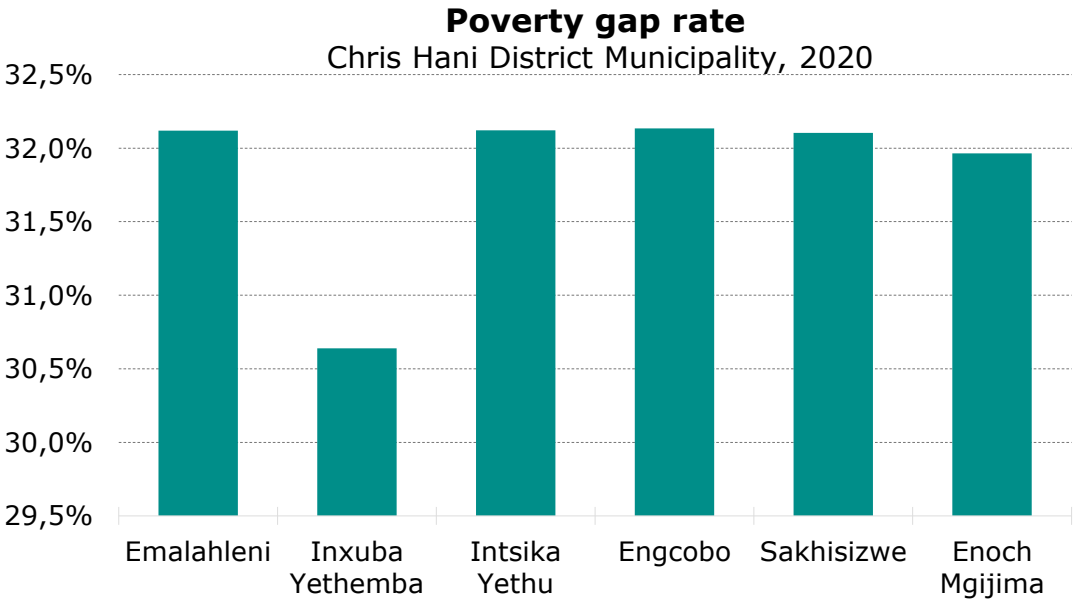
Poverty gap rate by population group - Emalahleni Local Municipality, 2010-2020 [Percentage]



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%.

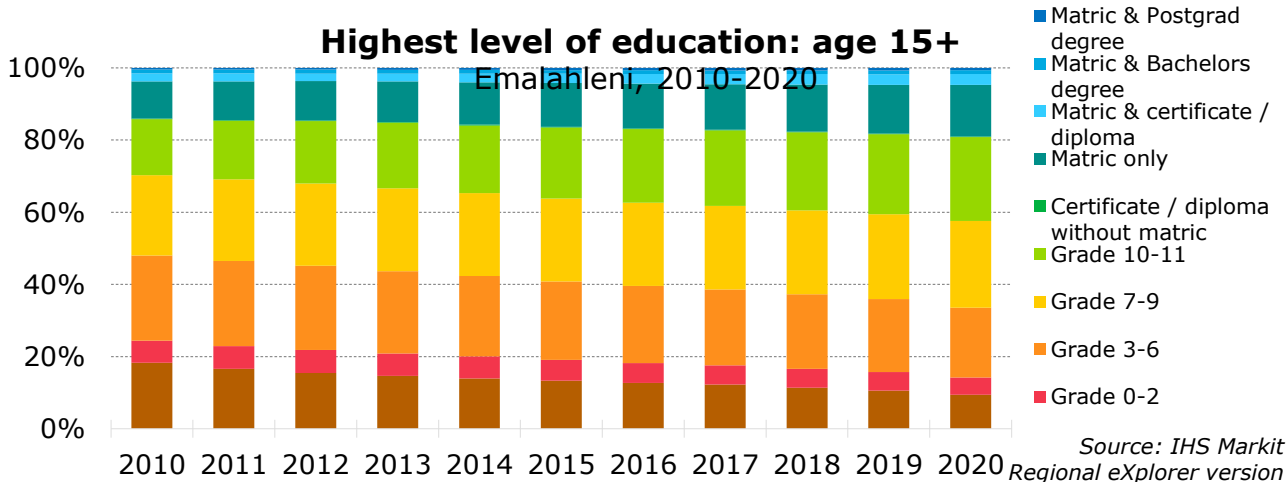
2.9 Education

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]



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.

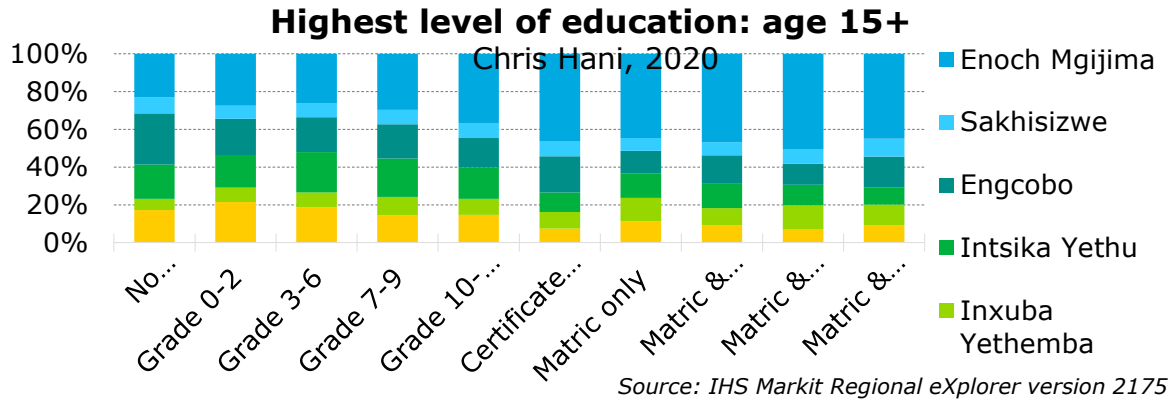
Highest level of education: age 15+ - Emalahleni, Chris Hani, Eastern Cape and National Total, 2020 [Numbers]

	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%

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

Level of education (20+ years)	No.	%
Some Primary	17271	23,7%
Primary	4956	6,8%
Some Secondary	25347	34,7%
Matric	12961	17,8%
Tertiary	3010	4,1%
Honours Degree/ Postgraduate Diploma/ Occupational Certificate NQF Level 8	242	0,3%
Masters/ Professional Masters at NQF Level 9	41	0,1%
PHD (Doctoral Degrees)/ Professional Doctoral Degree at NQF Level 10	59	0,1%
Other	290	0,4%
No schooling	8776	12,0%
	72953	

2.9.1 Functional literacy

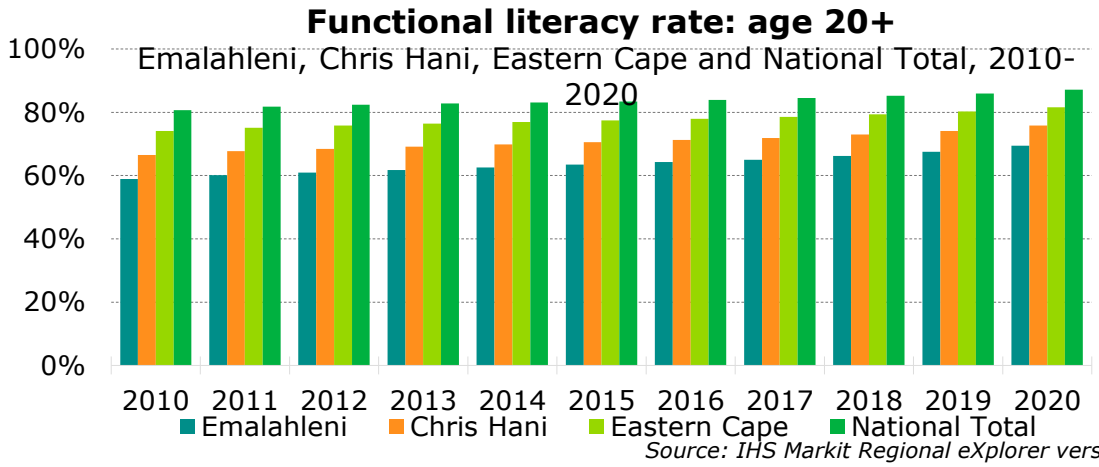
In this report, IHS defines functional literacy as the number of people in a region that are 20 years and older and have completed at least their primary education (i.e. grade 7).

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.

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]

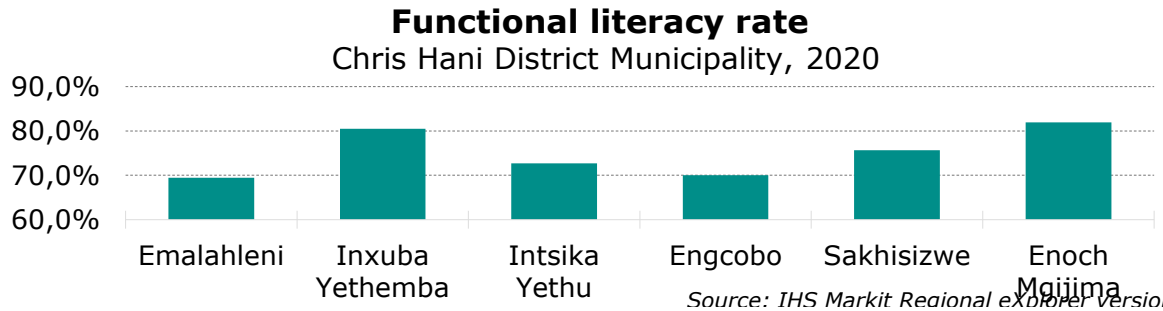


Source: IHS Markit Regional eXplorer version 2175

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]



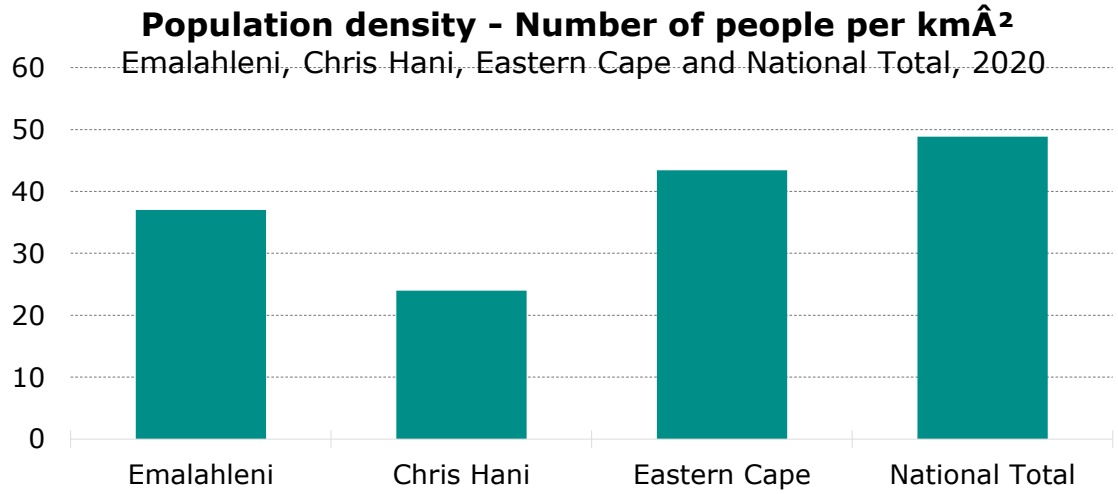
Source: IHS Markit Regional eXplorer version 2175

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]



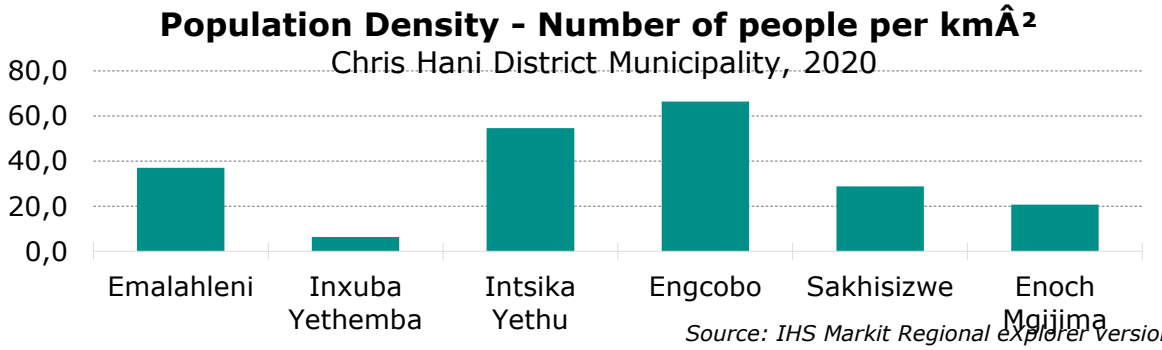
Source: IHS Markit Regional eXplorer version 2175

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.

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.

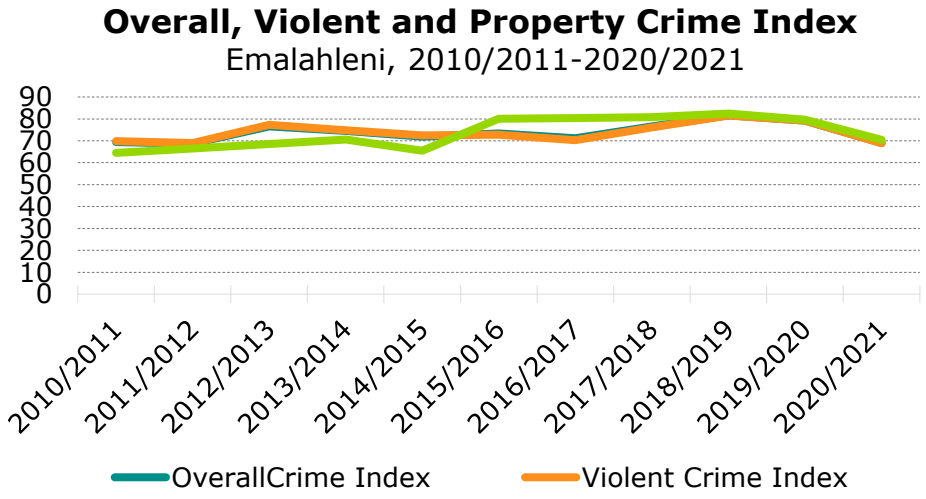
2.11.1 IHS Composite Crime Index

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 - calendar 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]

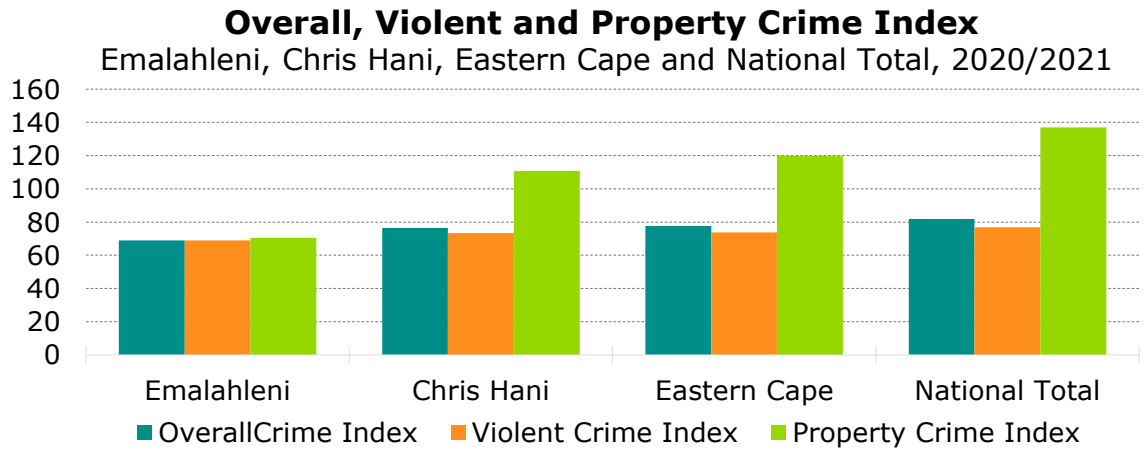
	Emalah-leni	Inxuba Yethemba	Intsika Yethu	Engcobo	Sakhisizwe	Enoch Mgi-jima
2010/2011	69.36	155.59	73.22	71.13	81.59	94.09
2011/2012	68.76	148.70	73.39	65.35	88.72	97.80
2012/2013	76.63	155.09	73.58	67.56	87.76	90.09
2013/2014	74.49	140.95	66.79	42.77	100.53	86.61
2014/2015	71.89	142.57	66.53	55.24	99.18	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

	Emalah-leni	Inxuba Yethemba	Intsika Yethu	Engcobo	Sakhisizwe	Enoch Mgi-jima
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 2009 and 2019.

2.12. 1 Household by Dwelling Type

Using the Stats SA 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.

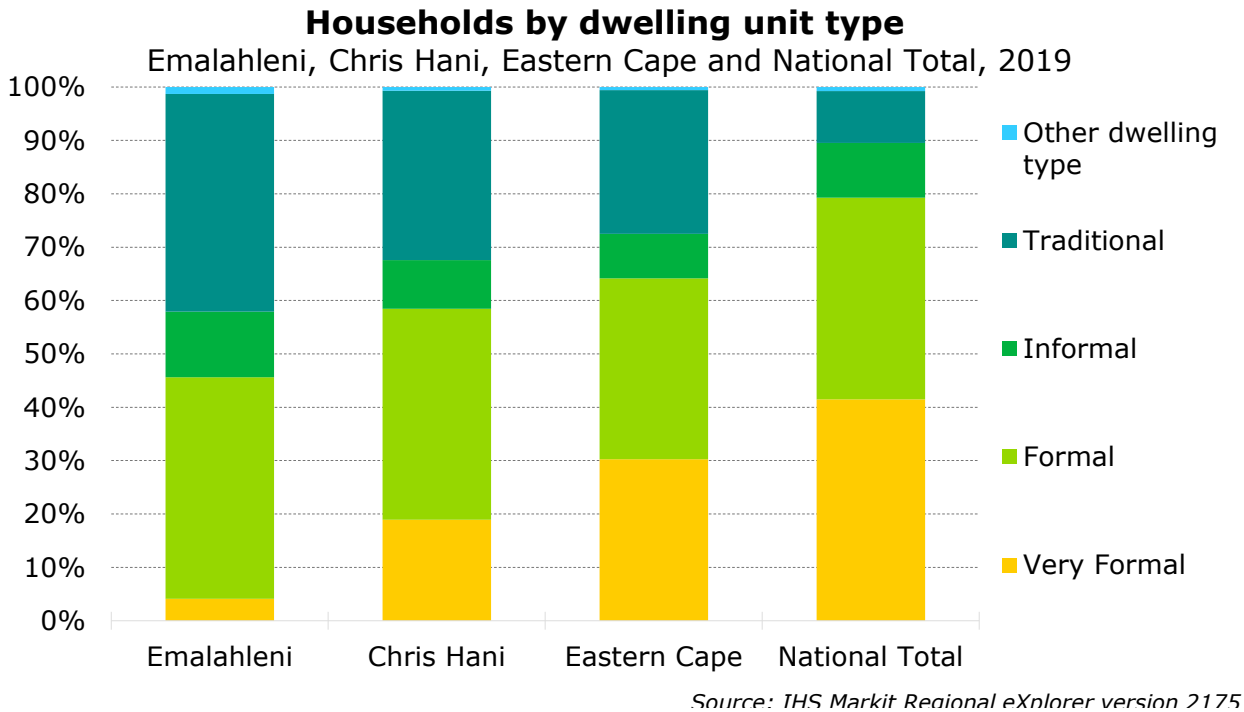
Formal dwellings - structures built according to approved plans, i.e., house on a separate stand, flat or apartment, townhouse, room in backyard, rooms, or flatlet elsewhere etc, but without running water or without a flush toilet within the dwelling.

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]

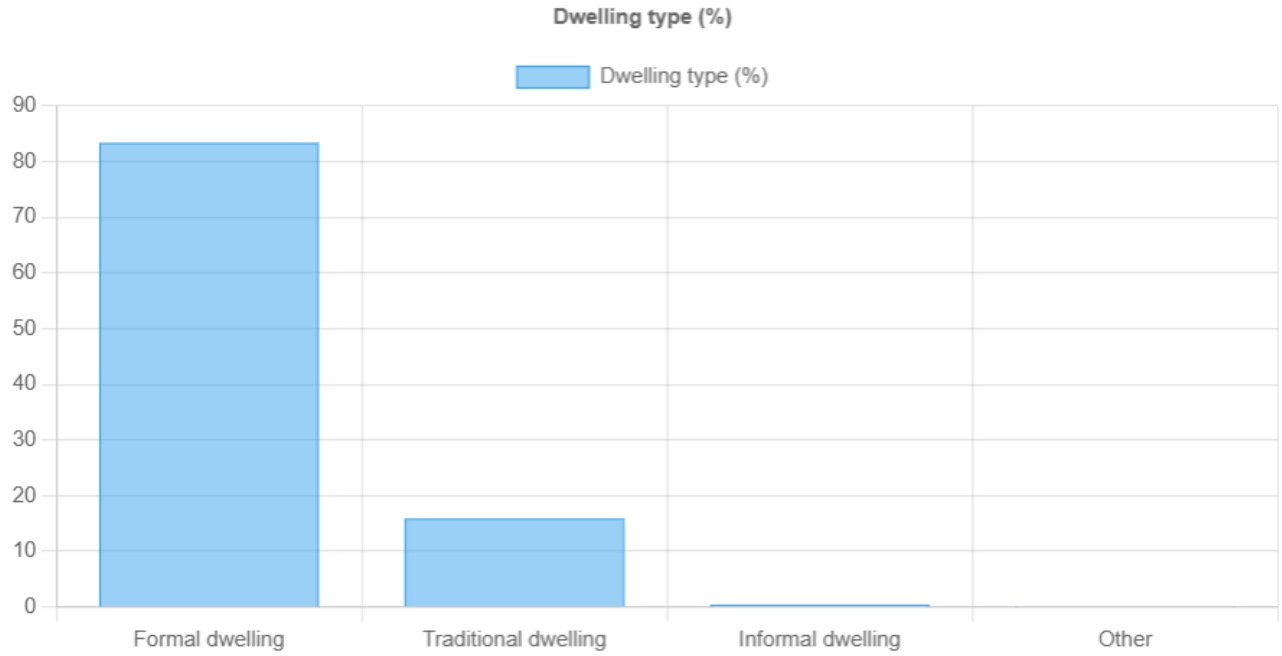
	Very For-mal	Formal	Informal	Traditional	Other dwelling type	Total
Emalahleni	1,414	14,350	4,250	14,109	443	34,567
Inxuba Yethemba	13,189	7,717	116	148	108	21,278
Intsika Yethu	457	11,766	6,445	24,798	283	43,749
Engcobo	300	10,092	7,037	22,500	484	40,413
Sakhisizwe	2,063	9,372	1,486	4,376	87	17,385
Enoch 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, 2009-2022 [Number of Households]



When looking at the formal dwelling unit backlog (number of households living in a formal dwelling) over time in the census of 2022 were 27 344, the number of households considered to be traditional 5 224 the number of households living in informal dwelling were 146 within Emalahleni Local Municipality. From 2011 census this number increased annually.

The total number of households within Emalahleni Local Municipality increased at an average annual rate of 1.03% from 2011 to 2022, 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.

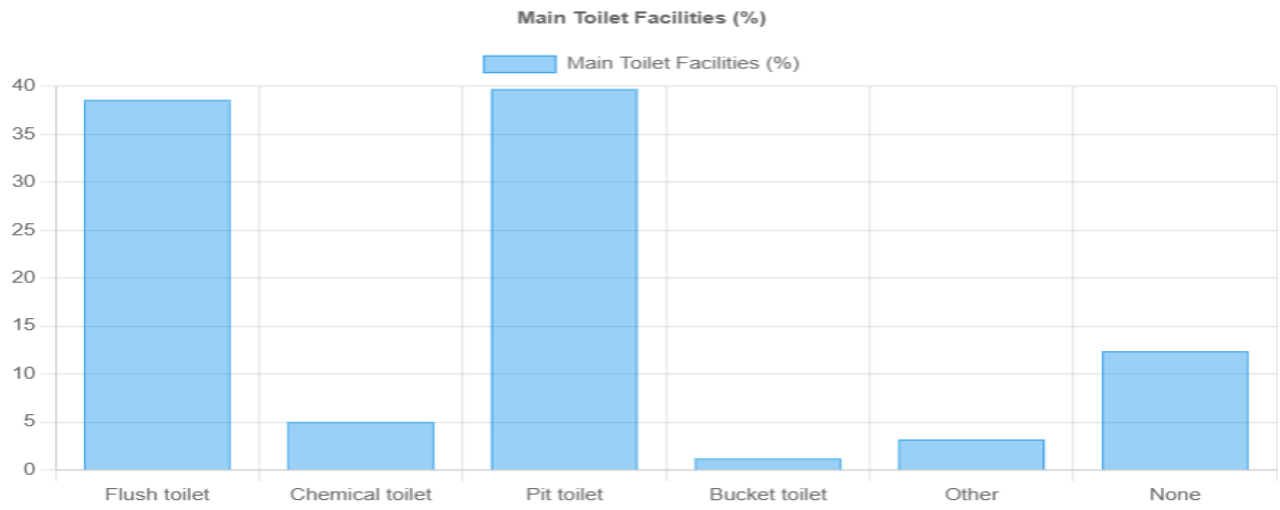
Bucket system - A top structure with a seat over a bucket. The bucket is periodically removed, and the contents disposed of. (Note: this system is widely used but poses health risks to the collectors. Most authorities are actively attempting to discontinue the use of these buckets in their local regions).

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, 2022 [Percentage]



Emalahleni Local Municipality had a total number of 12 645 flush toilets (39. % of total households), 12 998 Ventilation Improved Pit (VIP) (40% of total households) and 7128 (21.7%) of total household's pit toilets.

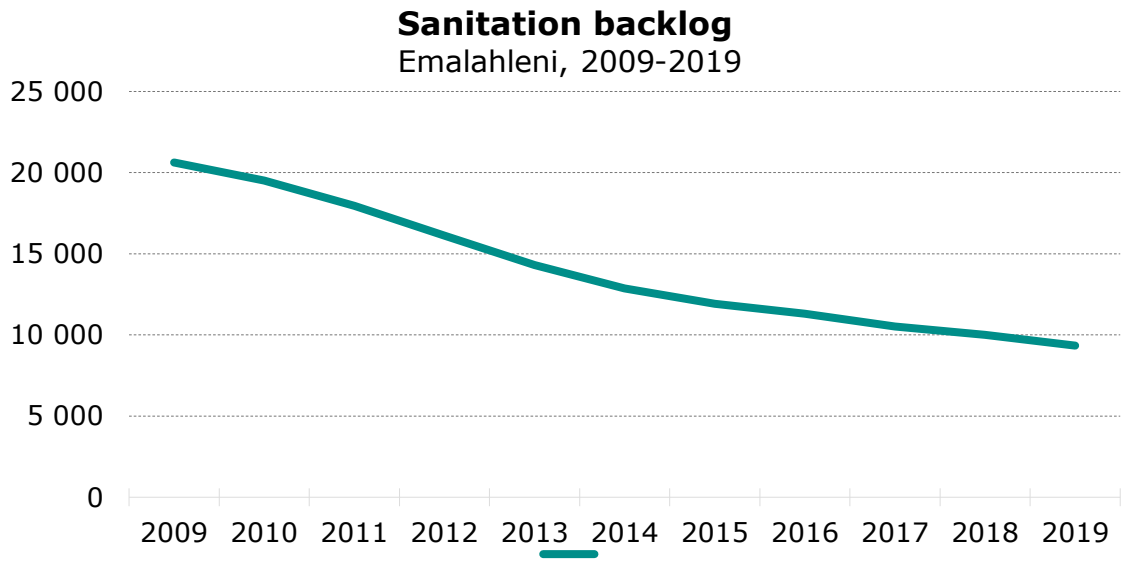
Households by type of sanitation - Emalahleni Local Municipality and the rest of Chris Hani, 2022 [Number]

	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]



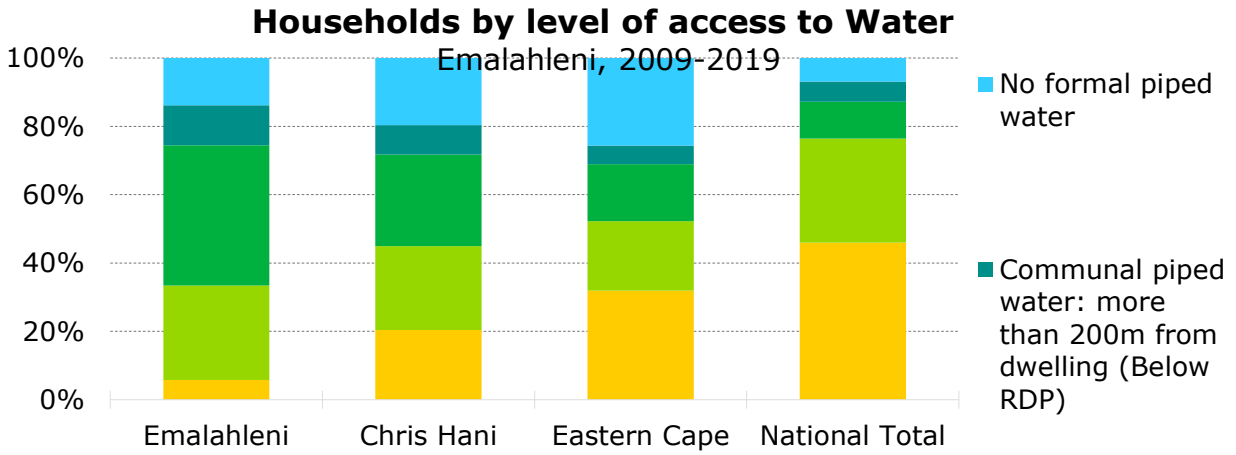
Source: IHS Markit Regional eXplorer version 2175

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.

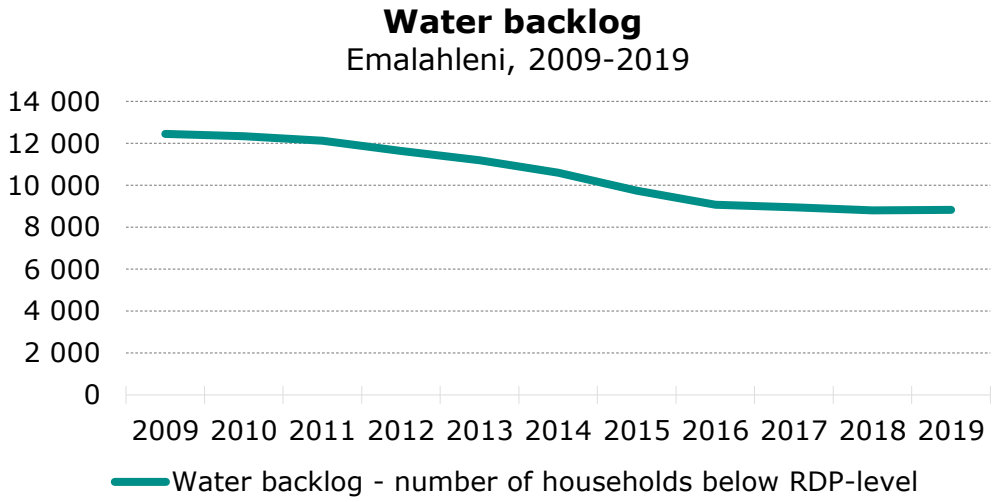
Households by type of water access - Emalahleni and the rest of Chris Hani, 2019 [Number]

	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]



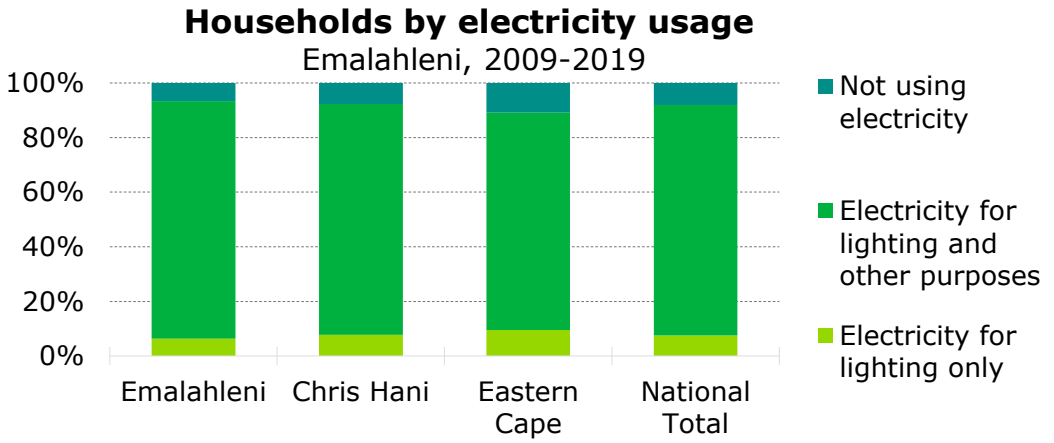
Source: IHS Markit Regional eXplorer version 2175

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.

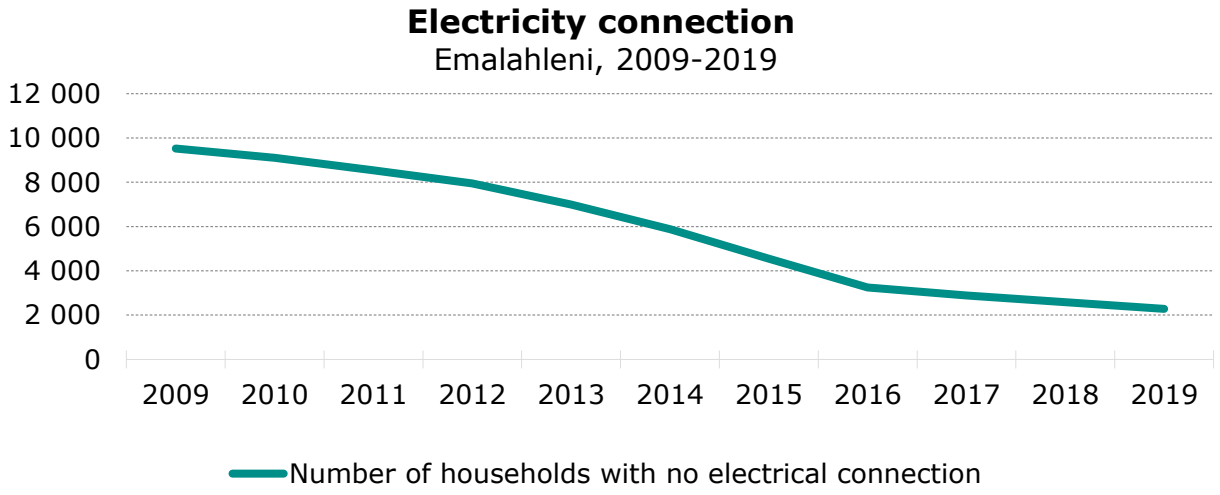
Households by type of electrical connection - Emalahleni and the rest of Chris Hani, 2019 [Number]

	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

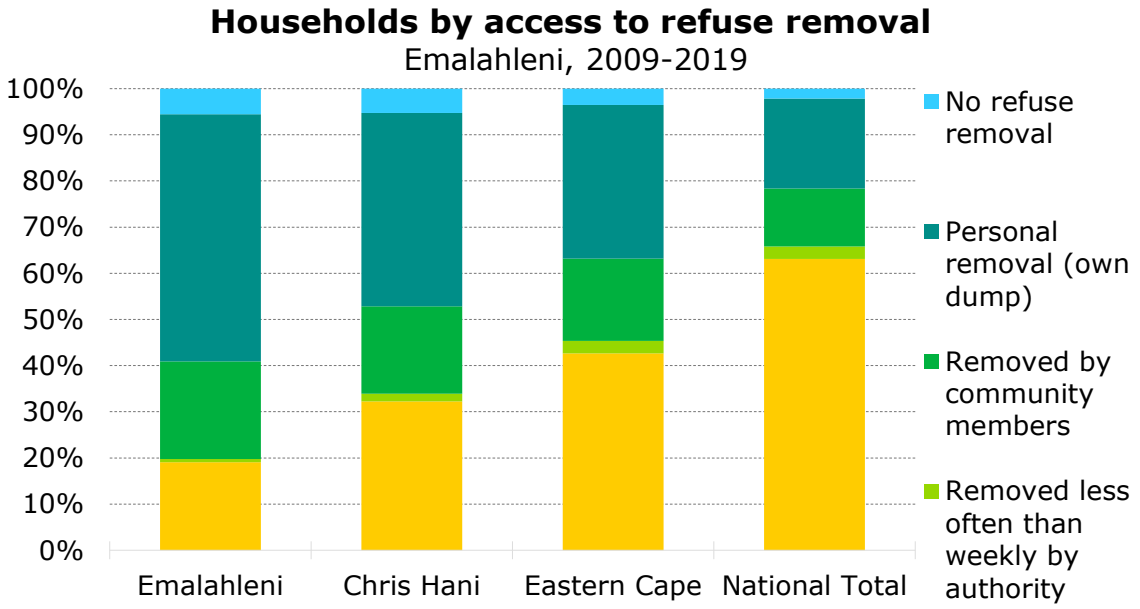
Removed less often than weekly by authority

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).

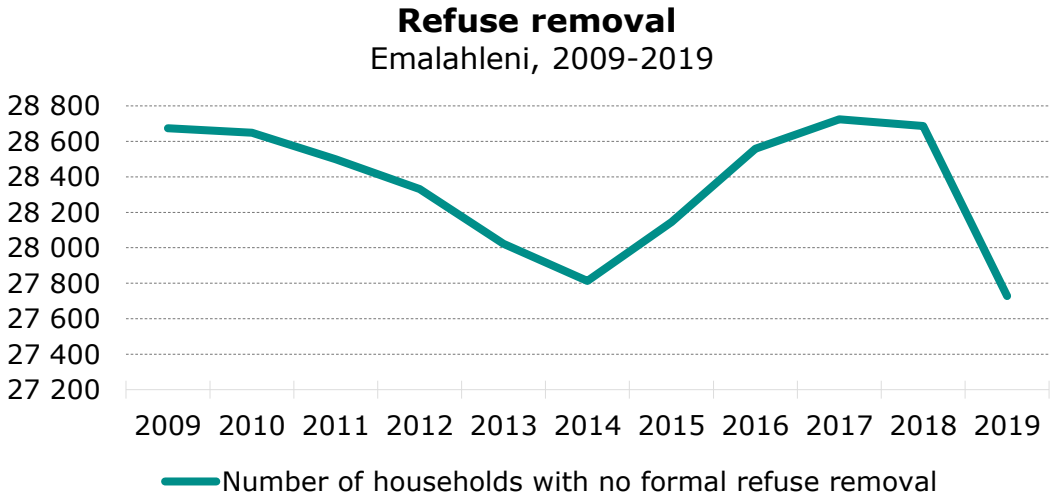
Households by refuse disposal - Emalahleni and the rest of Chris Hani, 2019 [Number]

	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.)

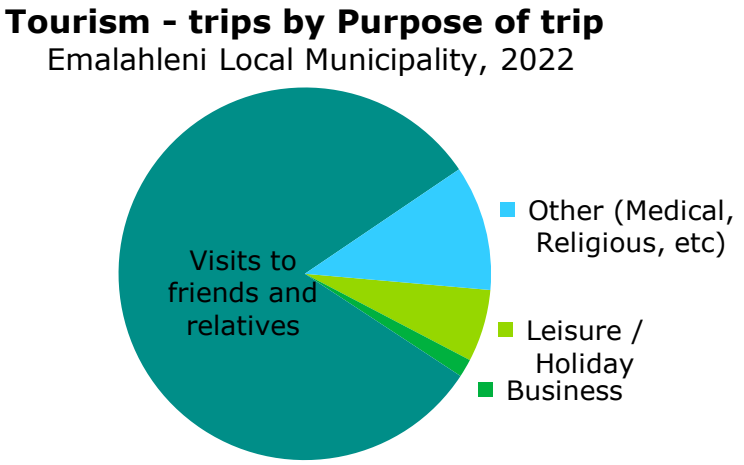
Number of trips by purpose of trips - Emalahleni Local Municipality, 2010-2022 [NUMBER PERCENTAGE]

	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
2022	672	169	8,700	1,160	10,700
Average Annual growth					
2010-2022	-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 2022 (1 160) at -11.75%. Visits to friends and relatives recorded the highest number of visits in 2022 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 2022 (672).

Trips by Purpose of trip - Emalahleni Local Municipality, 2022 [Percentage]



Source: IHS Markit Regional eXplorer version 2175

The Visits to friends and relatives at 81.28% have 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, 2010-2022 [Number]

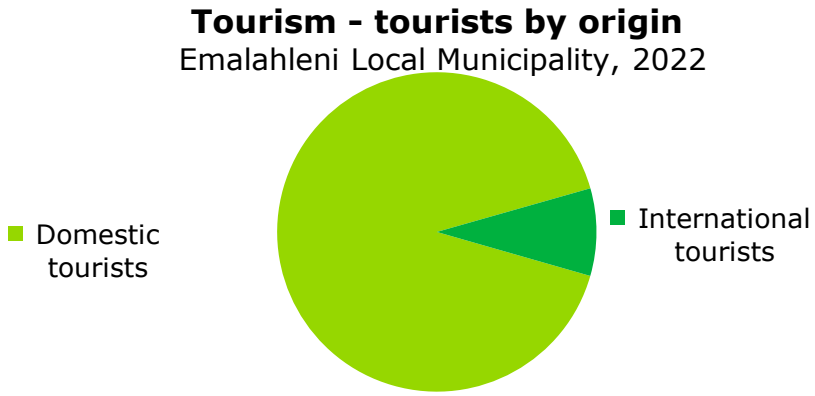
	Domestic tourists	International tourists	Total tourists
2010	62,200	1,890	64,100
2011	56,800	1,870	58,700
2012	50,000	2,070	52,100
2013	44,500	2,230	46,800
2014	42,300	2,510	44,800
2015	40,600	2,470	43,100
2016	39,500	2,950	42,500
2017	38,700	3,100	41,800
2018	37,700	3,120	40,800
2019	37,900	2,960	40,800
2022	9,760	948	10,700

	Domestic tourists	International tourists	Total tourists
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 2022 (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, 2022 [Percentage]



Source: IHS Markit Regional eXplorer version 2175

Benights 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 2022.

Bednights by origin of tourist - Emalahleni Local Municipality, 2010-2020 [Number]

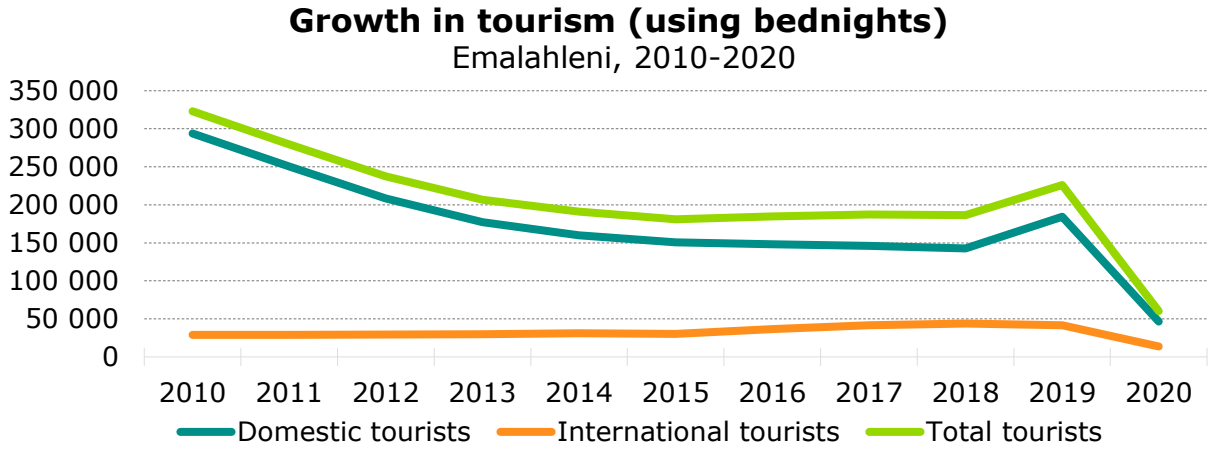
	Domestic tourists	International tourists	Total tourists
2010	294,000	29,200	323,000
2011	251,000	28,800	279,000
2012	208,000	29,300	237,000
2013	177,000	29,800	207,000

	Domestic tourists	International tourists	Total tourists
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, Stats SA 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 considered.

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.

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.

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.

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 that 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 create safe and sustainable environments. Management comprises of three

elements the administration of the town activities that govern over land ownership issues and the ability to anticipate future changes.

Emalahleni Municipality governs a land area where a variety of planning and land administration legislation applies. The municipality developed and adopted a Land Audit Report in the financial year 2023/2024 to improve land governance, promote sustainable land management practices, address land-related challenges and conflicts, and support informed decision-making and policy formulation in the context of land administration and development. In 2024 the Department of Cooperative Governance and Traditional Affairs developed a land invasion framework to provide guidance to municipalities on how to effectively handle matters related to illegal occupation of land on the 26 May 2025 and consultation was conducted during IDP and policy review roadshows. The objective of the policy is to assist the municipality:

- To institute mechanisms and measures to secure and protect municipal land or state-owned properties from illegal land invasion
- To assist municipality in raising awareness to communities with regards to the negative effects of unlawful occupation of land and unauthorized building of structures in unplanned, and un-surveyed portions of land.
- The policy is meant to identify key stakeholders that will assist in providing a sustainable solution in curbing future land invasion cases.
- To identify roles and responsibilities of various stakeholders involved in the management of land invasion.
- To institute mechanism and measures to secure and protect municipal land or state-owned properties from illegal occupation.

Emalahleni Local Municipality has a Council adopted Spatial Development Framework that is SPLUMA compliant and Reflect changes required to reflect new development priorities, as determined in the revised Emalahleni LM Integrated Development Plan (2022-2027). The Emalahleni municipality reviewed and approved the SPLUMA compliant Spatial Development Framework on 26 September 2024 with resolution number 64/09/25 and Gazetted in March 2025, gazette number 5386.

The Broad SDF recommended that the Municipality should develop detailed precinct plans for all the 3 towns (Cacadu, Dordrecht and Indwe). In the previous SDF, Emalahleni developed Vaalbank, Xonxa, Ndonga, Machubeni, Cumakala, Local Spatial Development Framework. The reviewed SDF (2024) identifies 2 additional rural nodes to be developed, Gqebenya LSDF and Bengu LSDF and is fully aligned with the District SDF. The Emalahleni Local municipality is aligned with the District SDF, Regional SDF and neighboring municipality SDF(s) as required by SPLUMA.

Informal activities have challenged land use management conceptualizations, informal trade and economic activity are 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 an attempt of the municipality trying to correct the unlawful land use and land invasions, in Cacadu, the municipality obtained a court order to remove those that occupied municipal land illegally. The court order was implemented in December 2023; however, the municipality is in the process of developing a container precinct which will house informal traders situated (SMME) which were situated the main road making the town untidy.

In the municipality trying to address the above in the financial year of 2024/2025, the municipality has embarked on the development of a container mall in Cacadu, where this kind of development is becoming a common option in Metros, where repurposing of marine container mall together with brick and water to cater to the informal businesses that operate.

Emalahleni Municipality is dominantly rural in nature which makes the people move from the villages to the small service centers 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.

Emalahleni Municipality has a registered Town Planner to deal with town planning requirements in terms of SPLUMA. Some municipal challenges in terms of Spatial planning will be solved with the new planning legislation, the Spatial Planning and By-Law 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 is part of the joint Municipal Planning Tribunal of District Chris Hani Municipality for category 1 land use applications and has appointed the Director of Planning Economic Development Tourism and Agriculture as the Authorized Official for category 2

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. In the financial year of the 2023/2024, the municipality embarked on establishment of Geographic Information unit by making inputs in the review of the organogram and procurement of a GIS system.

The level of understanding of 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 start on a program to educate the community through pamphlets and holding awareness sessions. These

pamphlets will mobilize 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 has increased due to the awareness campaigns and servicing of contravention notices to illegal land use. The public consult the municipality during pre-consultation process, attention should be drawn on this to promote good order and promote appropriate mixture of land use.

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 centers 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, there is a bulk infrastructure project which is currently running for mixed use development being implemented by Provincial Human Settlement. About 800 beneficiaries will be catered for among which is people living with disability, military veterans and middle-income earners. The issue of promoting densification within all the three towns has remained a challenge as most property owners are not exploring full potential of their properties.

Spatial Development Priorities

(Insert slides from Treasury presentation)

EMALAHLENI DEVELOPMENT NODES

The Municipality needs to identify nodes 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:

SPATIAL FRAMEWORKS

HUMAN SETTLEMENTS

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

Emalahleni Local Municipality has 2 informal settlements located in the Topu and Cacadu ext. in Cacadu town. Even though there is no mitigation in place a decision was taken to formal to ensure that the people residing in those areas can receive basic services. Department of Human Settlements is presently assisting by reviewing the Housing Sector Plan that will address the issue of informal settlement upgrade.

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 illegal structures built without approved building plans and to prevent the municipality from having neglected unsightly buildings 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.

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 the Council on the 27 October 2016 in line with the IDP. 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 2022/2023. The new IWMP will be implemented from 2023/2024- 2027/2028.

The current draft IWMP is being reviewed and updated in line 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. It makes projections on future requirements, set objectives, and identify system components. Alternative methods/approaches for meeting legal requirements were also 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 has been submitted to DEDEAT and DFFE for 2023/24 and designation has been signed by MEC.

LANDFILL SITE MANAGEMENT (SEE ATTACHED IWMP)

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 in Topu Village and landfill Site in Dordrecht. 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 then allocated in the 2018/2019 financial year. A portion of this has been reserved for Designs and Specifications of a Material Recovery Facility at Indwe. Fencing the Cacadu Landfill site to restrict uncontrolled access was done in 2017/2018 and construction of the guard house was also completed using the DEDEAT funds mentioned above but vandalized by the community.

The Municipality has also obtained a permit to construct and operate a Regional Landfill Site in Cacadu. In 2026-2026 the municipality plans to conduct Environmental Studies for the construction of 1 Landfill site in Cacadu. 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 has been engaging with DFFE for funds to develop Indwe and Dordrecht Transfer Station. This development also entails the repairs of Transfer Station at Indwe, Dordrecht and Cacadu, DFFE has committed funds for the rehabilitation of Indwe and Dordrecht starting in 2023/2024 financial (a project of 18 months). The volume of waste is recorded daily in all Units/Sites and the information is kept for recording purposes. The Data Collection feeds into the SAWIC Reporting.

The Municipality has successfully engaged DEDEAT for the formalization and licensing of at least one landfill site within its jurisdiction. This will be followed by upgrades that are based on the licensing requirements and subsequent conditions specified on issue of the license and DEDEAT has issued a 5-year extension license for Cacadu landfill site. DEDEAT committed an amount of 1.3 million for environmental support.

REFUSE COLLECTION

The Municipality is currently collecting refuse in all urban and township areas at least once per week and started 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 Municipality has tested 6months hiring of waste specialized vehicles and procurement of lease for 36 months waste specialized vehicles has been solicited for a sustainable refuse collection service to its customers and communities.

Fleet List

- 4 Tractors — 3 Operational & 1 Repair; 4 Trailers Operational
- 5 Bakkies — 3 Operational & 2 Repairs
- 2 Skip bin Trailor — Not Operational
- 1 Trailor Refuse — Operational
- 2 Refuse Trucks — Operational
- 1 Plant Electricity crane Truck — Operational
- 2 Tipper Truck — Operational
- 1 Water cut — Operational
- 1 Lowbed Truck with Trailor — Operational
- 1 Excavator — Operational
- 1 TLB — Repairs
- Grader — Repairs
- 1 Roller — Operational

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 receiving refuse collection service: 7 991 Total Households of Emalahleni Local Municipality: 31 681 Weekly refuse removal services are at 8.5% according to Statistic South Africa 2011 Census report.		

Refuse removal of 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 authorities 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 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. 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, but high rate of vandalism has destroyed them and awareness programs to educate the communities on Waste, Health, and Environmental Management is essentially. 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 clean up schedules daily. 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 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 review 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 and is currently being reviewed.

The Municipality has developed and gazette 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 was done in 2023 to update DEDEAT and DFFE of the current incumbents responsible for Waste Management.

Current Projects – 2026-2027

1. 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.

2. The DFFE co-funded project includes the following scope:
   2.1 Refurbishment of Indwe and Dordrecht Transfer Stations

2.2 Emalahleni - Designs, Construction Monitoring and approvals
2.3 DFFE – Construction of MRF, Refurbishment of Transfer Stations, Supply of Equipment

3. Department of Economic Development, Environmental Affairs and Tourism (DEDEAT)

The municipality have received an amount of R 1 327 000.00 from the DEDEAT in 2026-2027 financial year for the following:

- Creation of work opportunities
- Refurbishment of existing Drop-off centres
- Poverty alleviation
- Skills development
- Sustainable waste management
- Economic empowerment

Key Results

- Job creation and poverty alleviation in the communities where project will be implemented. Waste minimization
- Informed community
- Compliance with environmental legislation
- Improved service delivery
- Empowerment of beneficiaries

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 DEADAT for climate change and environment (biodiversity, wetlands, enforcement of environmental legislation).

Environmental Management Framework

The Constitution and other legislation 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 as 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 the 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 in line with information provided by DFFE to complete the outstanding work. A new service provider will be appointed by the National Department.

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

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

Ward 1 Poisonous Plant Project: Emalahleni 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 fund to remove the Plant and it Business Plan was approved for R3 000 000.00 for implementation in 2021/2022. The project was completed in July 2022 and the Municipality will seek to more funding to continue with eradication efforts.

Another rife issue within Emalahleni Local Municipality is land degradation and the Municipality has partnered with various institutions like Rhodes University, DEDEAT and others to pilot Sustainable Land Care Management in Machubeni Village. The Project has attracted interest from AUDA-NEPAD as a potential programme that can be funded.

Climate Change and Air Quality Management

The specialist air quality study indicated that residential energy use (biofuel and electricity), motor vehicle emissions, vehicle entertainment on dirt roads, 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 of 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 is 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 to be 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 analyze data in areas with heavy industrial emissions due to high industrial development.

However, Emalahleni LM has almost no extensive industrial economy that emits or degrades air quality. This situation does not guarantee the appointment of a permanent air quality officer therefore the municipality is looking at a 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.

The law does require Emalahleni Local Municipality to develop its own Plans, Policies and Strategies for management of Air Quality and to respond to Climate Change Impacts.

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 focuses on 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 have increased the formation of dongas and eroded waterways beyond the acceptable limits. The high rainfalls followed by long dry periods play a role in this. The benefits of the program will be the restoration of natural habitats, maintenance of flood plains, wetlands, and grazing lands.

Plans and Policies: Development of Trade Affluent Policy, Development of Air Quality Management Plan, Development of Climate Change Management Plan including Risk and Vulnerability Assessment, Adaptation, Response and Prevention Strategies

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, Pound Management, Security and Traffic Services. The Municipality has established a Community Safety Forum, Roads and Transport Disaster Advisory 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. Sittings occur quarterly. As such this platform provides means for sharing information on areas of attention and successes. Key stakeholders include the 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. The municipality has successfully

launched the Local Health Advisory Council to deal with matters related to health and be escalated to the district Health Advisory Council then to the province. The municipality work closely with the district Municipality, receive information and disseminate accordingly in terms of early warning systems.

Disaster Management

Institutional Capacity

Emalahleni Local Municipality has two disaster management field workers for the provision of disaster management and Chris Hani District Municipality had seconded ELM with two personnel (Disaster Management Practitioner and Disaster management Field Worker). 3 firefighters have been employed on a temporary basis. The municipality ensures quarterly seats 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 assessments will be conducted owing to risks that continue to manifest themselves. The CHDM also conducted a Scientific Risk Assessment on Disaster Management and 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.

The International Day for Disaster Reduction (IDDR) program 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 the 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 the Council and submitted to CoGTA Eastern Cape and is due for review. The plan is inclusive of fire tariffs and 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 the 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 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 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.

Traffic Services

The municipality established a unit designed to deal with matters relating to traffic control, general community safety and security services. These far institutional arrangements have a Manager Public Safety, Chief Traffic Officer and six (6) traffic officers appointed with the organogram. Additional personnel in this regard (eNaTis) Supervisor and 6 (eNaTi Clerks) were appointed to date. Recruitment of two additional Traffic Officer is currently underway during 2023/2024 financial year 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 (DLTC)in Cacadu has been operational since 2016 and vehicle registration (RA) in 2018 respectively. The Vehicle Testing Station (VTS) has been completed and is fully operational since the 2020/2021 financial year. Community Safety related Forums have 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) by-law relates to impoundment of vehicles is on the draft stages. There are currently ongoing engagements with the Department of Transport for Integrated Transport Plan. Aforesaid departments had assisted in implementation of crime prevention awareness campaigns and quarterly forum meetings are held on an annual basis.

Cemeteries

Emalahleni Local Municipality has three cemeteries, one in each town. Each cemetery has a manual cemetery register. Dordrecht and Indwe currently offers sale of site and grave digging services. Lady Frere is offering sale of sites only. Cemetery Management By-Laws are being developed to management access and usage of the facility.

i. Lady Frere

Cemetery layout has been developed and approved in accordance with the SPLUMA and the parameter Fencing of the site has been done and not finalised yet. Challenges exist in relation to the non-completion of the boundary wall.

ii. Indwe

The development of Indwe Cemetery has been completed, and all the specialist studies were conducted. The Cemetery is now operational, and the community has been informed of the new facility.

iii. Dordrecht

Cemetery layout plan developed for Dordrecht Cemetery and was adopted by Council. The municipality does not have an integrated Cemetery Management Plan, processes to improve internal controls have been initiated. There are dedicated personnel assigned to manage the function.

CEMETERIES SWOT ANALYSYS

Cemetery	**Condition**	**Description**	**Place**
Cacadu Cemetery	Fenced but not complete. No parking space designated on the cemetery yard	Fencing to be completed and register in place.	Cacadu
Sinakho Cemetery	The fence has been vandalized.	Fence has been vandalized, and register is in place	Dordrecht
Dordrecht Monument	Cemetery fenced and closed	Fencing is complete, and cemetery register in place	Dordrecht
Munnikville cemetery	Fence has been vandalized.	Fence has been vandalized and registered in place.	Dordrecht
Indwe Cemetery	Fence has been vandalized.	The cemetery is closed because of shortage of space.	Indwe
Indwe New Cemetery	Cemetery has been developed.	Fencing has been completed and register in place.	Indwe

Libraries

The municipality has six functional libraries which are Dordrecht, Indwe, Lady Frere, Mhlanga, Bengu and Tsembeyi Libraries. Two of these are modular library which is Bengu and Tsembeyi. The Municipality entered into a service level agreement with the Department of Sports, Recreation, Arts and Culture to accelerate transformation and enhance library services. This has improved coordination and collaboration between the two spheres. Through this arrangement library infrastructure was maintained and staff capacity improved including the culture of reading. Library material including periodicals and books were supplied. The municipality has established three (3) Library Forums and Six (6) Library Committees and are fully functional.

Library Awareness Campaigns were rolled out efficiently. All this contributed to realising the objectives of Outcome 12, that of having an efficient, effective and development-oriented service and

empowered, fair and inclusive citizenship. The municipality received an allocation of R950 000.00 to render the service on agency basis. In response to this the Department of Sports, Arts and Culture appointed professional staff and second them to the various libraries, provided ICT infrastructure and equipment, capacity building programs, renovated some libraries. Supervision and administration services remained the responsibility of the municipality.

All Libraries were equipped with Internet Services for the benefit of the local users. The department also supplied New Photocopy Machines for all libraries. Awareness programmes and other related library campaigns were conducted, and the Municipality was represented in the district events.

Libraries currently available at Emalahleni can be presented as follows:

Area / Town	Library
Cacadu	Bengu Modular Library Mhlanga Library Tsembeyi Modular Library Wycliff Mlungisi Tsotsi Library
Indwe	Indwe Public Library
Dordrecht	Dordrecht Public Library

Parks, Recreation and Sport facilities

The overall objective of this function is to provide and maintain parks and open spaces thereby creating a pleasant environment for the communities, contributing towards global “greening” and to maintain sidewalks and pavements. Due to budget constraints, these parks are always fully functional and maintained as planned.

Indwe Park, Cacadu, and Dordrecht

A park worth R1,7 million has just been developed in Indwe and has the following facilities, children’s play area, mini amphitheatre, ablution, green and hard landscaping.

The Department of Public Works funded the ELM an amount of R3 Million Rands for development of the park in Cacadu which was completed in 2016/2017 financial year. The mini amphitheatre was constructed at the value of R400 000 to complement the already built park. A 3rd phase of the park has recently been constructed which included guardhouse, high mast lights, water backup tanks, land scaping and braai area.

A park has been developed in Dordrecht and has the ablution block, children's play area and land scaping.

Public facilities

Emalahleni Local Municipality has a total of twenty-one (21) Community Halls that form part of the 32-list mentioned above.

Name of Hall	Ward	Status
Ngqanda	12	Facilities Management section has conducted repairs and maintenance in 2022/2023. However, the installation of burglar gates in doors and windows is required. The community hall will attend in 2024.2025 financial year.
Qoqodala Community Hall	07	Minor renovations are required. Facilities management section has recently installed burglar gates in 2021/2022.
Vaalbank Community Hall	08	The Facilities Management Section has recently replaced all the damaged doors, and the community hall is still in good condition. However, installation of burglar gates and fencing need to be attended.
Zwartwater Community Hall	09	Minor renovations are required
Matyhantya Community Hall	06	The community hall is still in good condition however, the community hall has recently been vandalized, and the incident was reported. The community hall will be attended in 2024/2025 financial year.
Boomplas	13	Minor renovations are required.
Bengu Community Hall	02	Minor renovations are required.
Rwantsana Community Hall	01	Require minor renovations
Dordrecht Community Hall	14	Require minor renovations
Munnisville Community Hall	11	Major renovations are required due to vandalism and the community hall has been attended in 2023/2024 budget year.
Mike Huna Hall	11	Minor renovations are required
Youth Centre Indoor Sports Facility	14	Major renovations required
Dora Vosloo Community Hall	15	The community hall is still in good condition
Indwe New Community Hall	16	Minor renovations are required.
Mavuya Hall	15	The community hall has since been damaged by hail. The structure requires complete re-build.
Lady Frere Town Hall	04	Minor renovations are required.

Name of Hall	Ward	Status
Greyspan	03	Facilities Management section has recently conducted repairs and maintenance in 2022/2023. However, the installation of electrical fittings and wiring is required.
Harry Gwala	11	The community hall was one of the vandalized community halls and facilities management section has installed burglar gates, electrical wiring, and fittings in 2020/2021 financial year. However, the installed wiring and electrical fittings have been vandalized. Installation of sanitary fittings and plumbing have been attended in 2023/2024 financial year and the second phase of the plumbing will be attended in 2024.2025.
Mtsheko community hall	05	Community halls are among the recently constructed community halls, at this stage major renovations are required on the hall due to wind damages and structural defects during construction. The community hall roof damages and installation of Jojo tanks have been attended in 2023/2024 budget year. However, one of the recently installed tanks has been stolen.
Tsembeyi community hall	10	Community hall is among the recently constructed community halls, at this stage major renovations are required on the hall due to structural defects during construction.
Maqhashu community hall	17	Community hall is among the recently constructed community halls, at this stage major renovations are required on the hall due to structural defects during construction.

19 MUNICIPAL FACILITIES WITH PERSONNEL SAFEGUARDED.

Cacadu	
Cacadu Municipal office	4
Cacadu traffic station	4
Cacadu IDHS (Water)	4
Wycliff Mlungisi Tsotsi library	4

Cacadu Park	4
Cacadu Sports Field	4
Indwe	
Indwe Municipal Offices	16
Indwe resort	16
Indwe park	16
Indwe Animal holding facility	16
Indwe New Community Hall	16
Indwe New Cemetery	15
Dordrecht	
Dordrecht Municipal offices	14
Dordrecht Youth Center	14
Dordrecht Animal Holding Facility	14
Dordrecht Municipal stores	14
Dordretch Municipal Pound	14
Dordretch library	14
Dordretch Park	14

Maintenance

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

Pounds and Animal Holding Facilities

There is one animal pound in Dordrecht and two holding facility at Indwe and Dordrecht. Cacadu does not have an animal holding facility and the responsible section is engaging with the Town Planning Unit for the identification of a suitable site for Cacadu.

Taxi Ranks and Bus Terminals/Shelters

The 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.

New public toilets are being developed in Cacadu, Indwe and Dordrecht

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 on the 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. Emalahleni Local Municipality has an 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 Community Services. The ward Aids structures have been established in all wards of Emalahleni.

The municipality has developed an implementation plan which was approved by the 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 populations with comprehensive customized 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 resources to support the achievement of NSP goals and ensure sustainable response.
- Strengthen strategic information to drive progress towards the 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 a few Departments 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.

LOCAL ECONOMIC DEVELOPMENT

SITUATIONAL ANALYSIS

The analysis aligns with the District Development Model, Chris Hani District Municipality Integrated Development Plan, Eastern Cape Provincial Growth and Development Plan, and national local economic development frameworks.

OVERVIEW

This situational analysis outlines the current state of the local economy in Emalahleni Local Municipality. It provides a comprehensive understanding of the municipality's economic drivers, challenges, assets, and stakeholder environment. The content supports the Integrated Development Plan by informing local economic development interventions, sector prioritization, and strategic partnerships for inclusive and sustainable development.

BACKGROUND

Emalahleni Local Municipality has a constitutional mandate to promote socio-economic development. The municipality executes this through its Directorate of Planning, Economic Development, Tourism and Agriculture. Core sectors include agriculture, mining, forestry, tourism, and enterprise development. Local economic development-related planning is guided by several instruments such as:

- Local Economic Development Strategy (reviewed in 2023)
- Small, Medium and Micro Enterprise Development and Incubation Policies
- Investment Attraction Policy
- District Growth and Development Plan

Emalahleni Local Municipality is advancing a dynamic local economic development strategy informed by current national and provincial priorities. This strategy incorporates lessons from the 2023 review and emphasizes responsiveness to evolving economic conditions, climate risks, and the imperative of inclusive growth.

Key stakeholders include, amongst others: Department of Economic Development, Environmental Affairs and Tourism; Department of Agriculture; Eastern Cape Development Corporation; Small Enterprise Finance Agency; Chris Hani Development Agency; Chris Hani District Municipality; Department of Cooperative Governance and Traditional Affairs; Eastern Cape Parks and Tourism Agency; Department of Trade, Industry and Competition; Department of Social Development; Department of Mineral Resources and local business forums. The Local Economic Development Forum, comprised of sector-specific clusters (agriculture, tourism and heritage, and small businesses), serves as a platform for consultation and stakeholder engagement.

Socio-economic context:

- Total population: Approximately 128 873 (Stats SA 2022)
- Youth population (15–34): Over 29%
- Unemployment rate: Estimated at 54.4% (higher among youth and women)
- Literacy levels: Below provincial average
- Primary economic activities: Subsistence agriculture, informal trading, public employment programmes

CURRENT ECONOMIC PROFILE

Sector Performance Snapshot

Agriculture: Emalahleni Local Municipality has potential in both livestock and crop production. Sheep, wool, and cattle dominate. A scientific study conducted by the Agricultural Research Council in 2005 confirmed that the municipality has sweet velds, which are favourable for livestock production

despite dry climatic conditions. Livestock prevalent in the area includes cattle (Bosmara, Hereford, Jersey, Holstein Friesland), sheep (Merino, Dorne Merino), poultry, pigs, and goats. Over 500,000 sheep support wool production, generating approximately R33 million in 2019/2020. Government and private sector initiatives continue to support infrastructure, including shearing sheds rolled out by the Department of Rural Development and Agrarian Reform, Chris Hani District Municipality, the National Wool Growers Association, and the private sector.

Crop commodities include sorghum, beans, maize, vegetables, potatoes, lucerne, oats, peaches, and emerging crops such as pomegranate, citrus, and aloe. Crop farming is vulnerable to climate change; drought has affected maize but beans have shown resilience. Farmers face challenges related to input costs and inadequate infrastructure.

Table: ELM Shearing Sheds

Ward	Area	Implementing Agency
1	Tshatshu	CHDM
	Rhodana	DRDAR
2	Bengu	CHDM
	Maqhashu	DRDAR
3	Greyspan	DRDAR
	Lower Ndonga	CHDM and National Association Wool Growers
5	Cumakala	CHDM
6	Holani	DRDAR
	Xonxa	Sand Mining Company
	Khundulu	DRDAR
7	Blangwe	CHDM
	Mayalulweni	
8	Qhugqwarho	CHDM
	Mgqukhwebe	ELM
9	Upper VaalBank	ELM
	Zwaartwater	Donated by WesBank to National Wool Growers Association
10	Tsawulayo	Sibanye Stillwater
12	Mount Arthur	
	Mkapusi	DRDAR
13	Qoboshane	CHDM
	Gxojeni	
14	Kalfontein	DRDAR
	Tafileni	CHDM
15	Luphaphazi	DRDAR

16	Chibini	DRDAR
17	Zingqolweni	ELM

Agro-Processing: Agro-processing facilities include grain milling (Cacadu), dairy production & processing (Indwe), and meat processing (Indwe Abattoir). Although there is growth potential, agro-processing remains undercapitalised.

Forestry: While the area holds potential for forestry development, it remains underdeveloped. Several communal and natural forests exist (Mount Arthur, Maqhashu, Khundulu, Cumakala, Hala 1, Jojweni, etc.). Development plans have been drafted, but implementation depends on funding and community capacity.

Mining: Coal reserves in Indwe, Machubeni, and Mhlanga Administrative Area are currently under assessment by the Council for Geoscience. Although mining historically occurred in the Guba Hoek area, the operation was abandoned due to poor coal quality relative to other regions. A more recent initiative by Elitheni Coal Mine failed due to technical and financial constraints. The municipality and Gumamhla Community Trust continue engaging national departments to attract investors. Legal sand mining is conducted by two companies, Thompson and HJT Transport, while Indwe Quarry presents opportunities for local beneficiation, with one company holding a permit from Department of Mineral Resources.

Tourism and Heritage: Cultural and nature-based assets (e.g. Queen Nonesi Cultural Village, Abathembu Cultural Calabash, Kloof Trail, Dubeni Waterfalls) remain underutilised. The Queen Nonesi Cultural Village and other heritage projects seek to preserve local history as guided by the National Heritage Act. Heritage resources include historic mines, monuments, natural features, churches, and museums, as documented in the Chris Hani State of Environment Report. The municipality is also part of the Ndondo Liberation Route with significant sites linked to anti-apartheid history.

Table: Heritage Resources List

Site Name	Significance	Conservation Status	Management
Machubeni 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 Lerume 1960 to 1986 Qonda Hoho 1956 to 1988 Queens Nonesi 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

Site Name	Significance	Conservation Status	Management
The Kloof near Dordrecht	Natural sites with some unique flora	Degraded due to plundering for firewood	Emalahleni LM
Cacadu River at Cacadu	Links most Wards	No planned projects for the current financial year	Emalahleni LM
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 Ngangomhlaba 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

1. SMME AND INFORMAL ECONOMY

- **Taxi, Hawker and Retail Sectors**: Uncedo Taxi Association and hawker associations are the backbone of township economies. Cacadu is the only town with a formal taxi rank. Hawker stalls were constructed in all three towns. To formalise and coordinate the informal sector, the municipality is in the process of constructing a Container Mall which will be located in Cacadu.
- **Municipal Support**: Support mechanisms include business licensing (under Business Act No. 71 of 1991), micro-grants through partnerships, and incubation support for identified SMMEs.
- **Brickmaking & Construction**: Clay brick producers in Indwe and Dordrecht received inputs and technical training from Makana Brick. Potential exists for supplying government housing projects.

2. INFRASTRUCTURE AND SERVICE DELIVERY

- **Urban Infrastructure**: Internal street paving, public lighting, refuse removal, and signage have been implemented in Cacadu, Indwe and Dordrecht. The municipality received a clean town award.
- **Rural Infrastructure**: Backlogs exist in rural road access, affecting produce logistics. Over 100 dipping tanks exist, but most require refurbishment.
- **Irrigation and Water**: The Xonxa irrigation scheme is prioritised for revitalisation. Boreholes and fencing support are needed to improve year-round crop production.
- **Public Transport**: Indwe and Dordrecht still lack formal taxi ranks.

JOB CREATION PROGRAMMES

- **EPWP**: Active since 2015; uses local labour for paving, cleaning, and beautification. Labourers are paid from EPWP funds while machinery is municipal.
- **CWP**: ~817 participants are active; programme continuity depends on availability of funding from the Department of Cooperateive Governance & Traditional Affairs (COGTA), who are the programme sponsors.
- **Youth and Women Empowerment**: Youth participation is encouraged through enterprise development and other programmes that contribute to the development of local communities.

DISTRICT DEVELOPMENT MODEL

The DDM is based on establishing District/Metro Hubs that embody One Plan of government to express the short term, medium term and long-term development objectives of national, provincial and local government in the geographic boundaries of the District/Metro. The One Plan is strategic in nature expressing the commonly agreed diagnostics, strategies and commitments that are be broken down to annual operational plans and a multi-year implementation plan to enhance service delivery and development in the district space beyond the 5-year IDP period.

Each sphere and sector department will have to elaborate in more detail their own plans and actions within the scope of their mandated powers and functions to give effect to the One Plan as well as execution of their functions. Budgets, including conditional grants and equitable share, will need to be allocated to the extent that spheres and departments execute the One Plan commitments. Among other commitments following are the catalytic projects for Emalahleni Local Municipality:

- Coal Mining Corridor – Seek exploration and prospecting right in Emalahleni must be fully functional by 2030
- Electricity Infrastructure Bulk line Improvement Project

- Renewable Energy - Middelburg, Craddock, Komani Industrial Park and Lady Frere in partnership with COEGA Development Corporation for investment value of R500m

CROSS-CUTTING ISSUES

Issue	Situation & Response
Climate Change	Drought-affecting crop production; investing in irrigation and resilient crop varieties.
Digital Economy	No municipal broadband; need to explore provincial rural ICT programmes and youth training.
Youth & Women Inclusion	Targeted projects exist but lack scale. Opportunities in agro-processing, crafts, digital literacy.
Governance	LED Unit exists but needs capacity support, training, and M&E systems. LED Forum is functional but needs consistent resourcing.
Spatial Planning	Alignment needed between LED zones and SDF (Spatial Development Framework) priority nodes.

COMPARATIVE AND COMPETITIVE ADVANTAGE

Comparative Advantage	Competitive Advantage
Sweet veld and wool	Agro-processing and red meat value chains
Heritage & cultural tourism	Red Hubs, quarrying, retail corridors
Water bodies & dams	Fishing, dairy zones
Communal land tenure	Scalable cooperative models in livestock and cropping

CHALLENGES

- Poor rural road access impedes economic activity.
- Limited investor confidence due to underdeveloped infrastructure.
- Low access to funding for SMMEs and emerging farmers.
- Informal traders lack access to bulk procurement, warehousing, and registration support.
- Key tourism and agri-processing infrastructure remain underfunded.
- Climate risks and water insecurity affect both crop and livestock farmers.
- No electronic system for business licensing
- Limited human resource capacity to facilitate local economic development

OPPORTUNITIES

- Market for wool, meat, dairy and organic produce locally and internationally.
- Location along R56 enables logistics and retail development.
- Cultural tourism packaging linked to Liberation Heritage Route.
- Renewable energy (wind & solar) potential on communal land.

- Partnerships with ECDC, COGTA, SEDFA, ECPTA, CHDA, and private sector for value chain development.

CONCLUSION

The situational analysis identifies Emalahleni as a municipality with strong rural assets and institutional will to grow its local economy. However, infrastructure backlogs, underinvestment, and capacity gaps hinder progress. By unlocking catalytic projects, leveraging public-private partnerships, and coordinating stakeholders, ELM can stimulate inclusive local economic development. This analysis informs the 2025/26 IDP and LED Strategy Review process.

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 the government to realize its objectives for the 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 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 animals

Local Tourism

Community Fire Safety

Childcare Services

Building By-Law

Street trading

Rates By-Law

Waste Management

The municipality has gazette the by-laws

Municipal Policies

The below were the Policies, that were presented and effected with changes and were tabled at a council meeting on 28 May 2026 after internal and external consultation processes; -

OMM	BTO	PEDTA	IDHS	Community Services	Corporate Services
List of all Policies Rules and orders, Systems of delegation, Communications policy and strategy, Customer	**List of all Policies** Subsistence & Traveling Policy Credit Control and Debt Collection Policy, Tariff Policy, Property Rates Policy, Indigent Policy, Debt Impairment Policy, S & T	**List of all Policies** Spatial Development Framework, Integrated Land Use Management Scheme (2026), Spatial Planning	**List of all Policies** Project Management Procedure Manual, ISD Policy, Roads and Stormwater,	**List of Policies** Animal Pound Policy, Traffic Policy, Traffic Fines, processing, reduction, and cancellation Policy, Disaster Management Plan, ELM Recycling	**List of all Policies** Acting Policy, Car Allowance Policy, Exit Management Policy, Induction Policy, HR Conditions of Service, Absenteeism Policy, Leave Management Policy, Overtime Policy, Payroll Management and

Care strategy, Public Participation policy and strategy, Special Programmes Unit Strategy and strategy, Risk Management Policy, Fraud prevention policy, Ward Committee Policy, Petitions Policy, Whistleblowing Policy, Internal audit charter, Gift rewarding and favours policy, social media policy and Corporate Branding Manual **Policies with Amendments** **None.** **New policies**: Non-Negotiables Booklet, Protection of Personal Information Policy	Policy, Incentive Policy, Supply Chain Management Policy, SCM Turnaround Policy, Standard Infrastructure Procurement and Delivery Management (SIPDM 25/26), Asset Management Policy, Asset Disposal Policy, Cost Containment Policy, Cash and investment policy, Virement policy &Budget policy, Supply Chain Management Policy, and Debt Collection Policy **Policies with amendments** Credit Control policy, S & T Policy, , Consultancy Reduction Policy, UIFW Strategy, Fleet Management Policy, Cash and Investment Policy, Asset Management Policy & Debt Impairment policy.	and Land Use Management By-law 2026, Local Spatial Development Framework (Vaalbank, Gqebenya). Land invasion Policy Investment Attraction Policy, SMME Development Policy, Local Economic Development Policy. **Polices with amendments:** Business License Policy. **New Policies** None**.**	Maintenance Plan Policy, Electricity Maintenance, and Installation Policy, and policy, Small Scale Embedded Generation Contract Policy **Policies with amendments** EPWP Policy. **New Policies** Risk Adjusted Strategy **(RAS)**	Strategy, Waste Management By-law: Gazetted, Cemetery and Crematorium By-laws: Gazetted, Traffic by-law: Gazetted, Landfill Site SOP, Transfer Station SOP. **Polices with amendments:** Integrated Waste Management Plan. Cemetery By-Law, Animal Keeping policy and Animal Pound Policy. Traffic By-Law. **NEW POLICIES** Policy Framework on Fire Brigade Reservists, Pauper Burial Policy.	Administration Policy and Procedure, Placement Policy, , Bursary Policy, Records & Archives Management Policy, Mobile phone allowance policy for councillors, Mobile phone allowance policy for employees, ICT user access management, ICT Governance policy, Disaster Recovery Plan, ICT Security policy, Password policy, Backup policy, ICT Strategic Plan, Tools of trade policy, Succession Planning Policy. OHS Policy, Sexual Harassment Policy, Substance and Alcohol Abuse in the Workplace Policy and Code of Conduct. Health & Wellness policy and Performance Management Framework **Policies with amendments**: Recruitment and Selection Policy, Promotion, Demotion and Transfer Policy, Bereavement Policy **New Policies** None.

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 June2024.

The municipality have the HR Plan in place. The purpose of the HRM Strategy and Implementation Plan is to outline key interventions to be undertaken by the municipality in ensuring that it has the right number of people, with the right composition and with the right competencies, in the right places to enable it to deliver on the mandates and achieve its strategic goals and objectives. This strategy informs the decisionmakers on the three critical issues: current supply of human resources. human resources demand, as well as Prioritised and strategic HR actions to be taken. The HR plan in place was last reviewed in 2017, and the municipality is in the process of reviewing it.

Development and Training Skills

The municipality has annual training as approved by LGSETA and

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 2024 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 the Council in 2024 for a period of five years and it lapses in 2029 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.

The municipality does have an Employment Equity plan in place, and targets are monitored monthly. The Employment Equity Plan is reviewed on a yearly basis.

Workplace Skills Plan (WSP)

WSP was developed for the municipality and employees are trained based on the plan. All training and development initiatives shall be properly planned, programmed and recorded, and the results reviewed to determine how training methods can be improved and how maximum benefit can be obtained from resources devoted to training and development. The municipality is in the process of establishing a panel of trainers, which will assist in fast-

tracking the training process. There is a training Committee Consultative Forum that sits on a quarterly basis to monitor implementation of the WSP. Currently the municipality does not have the Succession plan, but in the process of reviewing it. There are internships and Learnerships that are implemented by the municipality.

The Emalahleni Municipality has developed the Workplace Skills Plan (WSP) for the 2024/2025 financial year and was submitted in April 2024 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 Annual Training Plan was developed and approved by the Council in April 2024, 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

Code of Conduct and Enforcement

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

Individual Performance Management and Development System Framework (IPMS)

Individual Performance Management and Development System Framework (IPMS has been adopted by Council. In terms of the framework IPMS has been cascaded to all levels from senior management to lower levels. The quarterly assessments are currently conducted for Managers (Section 54A, and 56), managers below Section 54 and 56. Other levels signed the Performance Agreements, and will be evaluated properly in 2025/2026 FY, as there some challenges to be addressed through regular Trainings.

Organizational development (Organizational Structure and development of Job Descriptions)

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 of 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 staff establishment was developed and adopted by the Council on 26 June 2024.

The municipality does have the organizational chart in place, reflecting all the potions. The approved organogram is effective from 2021/22 FY. It assists in the formulation of an establishment plan for the Municipality. It also regulates formulation of organograms, creation and abolition of posts within the Municipality. The organogram was reviewed and approved by the Council in June 2024 and was submitted to COGTA for comments in line with the 2021 Staff Regulations.

The institution has the following directorates that form part of the reviewed organisational structure.

The vacancy rate is 12.1 % and, a detailed structure is presented in the page following this one:

DEPARTMENT	FILLED	VACANT	Total
Office of the Municipal Manager	20	7	**27**
Corporate Services	**24**	1	25
Planning, Economic Development, Tourism and Agriculture	16	1	**17**
Budget and Treasury Office	19	3	**22**
Infrastructure Development and Human Settlement Services	29	11	40
Community Services	117	**11**	128
Total	**225**	34	**259**

TOTAL NUMBER OF VACANT POSITIONS	TOTAL NUMBER OF POSITIONS ON THE ORG STRUCTURE	VACANCY RATE
34	279	12,1%

Retention Strategies

The municipality does not have a retention strategy in place yet, but in the developmental stages, which will highlight the following matters to be taken care of,

Availability of enough resources to meet the demands of the job, Employee empowerment through training and skills development to meet the job requirements, Culture of ownership – where employees feel part of the organization, rewarding good work, Trends in Salaries and Allowances, Benefits etc.

Personnel matters

All the personnel matters are attended to by the Personnel section. Policies are in place to deal all the personnel related matters

Wellness programs

The Municipality re-affirms its commitment to the health and wellbeing of its employees and recognizes that a variety of personal problems or circumstances can disrupt its employees and councillors personally and adversely impact on their work performance.

There is Employee Assistance Program, which is designed to encourage employees to voluntarily seek help (self-referral) and/or the manager/supervisor to refer such employee experiencing personal problems, where possible.

However, supervisor or manager's intervention is not mandatory. Wellness Days are also conducted for employees and Councillors.

Skills Development, Training & Capacity Building

The institution does have a training and development unit which specifically deals with employees and Councillor's capacity building. The aim is to provide skills development framework for Employees, to provide a framework for aligning training needs with the strategic objectives of the Municipality, to equip Municipal Human Resources with the necessary skills for better service delivery and to manage skills development processes within the Municipality. ELM employees and Councillors have access to quality Training and Development opportunities to ensure that ELM complies with national guidelines and criteria for skills development. Employees are trained as per Workplace Skills plan developed for the year. Training needs are requested to all the Directorates.

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
- Town and Regional Planning
- GIS
- Quantity and Land Surveying

Job description writing/development

The Emalahleni Municipality is a member of the Chris Hani District Job Evaluation Committee and is currently on the maintenance phase of the job evaluation implementation

Labour Relations

The municipality has the Local Labour Forum which is a consultative structure between the employer and the labour component. 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 Main Collective Agreement. LLF is functional and operational, and its meetings are held quarterly.

Municipal Disciplinary Board

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.

Occupational Health and Safety

ELM 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 the Emalahleni municipality policy and occupational health and safety Act. The Emalahleni Municipality has a fully functioning Occupational Health and Safety section that supports all other departments within the institution. The OHS Strategy was developed and approved in December 2016 by the Council for implementation.

The Safety Health and Environmental (SHE) Representatives that forms part of the Safety Committee have been trained have been appointed. First, Aiders have been trained. Arrangements are made with the Chris Hani District Municipality to do Fire drills and Emergency preparedness. The environmental unit is headed by Manager Waste and environment with support staff. The OHS Committee has been established as per the OHS Act of 1993. OHS Committee meetings are held quarterly. Over and above this, in every quarter the municipality conduct waste awareness programmes to the community of Emalahleni.

The municipality have initiatives to support environmental and recycling initiatives and the following will be among those that will be supported in the 2026-2027: Amathangemvelo W4 in Cacadu, and Benito ward 3 , Indwe - Abelusi nabevuni & in Dordrecht Masihlume.

Council and Council System

The council holds its ordinary council meetings once each quarter for the four quarters in a year in compliance with the rules of order. All council meetings sit as per the adopted council calendar.

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

The 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
The 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
Information and Communication Technology Committee	Functional
Employment Equity Committee	Functional
Occupational Health and Safety Committee	functional
Training Committee	Functional

Other Committees	
PMS Assessment & Evaluation Committee	Functional
Risk Management Committee	Functional
Incident and Accident Committee	Not Functional (to be revived)
Information and Communication Technology Steering Committee	Functional
Employment Equity Committee	Functional
Occupational Health and Safety Committee	functional
Training Committee	Functional

Councilors and Traditional Leaders participating in Council

The current Council was elected to Council in 2016 and had 34 Councilors and 2 traditional leaders sworn in to participate.

Records management

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

File plan, Procedure Manual; and Records Management Policy

Employees were trained in how to use the file plan and implement the Procedure manual. The 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 and SharePoint for electronic document storage. whilst EDMS is not fully 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)

Office Accommodation

In its endeavors 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.

The municipality appointed two Unit Managers, both Indwe and Dordrecht. These manager's form part of the Monthly management meetings, wherein they report about the operations of those units.

In its endeavors 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 made 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) Council sittings are held in this 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

Admin Centre
The administration centre is at Cacadu.

Political Centre

The political centre is at Cacadu

Information and Communication Technology (ICT)

The municipality has effective ICT governance structure which ensures that the provision of effective and efficient ICT services. To safeguard its most crucial asset the municipality has a Disaster Recovery Plan which was first approved by Council on the 27 June 2019 for the period of 5 years and being reviewed annually during policy review period. An offsite centre is located at IDZ in East London.

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. Emalahleni Municipality has the central server which ensures confidentiality and security. Server based systems within the municipality includes:

Active Directory (onsite)
Enterprise Management System (EMS)(Sebata)

Cemetery Management (External Host)

Microsoft SharePoint

The municipality has a functional website which is currently hosted by Delteq Technologies as DPSA no longer host website for local municipalities.

CHALLENGE	PROGRESS AND SOLUTION/ACTION TO ADDRESS CHALLENGE
Non-integrated Wide Area Network (WAN) connectivity solution linking all sites together.	Implementation has started, 4 microwaves have been installed in 3 sites in Dordrecht and in Indwe. Routers for the 4 sites have been shipped and will be installed in March and activation conducted. The main office Cacadu will connect via Fibre, and analysis for the connection have been conducted.
Poor Mobile network coverage in all wards of the municipal area (This is not in the municipality's)	Invitation of mobile network service providers. Vodacom was invited for a presentation on how they intend to solve the challenge, and the council resolved that in the next ordinary council meeting the service provider come back to reported on the progress made since 26 February 2025.
Non-integrated backup system (not all units connect to backup server due to lack of WAN connectivity solution)	Implementation has started, 4 microwaves have been installed in 3 sites in Dordrecht and in Indwe. Routers for the 4 sites have been shipped and will be installed in March and activation conducted. The main office Cacadu will connect via Fibre, and analysis for the connection have been conducted.
Old and outdated ICT infrastructure	An internal network revival plan was drafted and approved by council. The cabling infrastructure will be revamped over a period of three years, with 2027 being the final year.
Cyber security awareness	Add cyber security awareness programme on EMS's master agreement where an awareness to ICT users will be conducted Bi-annually.

DISASTER RECOVERY PLAN

A comprehensive document has been drafted, reviewed and approved by council, below is just a plan overview which includes: - plan updates, recovery strategy and recovery requirements as well as recovery phases.

1. PLAN OVERVIEW

1.1 PLAN UPDATING

It is necessary for the DRP updating process to be properly structured and controlled. Whenever changes are made to the plan they are to be fully tested and appropriate amendments should be made to the training materials. This will involve the use of formalized change control procedures under the control of the ICT Manager.

RECOVERY PHASE

This phase is concerned with the execution of procedures for recovering the infrastructure and systems at the designated alternate site, while other efforts are being directed to repair damage to the original systems and capabilities.

Each participant will execute its own recovery procedures for the components they are responsible for. Recovery procedure should be executed in a logical sequence to maintain efficient operations.

The procedure will therefore be implemented in the following order:

- Network and Communications
- Hardware/Server/platform
- Data and application

1.2 PLAN DOCUMENTATION STORAGE

Copies of this Plan will be stored in secure locations to be defined by Management. Each member of senior management will be issued a hard copy of this plan to be filed at home. Each member of the Disaster Recovery Team and the Business Recovery Team will be issued hard copy of this plan. A master protected copy (soft copy) will be stored on specific resources established for this purpose and updated regularly when the need arises.

PLAN TRIGGERING EVENTS

Key trigger issues at headquarters that would lead to activation of the DRP are:

· Total loss of all communications

· Total loss of power

· Flooding of the premises

· Loss of the building

DISASTER RECOVERY STRATEGY

The ELM disaster recovery strategy offers procedures designed to enable effective and efficient response and recovery to plan triggering events described above. ELM DRP strategy is as follow:

- Several standby pre-configured servers will be kept at the DR site, ready to be activated.

- In the event of a disaster affecting Head Offices, and if there is a need to relocate, ELM management will immediately identify another site where operations can be continued linking to the DR site for network services or to connect to systems.
- When a disaster is declared, the DR Team will restore ICT services and authorize access for users to the DR site or alternate site.

ASSUMPTIONS

In developing this plan, the following assumptions were made considering the recovery strategy above:

An alternate site will be availed immediately after disaster has been declared

- Current backups (application and data) of the workstations and other important performance-related systems are intact and available at CACADU unit.
- Pre-configured server(s) are available at CACADU unit.
- Key personnel are available to restore the affected site's data and application on the pre-configured server.
- The equipment, including computers, connections and capabilities required to operate mission critical systems are available at the designated alternate site.
- WAN connectivity is available at the alternate site.
- Pre-configured PCs are available for users at the alternate site.

BACKUP STRATEGY

The ICT infrastructure environment is currently a centralized architecture with all systems running from Head Office (CACADU).

The systems in place are categorized into support and decision-making systems. These systems are running on Microsoft SQL server 2008 R2 standard as a database backend.

Daily these servers are backed up on the backup server (Cibecs). Data is then replicated daily in a replication centre which is hosted at EAST LONDON IDZ.

Key business processes and the agreed backup strategy for each are listed below. The strategy chosen is for a replication of workstation backups to an offsite centre at IDZ in East London. This strategy entails the maintenance of a fully mirrored duplicate site which will enable instantaneous switching between the live site (Head Office: CACADU) and the backup site.

KEY BUSINESS PROCESS	BACKUP STRATEGY
IT Operations	Fully mirrored recovery site

Workstation Backups (Cibecs)	Fully mirrored recovery site
Email, Active Directory,	Fully mirrored recovery site
Telephone Management System	Microsoft Teams solution
Disaster Recovery	Fully mirrored offsite recovery site
Website	Off-site data storage facility
FMS	Cloud backup with the service provider
EMS	Cloud backup with the service provider
Human Resources' system	Cloud backup with the service provider
Testing Fully Mirrored Recovery site -	Fully mirrored recovery site

INSURANCE

As part of the institution's disaster recovery and business continuity strategies an insurance policy have been put in place. Damage assessment will also be conducted for insurance purposes if a need arises, this will be submitted to the insurance company through the office of asset management.

DISASTER RECOVERY REQUIREMENTS

Disaster recovery requirements are based on the business impact and risk analysis, a general overview of the RTOs is provided in the table below. The Recovery Time Objectives reflect best case estimated recovery times based on the current system configurations and operations.

Network Services		**Recovery estimate**
LAN (Local Area Network)		3 days
WAN (Wide Area Network)		5 days
Internet		7 days
Hardware/Server/Platforms		**Recovery estimate**
Server and platform		3 days
PC		3 days
Communications		**Recovery estimate**
Telephones		5 days
E-mail		3 days
Application tier	**Application**	**Recovery estimate**
Tier 0	• FMS Finance management system • EMS	5 days
Tier 1	All other essential applications	7 days

DISASTER RECOVERY PHASES

The DR process consists of three phases as outlines below.

- Notification/Activation – starts from beginning of disaster to the point when disaster is declared.
- Recovery phase – Starts from time DRP is activated to the time when critical functions are restored.
- Resumption phase – Starts after the restoration of critical functions to the time when all business operations are returned to normal, at the disaster affected site or at an alternate recovery site.

NOTIFICATION PHASE
This phase addresses the initial actions taken to detect and assess damage inflicted by a disruption to a facility and its critical systems. Based on the assessment of the event, the plan may be activated by the Disaster Recovery Planning coordinator/ICT manager after the disaster has been declared by the Municipal Manager.

Incident Command Centre
Depending on the severity of the incident, an incident command centre will be established to serve as a focal point for coordinating communications, decision-making and emergency procedures at corporate level. The location will be decided by Executive Management after an initial assessment has been done and considering the best approach for managing the situation.

Damage Assessment
Once a disaster has been reported by operational personnel on the ground at the affected site to management and when management declare that it is safe to enter the site to assess the extent of the damage, the Disaster Recovery Coordinator will call on the DR team to constitute a damage assessment team.

The team members will meet at the designated location, preferably at the affected site to make initial assessment of the damage (using damage assessment form in the appendix section).

Based on the evaluation of the damage assessment results the DR coordinator will decide on whether a disaster should be declared or not and advice Director corporate services accordingly. The Director Corporate Services will then request the MM to declare a disaster in case such declaration is required.

The damage assessment team will also assist in the immediate salvage operations as might be necessary.

Disaster Declaration
The responsibility to declare a disaster will reside with the MM. Alternatively a disaster will be declared by the Director Corporate Services if the MM is unavailable.

A disaster is declared when the MM issue a formal Disaster Declaration Notice on the recommendation of the Director Corporate Services, following the advice of the Disaster Recovery Coordinator. A disaster declaration automatically gives mandate to the Disaster Recovery Coordinator to activate the DRP.

Factors to be considered for plan activation include, but not limited to the following:

- Staff safety
- Damage to facilities
- Extent of systems damage
- Extent of damage to critical ICT infrastructure/systems
- Duration of disruption, and
- The likelihood of additional disruptions.

Disaster Recovery Activation
Once a disaster has been officially declared, the DR Coordinator will activate the DRP on the order of Director Corporate Services.

RESUMPTION PHASE
Resumption activities are intended to return the business to normal operations at the disaster affected site or alternative recovery site designated by management.

Once the threat has passed, equipment has been repaired or replaced or a new data server room has been built and stocked, the disaster recovery team will assess the situation, and recommend that the MM declare the disaster over and normal operations resumed.

PLAN DEACTIVATION

Following the disaster over declaration, the DR Coordinator will officially deactivate the DRP. If an alternate site was used, the DR team will execute procedures to clean the alternate site of any equipment or other materials belonging to the affected site, with a focus on handling sensitive information.

At the end of this process, a thorough review of the DR process should be taken. Any deficiencies in this plan can be corrected by updating the plan.

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 being fully implemented. 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, performs a 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, all employees are required to prepare and enter into Performance Agreements at the beginning of each financial year as legislatively required.

Special Programmes

Background

The Mayor's Office through the Special Programmes unit is discharged with the responsibility of coordinating and implementing 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
- LGBTQI+

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 Field Band was launched in 2015. It is adequately resourced with staff and instruments as well as participating 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 TOURNAMENT	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. This tournament promotes the 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. The youth council convened a 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 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 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 DISABILITY	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). 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 the interests of older people which also coordinates Programmes for elderly persons have various Programmes such as Nelson Mandela Day, Parliament for elderly and Golden games.
	NELSON MANDELA DAY	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 has made a resolution to adopt and implement some of the community work Programmes to honour this day. 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 the development of sport and advise the 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 supports the children's advisory forum in terms of: Profiling Support with early childhood development centers Monitor support for the forum MoU's Social investment by corporate sponsors The Forum was established under the Department of Social Development.
LGTBQI+	LGTBQI+ FORUM	The municipality under the special programme's unit has an interim structure to cater to the needs of the LGBTQI+ community

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 the Council and the Municipal Manager. The unit reports to the Audit Committee of Council on a quarterly basis 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 assesses 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.

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 three members with different expertise ranging from accounting to performance management was appointed in February 2025 to serve for a period ending January 2028. 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 line with the audit committee charter reviewed and approved on an annual basis.

Audit Outcomes

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

2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Qualified	Qualified	Qualified	Qualified audit opinion	Unqualified audit opinion

Risk Management

The 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 risk practitioner is the secretariat of the committee. The risk management charter was reviewed in the financial year of 2024/2025. 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 analyzing threats and opportunities which advance 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.

Fraud and Anti-Corruption Prevention

The municipality approved a Fraud and anti-corruption plan and policy in 2016/2017. The policy is be reviewed annually 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 twice a year.

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). The National Communication Policy was 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 the Council in June in 2024/2025. For the proper communication of the municipal Programmes and government Programmes in general, the Communication unit participates on the Provincial Government Communicators Forum as coordinated by the Department of Local Government and the Department of Communication which sits quarterly. The municipality has also developed a communications strategy addressing the communication activities.

At the district level the District Communicators Forum exists 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 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, ground up 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/initiatives 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.

The communication section has developed the following policies:

- Social Media Policy
- Corporate branding guidelines

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 was reviewed in the financial year 2023/2024. The Municipality also adopted the Petitions Management Policy framework, and a Petitions Management Policy was adopted in the financial year 2023/2024. The purposes of the unit are to ensure that customer services are met, and customers are satisfied. Dissatisfaction and satisfaction of customers is measured through customer service standards monitoring and customer satisfaction surveys conducted annually. In cases of customer dissatisfaction, the 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 the customer complaints register and the petitions management committee.

The municipality has a systematic approach (complaints procedure) for receiving, resolving, and communicating complaints or enquiries or queries using the 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.

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 seated in the Office of the Municipal Manager which currently consists of 1 Public Participation Practitioner. Its activities are based on the Public Participation Strategy that was approved by the Council in 2023/2024 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,
2 traditional leaders,
8 Community Development Workers (CDW's) out of 17 wards.

The municipality has reviewed internally the ward-based plan in 2023/2024.

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 a 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 To report municipal performance
Mayoral Imbizo's	To allow 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 guiding inter-governmental strategies have also been developed and approved by Council.

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

SALGA Working Groups

DIMARFO

Roads and Transport Forums

MuniMec

Municipal Compliance

Compliance

In terms of legislative requirements, Section 27 (1) of the MFMA, compliance with applicable legislation must be monitored and reported to the 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.

Governance

The municipality is striving for total compliance with all relevant legislation and laws. The municipality also ensures that it can preamps and mitigate any potential legal disputes. In this regard the municipality has established an MPAC through the Office of the Municipal Manager. Then the municipality has engaged in 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 analyses Council resolutions

relating to MPAC and facilitate execution. The Manager Legal Services and Administration also assists MPAC with the preparation of an oversight report to the Council as delegated.

The Manager of legal services ensures that there is compliance with relevant legislation 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.

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 of its important powers and functions. There is clearly a need to build capacity in this regard.

<u>Municipal Vision, Mission, and Values</u>

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
Value for money
Cultural Diversity
Commitment
Dignity
Honesty
Innovation

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 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 Mining Tourism Development	Economic Positioning 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 Provision of Energy alternative sources Human Settlements Spatial Development 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 Agro - Processing Re - Forestation	Economic Positioning
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Well educated Citizens and skills renovation underpinned by science and	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 Human Resource Development (Skills Development)	People Development and Demographics

	technology and Innovation					
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 HIV and Aids Occupational Health and Safety	People Development and Demographics
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 Effective, Efficient and Co-ordinated Financial Management that enables CHDM to deliver its mandate.	Cash Management Revenue Management Expenditure Management Budget and Reporting Supply Chain	Governance Finance
		Transforming society and uniting the country Reversing the spatial effects of apartheid		To create an Efficient, Effective, Accountable and Performance-oriented Administration.	Special Programs Public Participation' Integrated Development Planning Customer Care Intergovernmental Relations 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:* *Subsistence and commercial farming* *Agro-processing facilities* *Small-scale mining* *Historical sites of attraction* *R392 Route (From KZN Midlelands to Western Cape Midleland)* *R410 Route (Cala to Queenstown via Cacadu)* *Tourism facilities*	*KPA 3: Strengths:* *Qualified personnel in those positions currently filled* *There is creative and innovative thinking capacity* *High rate of labour turnover during the last financial year* *Disaster Recovery Plan*	*KPA 4: Strengths:* *Local and district Communicators Forum* *Public Participation Systems* *93% success rate of addressing complaints registered on the Presidential Hotline (as per Cabinet report)* *Approved Strategies* *Approved Internal Audit Charter & Audit Committee Charter,* *Established Ward Committees for all wards.*	<u>KPA 5: Strengths:</u> Internal controls in place to avoid Fruitless and Wasteful expenditure and comply with section 65 and 66 in MFMA Availability of policies and procedure manuals and controls
KPA 1: Weaknesses: *Over reliance on grants* *Lack of bulk infrastructure* *Insufficient plant and equipment.*	*KPA 2: Weaknesses*	*KPA 3: Weaknesses:* *Office Space*	*KPA 4: Weaknesses:* *Decentralised Internal Communication*	mSCOA system development challenges lead to huge non-compliance to the municipality Revenue collection target of 60% set for the year not achieved at midyear but departments remain positive that it will achieve the target by year end Limited Budget

KPA 1: Opportunities:	KPA 2: Opportunities:	KPA 3: Opportunities:	KPA 4: Opportunities:	KPA 5: Opportunities:
Eradication of electricity backlog *Improvement of quality on all infrastructure projects* *Beautification of Emalahleni towns EPWP* *Massive Job Creation* *Established & Operational Traffic facilities (DLTC, RA & VTS* *Approved IWMP & Designated WMO* *Greenest Municipal Competition* *Greening and Land Care Initiatives* *Innovative and qualified staff*	*Interlink road (R56 and R400) between KZN – WC* *Natural Resources like waterfalls* *Reliable market for livestock* *Cheese factory* *Mining of coal, quarry and sand* *Agro processing* *Farms are available, some even belonging to ELM* *Proximity to Queenstown for markets and State Support* *Cultural places of entertainment and tourism.*	*Partnership with local institutions of higher learning* *Support from the District Municipality* *Capacity building (SALGA* *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* *Partnership and twinning agreement.* *Presidential hotline forum and system* *Include fraud awareness on the municipal for community education.* *Good relations with sector departments*	Reviewing of operating procedures and policies (SCM Policy, SCM Procedure) Automated SCM module in financial system Partnering with key suppliers e.g. long-term contracts with accredited suppliers Improved document management Raising of additional rates revenue by registering properties that are currently registered under Municipality to the relevant owners
4.5.4 Threats: *.*	*Threats.* *Unpredictable weather conditions* *Severe climatic change may affect agricultural farming*	*Threats:* *Lack of disaster recovery site* *Invalid Wide Area Network contract*	*Threats:* *Community unrest*	Threats: High level of unemployment within the Municipality leading to high indigency rate Outdated lease agreements for rental properties The user departments not honest in the evaluation of the performance of service providers 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 000m^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 To create a safe and clean environment for all people of Emalahleni Local Municipality 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 Development (LED)	To promote, facilitate and improve sustainable local economic development
Town Planning	Implementation of spatial planning and land use management (SPLUMA)
Good governance and Public Participation (GGPP)	To ensure a developmentally orientated planning institution in compliance with legislative prescripts, laws and regulations applicable to local government.
Municipal transformation and Institutional Development (MTID)	
Financial Viability (FV)	To implement proper expenditure management in compliance with legislation by June 2027 To increase the amount of revenue collected annually by June 2027 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	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2026/2027
KPA 1 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
Facilities	To Facilitate and improve Social Services through Provision of Safety & Security Services by June 2027	Maintain existing municipal facilities (cemeteries, halls, municipal buildings)	Number of municipal facilities maintained	3 municipal facilities maintained (Landfill site fencing, Matyhantya Community Hall repairs, Cacadu town hall	Well maintained municipal facilities	R 1 000 000.00	OPEX	1_12_12.1_P035	5 Municipal facilities mantained (Cacadu Municipal office, Youth Centre in Dordrecht, Indwe Community Hall Bengu Community Hall and Greyspan Community Hall)
Community Safety Programs	To Facilitate and improve Social Services through Provision of Safety & Security Services by June 2027	Monitor functionality of 3 Registration and Licensing Authorities	Number of Registering Authority transactions performed in the 3 registering Authorities	8000 Registering Authority transactions per-formed in the 3 registering Authorities (Cacadu, Indwe, and Dordrecht)	Functional Licensing Authorities	R420 000.00	Opex	1_1_1.3_P003	8000 Registering Authority transactions performed in the 3 registering Authorities (Cacadu, Indwe, and Dordrecht) by 30 June 2027
		Process Learners and Driver's License Ap-plications received	Number of Driving Licenses issued	550 Licence applications processed and issued	Functional Driving Licensing Testing Centre	R 1 205 500.00	Opex	1_1_1.4_P004	800 Driving licenses issued in ward 4 by 30 June 2027
			Number of Learners Lisence Applications processed	200 Learners License tests applications	Functional Driving Licensing Testing Centre	1 600 000.00	Revenue	New	300 Learners License test applications processed by 30 June 2027
		Process Learners and Driv-er's License Ap-plications received	Number of vehicles tested for Roadworthy at the Cacadu Vehicle Testing Station	60 vehicles tested for Roadworthy at the Cacadu Vehicle Testing Station by June 2025	Functional VTS	R 350 000.00	Revenue		60 vehicles tested for Roadworthy at the Cacadu Vehicle Testing Station by 30 June 2027
Waste and enviromental management	To provide a clean & healthy en-vironment by June 2027	Collect Re-fuse in urban and township areas	Number of urban and township areas with access to weekly refuse removal services	3 Urban areas and 10 townships with access to refuse removal service	Improved , safe and healthy environment	12705000.00	Revenue	1_2_23_P008	3 Urban areas and 10 town-ships with excess to weekly refuse removal services by 30 June 2027

Waste and enviromental management	To create a safe and clean environment for all people of Emal-ahleni Local Municipality by June 2027	Management of waste disposal facilities incompliance with legislation	Number of Landfill sites and Transfer Stations Managed	2025-2026 Landfill Site Management t Projects	Improved Environmental Outlook	R 200 000.00	Opex	new	1 Landfill site (Cacadu) and 2 transfer Stations (1 at Indwe & 1 at Dordrecht) managed by 30 June 2027
Waste Management	To create a safe and clean environment for all people of Emal-ahleni Local Municipality by June 2027		Number of Landfill site constructed	2025-2026 Landifill site management program	Improved Environmental Outlook	R 2 000 000.00	OPEX	New	Phase 1 for the Construction of 1 Landfill site in Cacadu ward 4 by 30 June 2027
IDHS									
Roads and Stormwater Infrastructure	To provide maintained basic infrastructure service for local communities by June 2027	Implement, monitor, and report on the approved Roads Infrastructure Plan	Number of Km on Paved Internal Streets completed by set date	3 km of Paved roads	Improved access roads	1 403 960.00	MIG	New	1 km Construction of paved Hala - Calabash paving in ward 03 completed by 30 June 2027
Roads and Stormwater Infrastructure	To provide maintained basic infrastructure service for local communities by June 2027	Implement, monitor, and report on the approved Roads Infrastructure Plan	Number of Km on Paved Internal Streets completed by set date	29.01 km of Paved roads	Improved access roads	5 146 664.00	MIG	New	0.5km paved at Ngcuka village access road in ward 17 by June 2027
Roads and Stormwater Infrastructure	To provide maintained basic infrastructure service for local communities by June 2027	Implement, monitor, and report on the approved Roads Infrastructure Plan	Number of Km on Paved access road completed by set date	29.01 km of Paved roads	Improved access roads	5 846 897.00	MIG	New	1.5 km Paving of Cacadu village access road in ward 4 by 30 June 2027
Roads and Stormwater Infrastructure	To provide maintained basic infrastructure service for local communities by June 2027	Implement, monitor, and report on the approved Roads Infrastructure Plan	Number of Km on Paved access road completed by set date	29.01 km of Paved roads	Improved access roads	3 195 506.00	MIG	New	1.5 km Paving of Mission (Siqikini) village access road in ward 10 by 30 June 2027
Roads and Stormwater Infrastructure	To provide maintained basic infrastructure service for	Implement, monitor, and report on the approved Roads	Number of Km on Paved access road completed by set date	29.01 km of Paved roads	Improved access roads	5 336 915.00	MIG	New	1.5 Paving of Kavary village access road in ward 05 by 30 June 2027

	local communities by June 2027	Infrastructure Plan							
Roads and Stormwater Infrastructure	To provide maintained basic infrastructure service for local communities by June 2027	Implement, monitor, and report on the approved Roads Infrastructure Plan	Number of bridges constructed by set date	Qoboshane Bridge	Improved access roads	3 338 688.00	MIG	New	concrete base slab and precast culverts for 1 bridge at Noluphondwana constructed in ward 6 by 30 June 2027
Roads and Stormwater Infrastructure	To provide maintained basic infrastructure service for local communities by June 2027	Implement, monitor, and report on the approved Roads Infrastructure Plan	Number of bridges constructed by set date	Qoboshane Bridge	Improved access roads	8 078 278.00	MIG	New	Concrete bases and columns for construction of 1 bridge in Mbokodwa (Mbokodwana) ward 15 by 30 June 2027
Roads and Stormwater Infrastructure	To provide maintained basic infrastructure service for local communities by June 2027	Implement, monitor, and report on the approved Roads Infrastructure Plan	Number of planned bridges to be registered by set date	5 Bridges	Improved Service delivery	R 2 000 000.00	MIG	New	2 Bridges (Helushe and Kavari) Registered to MIG for funding by 30 June 2027
Roads and Stormwater Infrastructure	To provide maintained basic infrastructure service for local communities by June 2027	Implement, monitor, and report on the approved Roads Infrastructure Plan	Number of Km on paved internal street by set date	I km of road preperation	Improved access roads	10 000 000.00	OTP - STR	New	4.77 km of Dordrecht (town) internal street paved (ward 14) by 30 June 2027
Roads and Stormwater Infrastructure	To provide maintained basic infrastructure service for local communities by June 2027	Implement, monitor, and report on the approved Roads Infrastructure Plan	Number of km of streets paved at set date	designs for approval of Indwe streets	Improved access roads	2 500 000.00	OTP - STR	New	Procurement of a Service Provider for 4.3 km paving of Indwe Internal Streets facilitated (ward 15) by 30 June 2027
Roads and Stormwater Infrastructure	To provide maintained basic infrastructure service for local communities by June 2027	Implement, monitor, and report on the approved Roads Infrastructure Plan	Number of meters on paved internal street by set date	Approved designs for Cacadu Internal streets	Improved access roads	2 500 000.00	OTP - STR	New	Roadbed preperation for 600m paving of Cacadu internal streets (ward 04) by 30 June 2027
Roads and Stormwater Infrastructure			Number of Km of gravel road maintained	50.7 km of Gravel roads maintained in emalahleni LM wards	Improved access roads	3 000 000.00	Opex	1_10_10.3_P 033	15 km of gravel road maintained in 5 wards (ward 1 Nqiningana, ward 03 Qaqeni,ward 5 Dopu,ward 6 Emazimeni and ward 10 Emayirheni) by 30 June 2027
Electrification	Reduction of Service Delivery backlog and Maintenance of Roads and Stormwater Infrastructure	To provide maintained basic infrastructure service for local communities by June 2027	Number of households electrified	150 Households electrified in 2026/2027 FY	improved infrastructure on electrification programme	3 900 000,00	INEP	New	100 households electrified in Zwaartwater (ward 9) by 30 June 2027

Electrification			Number of households electrified	150 Households electrified in 2026/2027 FY	improved infrastructure on electrification programme	R 3 430 000,00	INEP	New	70 households electrified in Mgwalana (ward 16) by 30 June 2027
KPA 2: LOCAL ECONOMIC DEVELOPMENT									
Enterprise Development	To promote, facilitate and improve sustainable local economic development by June 2027	SMME development	Number of Car Wash Zones established	Car Wash Zone	Safe, accessible, and orderly trading environment in town	R 500 000.00	OPEX	NEW	1 car Wash Zone Established in Cacadu ward 4 by 30 June 2027
Resource Mobilisation for improved service delivery	To maintain and improve financial viability of the municipality by June 2027	Resource mobilization to increase revenue for the municipality	Number of funding requests submitted by June 2026	2 funding requests submitted	Improved	R0	OPEX	New	Compilation and submission of 4 funding requests to mobilise resources for economic development by 30 June 2027
Sustainable development and growth of the Local Economy - EPWP	To promote, facilitate and improve sustainable local eco-nomic de-velopment by June 2027	Job creation through EPWP on municipal sectorial functions (Sport fields, Paving, Roads, road marking, waste collection, commonage) Building maintenance	Number of Job opportunities created through EPWP	240 Job opportunities created through EPWP in 2025/2026FY	Improved livelihood	R 1 803 000.00	EPWP	2_27_27.4_P137	Create 240 Job Opportunities through EPWP and Projects(MIG) by 30 June 2027
KPA 3: GOOD GOVERNANACE AND PUBLIC PARTICIPATION									
Internal Audit	To ensure effective Audit and Corporate governance function that will result in improved compliance and clean administration by 2027	Review municipal internal controls through execution of the Internal Audit Plan	Number of reports on progress against approved IAP submitted to AC for noting	4 reports in 2025-2026	Functional Internal Audit	R 450 000.00	Opex	1_35_35.3_P136	4 progress reports against approved IAP submitted to AC for noting by 30 June 2027
Internal Audit	To ensure effective Audit and Corporate governance function that will result in improved compliance and clean administration by 2027	Monitor the implementation of the audit outcome improvement plan	Number of AOIP follow up reports submitted to the AC.	2 AOIP Follow up reports submitted to AC	Improved Audit Outcomes	R -	Opex	1_35_35.4_P137	3 follow up reports on the implementation of the Audit Action Plan (AAP) by 30 June 2027
KPA 4: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT									
Human Resources	To develop the skills of the workforce by June 202	Implement the annual training plan in line with the approved WSP for 2025/2026FY	Number of training programme as per WSP implemented	(2) Training Programmes as per WSP implemented	Skilled and capable workforce	R 2 000 000.00	Opex	4_40_40.1_P084	4 training programmes implemented as per WSP(Monitoring & Evaluation, CPMD,Land Scaping Training and Operating License Refresher course by June 2027

Individual Performance Development and Management	To ensure effective implementation of the individual performance management and development function that will result in improved compliance with regulations.	Implementation of Individual Performance Management Regulations and Policy	Number of Performance Agreements signed and quarterly performance assessments facilitated in line with the PMS Development Framework	signed Performance Agreements - 2025/2026	Improved service Delivery	R 50 000.00	OPEX	4_41_41.1 _P085	Signing of 21 Performance Agreements (Directors and Managers) and quarterly assessments facilitated by 30 June 2027
Information Communication Technology	To provide reliable and secured ICT services within the municipality.	Implementation of ICT Projects	Number of Communication Technology (ICT) Project Plan 2025/2026 developed and implemented	4 ICT Project projects implemented	Improved ICT integrated programmes	R 4 371 000.00	Opex	4_44_44.1 _P089	Implementation of municipal's WAN connectivity solution by 30 June 2027
Intergrated Development Plan	To develop and implement a responsive institutional plan by June 2027	Develop and implement a responsive institutional plan	Number of IDP reviewed and submitted to Council for adoption	2022-2027 developed IDP	Development Planning	R 450 000.00	Opex	4_54_54.2 _P106	1 IDP developed for 2027-2032 and submitted to Council for approval by 30 June 2027
KPA 5 : FINANCIAL VIABILITY									
Sound Financial 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	100% expenditure of budget on received conditional grants	R 68 501 000.00	MIG, INEP, EPWP, OTP, FMG and DSRAC	5-57-P111	100% expenditure of received conditional grants by 30 June 2027
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 Expenditure on new procurement	0% of Irregular Expenditure on new procurement	Improved compliance with SCM legislation	-	Opex	5_56_56.1 _P 109	0% of Irregular Expenditure on new procurement submitted to Council by 30 June 2027
Revenue Management	To maintain and improve financial viability of the municipality by June 2027	Implement credit control and debt collection policy	% of billed income collected	95% Collection rate	Improve the financial viability of the Municipality.	R 62 645 700.00	Opex	5_59_59.2 _P121	95% of billed income collected by 30 June 2027

Revenue Management	To increase the amount of revenue collected annually by 2027	Percentage collection of all budgeted revenue sources	% of non-billable income collected	80% Collection rate	Completeness of Revenue	R 57 375 506.06	OPEX	5_59_59.3_P122	95% 0f non-billed income collected by 30 June 2027

This Section outlines the Three-Year Capital Projects Planned for 2026/2027.

EMALAHLENI LOCAL MUNICIPALITY: MIG THREE YEAR CAPITAL IMPLEMENTATION PLA 2025/2026 to 2027/2028 FINANCIALYEAR

No	PROJECT NAME	WARD No	EXTENT OF WORKS	STATUS	PROJECT VALUE	REG. YES/NO	FUNDER	2025/2026 R 50 886 000,00	2026/2027 R 44 206 000,00	2027/2028 R 46 131 000,00
1	Project Management Unit	-	-	-	-	Yes	MIG	R 2 044 300,00	R 2 210 300,00	R 2 306 550,00
2	Rehabilitation of Indwe Sports Field Phase 1	16	1 unit	Construction	R 25 725 462,50	Yes	MIG	R 10 000 000,00	R -	R -
3	Construction of paved Indwe Streets - Barkley Street	16	1,52km	Construction	R 15 656 799,18	Yes	MIG	R 9 042 900,00	R0,00	R -
4	Construction of paving Indwe Streets - Xalanga Street	16	0.815km	Construction	R 9 723 503,99	Yes	MIG	R 5 676 850,00	R0,00	R -
5	Paving of Ngonyama clinic in Ward 08	8	1,15km	Construction	R 10 227 398,82	Yes	MIG	R 1 465 000,00	R0,00	R -
6	Paving of Calabash Ward 3	3	3km	Construction	R 23 977 899,37	Yes	MIG	R 14 650 487,27	R0,00	R -
7	Rehabilitation of Cacadu Internal Streets	4	1,5km	Planning	R 8 804 995,27	Yes	MIG	R -	R -	R -
8	Construction of Upper Ngonyama Access Road in ward 8	8	1,8km	Planning	R 1 772 403,00	Yes	MIG	R1 772 403,00	R -	R -
9	Paving of Cacadu internal Streets	4	6.04km	Planning	R 45 808 284,79	Yes	MIG	R -	R -	R9 824 450,00
10	Construction of Mkhapusi (Nzolo) Access Road	12	6.7km	Planning	R 9 513 375,00	Yes	MIG	R -	R 9 513 375,00	R -

11	Construction of Mayeye Access Road	10	4.1km	Planning	R 6 553 562,50	Yes	MIG	R -	R 6 553 562,50	R -
12	Construction of Emahlathini Access Road	6	6km	Planning	R 7 186 350,00	Yes	MIG	R -	R 7 186 350,00	R -
13	Construction of Kwablangwe via Qoqodala JSS Access Road	7	6km	Planning	R 9 283 950,00	Yes	MIG	R 6 234 059,73	R3 049 890,27	R -
14	Noluphondwana bridge ward 7	7	EIA	EIA Application	R 500 000,00	Yes	MIG	R -	R8 500 000,00	R 8 500 000,00
15	Mbokodwa Bridge in Ward 15 (Ida)	15	EIA	EIA Application	R 500 000,00	Yes	MIG	R -	R 7 192 522,23	R 8 500 000,00
16	Helushe bridge in Ward 13	13	EIA	EIA Application	R 500 000,00	Yes	MIG	R -	R -	R 8 500 000,00
17	Cavary Access Road in Ward 5	5	EIA	EIA Application	R 500 000,00	Yes	MIG	R -	R -	R 8 500 000,00
	TOTAL FOR MIG PROJECTS							**R 50 886 000,00**	**R 44 206 000,00**	**R 46 131 000,00**

EMALAHLENI 3 YEAR CAPITAL PLAN

PROJECT NAME	WARD No	STATUS	PROJECT VALUE	FUNDER	2026/2027 R 41 670 000,00	2027/2028 R 71 910 000,00	2028/2029 R 31 000 000,00
NTLALONTLE PHASE 2 PROJECT	3	Construction	R 1 920 000,00	INEP	R 1 920 000,00	R -	R -
MAQHASHU PHASE 2 PROJECT	2	Construction	R 3 600 000,00	INEP	R 3 600 000,00		
MAQHASHU 14KM LINK LINER UPGRADE	2	Construction	R 7 000 000,00	INEP	R 7 000 000,00	R -	R -
LUTHUTHU EXT PHASE 2 PROJECT	2	Construction	R 6 050 000,00	INEP	R 6 050 000,00	R -	R -

MTHONJENI 14KM LINK LINE UPGRADE	2	Construction	R 7 000 000,00	INEP	R 7 000 000,00	R -	R -
MTHONJENI PHASE 2 PROJECT	2	Construction	R 3 900 000,00	INEP	R 3 900 000,00	R -	R -
LOWER MGWALANA EXT PROJECT	16	Construction	R 3 850 000,00	INEP	R 3 850 000,00	R -	R -
IDA FARM PHASE 2 ELECTRIFICATION PROJECT	15	Construction	R 1 350 000,00	INEP	R 1 350 000,00	R -	R -
IDA LINK LINE PROJECT OF 14KM	15	Construction	R 7 000 000,00	INEP	R 7 000 000,00	R -	
ELECTRIFICATION OF CACADU Housing Development 778HH	4	Construction	R 35 010 000,00	INEP		R 35 010 000,00	R -
ELECTRIFICATION OF INDWE Housing FOR SPECIAL NEEDS 100HH	16	Construction	R 4 500 000,00	INEP		R 4 500 000,00	R -
MADWALENI LINK LINE UPGRAFE PHASE 2	3	Construction	R 4 950 000,00	INEP		R 4 950 000,00	R -
ZWAARTWATER PHASE 3 PROJECT	9	Construction	R 10 450 000,00	INEP		R 10 450 000,00	R -
56km 22Kv komani/ Cathcart MV Line upgrade	Various wards	Construction	17 000 000,00	INEP	R -	R 17 000 000,00	R -
22Kv Feeder Bay FREEMANT S/S LUBISI(LUBISI NEW FEEDER LINE)	Various wards	Construction	3 500 000,00	INEP	R -		R 3 500 000,00
25KM 0F 22KV LINE (LUBISI NEW FEEDER LINE)	Various wards	Construction	12 500 000,00	INEP	R -		R 12 500 000,00
10KM 0F 22KV LINE (FREEMANTLE/LAFY FRERE)	Various wards	Construction	5 000 000,00	INEP	R -		R 5 000 000,00
20KM 0F 22KV LINE (FREEMANTLE/NGCUKA)	Various wards	Construction	10 000 000,00	INEP	R -		R 10 000 000,00
TOTAL FOR INEP PROJECTS			**R 144 580 000,00**		**R 41 670 000,00**	**R 71 910 000,00**	**R 31 000 000,00**

EMALAHLENI LOCAL MUNICIPALITY: INEP THREE YEAR CAPITAL IMPLEMENTATION PLAN

2026/2027 to 2028/2029 FINANCIAL YEAR

No	PROJECT NAME	/ARD No	STATUS	PROJECT VALUE	FUNDER	2026/2027 R 11 600 000,00	2027/2028 R7 750 000,00	2028/2029 R 9 900 000,00
1	Refurbishment of 2 x Mini-Sub by 30 June 2027	14	Planning	R 2 800 000,00	eQuitable Share	R 2 800 000,00	R -	R -
2	Supply, Delivery and installation of 1 Back Up Generators by 30 June 2027	4	Planning	R 1 500 000,00	eQuitable Share	R 1 500 000,00		
3	Upgrading of (2x 100 KVA Trans-formers upgrade in Indwe)	16	Planning	R 2 000 000,00	eQuitable Share	R 2 000 000,00	R -	R -
5	Maintenance of Municipal Building Light	4	Planning	R 200 000,00	eQuitable Share	R 200 000,00	R -	R -
6	Maintenance and Replacement of Pre-Paid Meters	14 &16	Planning	R 500 000,00	eQuitable Share	R 500 000,00	R -	R -
7	Maintenance and Replacement of Highmast Lights	16	Planning	R 700 000,00	eQuitable Share	R 700 000,00	R -	R -
14	Maintenance: Street Lights : Replac-ing lights bulbs ,poles and Cables.	4,14 &16	Planning	R 700 000,00	eQuitable Share	R 700 000,00	R -	R -
16	Electrical Stores & Material	4,14 &16	Planning	R 2 500 000,00	eQuitable Share	R 2 500 000,00	R -	R -
21	Refurbishment of Wooden pole and overhead lines by 30 June 2028	4,14 &16	Planning	700 000,00	eQuitable Share	R 700 000,00		R -
22	Supply, delivery and installation of 1 RMU by 30 June 2028	14	Planning	1 600 000,00	eQuitable Share	R -	R 1 600 000,00	R -
23	Supply, Delivery and installation of 1 Back Up Generators by 30 June 2029	4	Planning	1 800 000,00	eQuitable Share	R -	R 1 800 000,00	R -
24	15 High Mast Light maintained by 30 June 2028	4,14 &16	Planning	200 000,00	eQuitable Share	R -	R 200 000,00	R -
25	60 Street Lights maintained by 30 June 2028	4,14 &16	Planning	100 000,00	eQuitable Share	R -	R 100 000,00	R -
26	Pre-paid meter Audit upgraded by 30 June 2028.	14&16	Planning	500 000,00	eQuitable Share	R -	R 500 000,00	R -
28	Re-wiring of Municipal Main Building and Maintenance of Other Municipal Building Light by 30 June 2028	4	Planning	1 500 000,00	eQuitable Share	R -	R 1 500 000,00	R -
29	Electrical Stores & Material	4,14 &16	Planning	200 000,00	eQuitable Share	R -	R 200 000,00	R -

30	Wooden pole and overhead lines	14&16	Planning	500 000,00	eQuitable Share	R -	R 500 000,00	R -
31	Electrical Maintenance	4,14 &16	Planning	1 000 000,00	equitable Share		R 1 000 000,00	
32	Kiosk, Transformers, Back Generator and Mini-Sub Maintenance	4,14 &16	Planning	250 000,00	equitable Share		R 250 000,00	
33	Maintenance Equipment Procure-ment	4,14 &16	Planning	100 000,00	equitable Share		R 100 000,00	
34	Supply, delivery and installation of 1 RMU by 30 June 2029		Planning	2 000 000,00	equitable Share	R -	R -	R 2 000 000,00
35	Supply, Delivery and installation of 1 Back Up Generators by 30 June 2029		Planning	1 800 000,00	eQuitable Share	R -	R -	R 1 800 000,00
36	15 High Mast Light maintained by 30 June 2029		Planning	600 000,00	eQuitable Share			R 600 000,00
37	60 Street Lights maintained by 30 June 2029		Planning	600 000,00	eQuitable Share			R 600 000,00
38	Pre-paid meter Audit upgraded by 30 June 2029.		Planning	600 000,00	eQuitable Share			R 600 000,00
41	Electrical Stores & Material		Planning	300 000,00	eQuitable Share			R 300 000,00
42	Refurbishment of Wooden pole and overhead lines by 30 June 2029		Planning	700 000,00	eQuitable Share			R 700 000,00
43	Electrical Maintenance		Planning	2 000 000,00	eQuitable Share			R 2 000 000,00
44	Kiosk, Transformers, Back Generator and Mini-Sub Maintenance		Planning	600 000,00	eQuitable Share			R 600 000,00
45	Maintenance Equipment Procure-ment		Planning	700 000,00	eQuitable Share			R 700 000,00
46			Planning	-	eQuitable Share	R -	R -	R -
	TOTAL FOR INEP PROJECTS			**R 29 250 000,00**		**R 11 600 000,00**	**R 7 750 000,00**	**R 9 900 000,00**

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RURAL ROADS ASSET MANAGEMENT (RRAMS)

Emalahleni Local Municipality does not have the RRAMS in place, but the Municipality is utilizing the Chris Hani District Municipality RRAMS System which has all LM's information, when RRAMS is required for planning and development of new roads and maintenance of projects.

STORMWATER MANAGEMENT PLAN

Emalahleni Local Municipality does not have the Stormwater Management Plan/ Master plan in place, The Municipality requested MISA to assist with the Development of Stormwater Master Plan. This plan creates a basis for planning interventions to ensure sustainable municipal service delivery by addressing the relevantissues regarding infrastructure service delivery. The Municipality include the Stormwater on the Business plans and implementation of the Roads and Paving.

ROADS AND TRANSPORT FORUM

Emalahleni Local Municipality established Roads and Transport Forum which was not function for a longer period. The terms of reference for the Roads and Transport Forum were developed and now the Municipal-ity Re-Launch on the 19 May 2023. The terms of reference outline the operating and projects plans within Emalahleni Local Municipality. All external stakeholders are being invited to the Roads and Transport ForumMeetings to participate in the development and implementation of current plans and future development plans. The Roads and Transport Forum meetings planned to be held on a Quarterly basis. The development of the roads and transport plan has been initiated in this forum and engagements are currently ongoing with the Department of Transport for development of Integrated Transport Plan.

NON-MOTORIZED FACILITIES

Emalahleni Local Municipality is currently implementing the non-motorized facilities at Gqebenya Paving project, Cacadu, Dordrecht and Indwe site walks are being implemented. The municipality has secured funding from the small town's revitalisation programme from the office of the premier to the tune of R5 million, in the continued effort of implementing paving projects for municipal road reserves and sidewalks which will be implemented in the 3 urban areas of Emalahleni LM (Cacadu, Dordrecht and Indwe),Whilst walking and biking is promoted as a healthy cost-effective choice the barriers associated with this form of transport relate to safety and the provision of adequate infrastructure.

NERSA

Emalahleni Local Municipality has an operating distribution license issued by NERSA for electricity and Dordrecht (ward 11 and 14) and in Indwe (ward 15 and 16). The Municipality is registered with NERSA but is electrifying certain areas without applying to NERSA for the license of the new areas. Rural electrification is supplied by Eskom which also includes Cacadu Town.

RENEWABLE ENERGY SOURCES

In the Financial year of 2021/2022, the municipality through MIG implemented the solar streets in Cacadu and in the previous term in Indwe and Cacadu.

The municipality has appointed developers in investigating the possibility of establishing a solar plant within the Municipality in Dordrecht. It is also listed in the municipalities that CHDM is intending to establish renewable energy plant in Cacadu. The municipality is embarking on small scale embedded generation and the policy is already in place. The policy for the small-scale embedded generation was adopted in the financial year 2024/2025.

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, Councilors N Koni, takes overall strategic and political responsibility for the municipality, while the Municipal Manager Ms. POB Makoma heads the municipality's administration and provides the link between the political and administrative arms of municipality. Ward councillors are the municipality's key link between the municipality and the residents, whilst the heads of departments and officials are responsible for physically implementing policies of the municipal council.

Municipal offices are arranged as follows: -

Cacadu (Administrative Head Office) and its Council seats are in this office – 37 Indwe Road, Cacadu, 5410. For proper management the municipality has two satellite offices managed by unit managers who report to the Community Services Directorate. These units are in: - Dordrecht (Satellite Office) – Grey Street, Town Hall Building, Dordrecht, 5435 and Indwe Satellite office) – 40 Fletcher Street, Indwe, 5445

5.2 POLITICAL GOVERNANCE

5.2.1 Council

The municipality has Thirty-Four Councillors (34) councillors. 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 Mtyobile
Chief Whip	:	Cllr. T. Kulashe
MPAC Committee	:	Chairperson – Cllr Thwala

5.2.2 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.

- must ensure that the legislative authority of the municipality functions effectively.
- is responsible for the effective oversight over the executive authority of the municipality.
- must ensure the effectiveness of the committees of the municipal council established in terms of section 79.
- is responsible for the ethics and accountability of the municipal council, and
- must ensure the effectiveness and functionality of ward committees and the public participation processes.

5.2.3 Chief Whip of Council

Perform duties that are delegated to him/her by the Council. The functions of the Whip of Council also include the following: -

- liaises with the different political parties to ensure representation in council and council committees.
- maintains sound relations between the various political parties.
- informs the whips of all parties on important matters on the council agenda.
- assists the speaker to count votes in the council meeting.
- facilitates the interaction between the executive and legislative oversight structures in the municipality, and
- resolves disputes between the speaker, mayor, or members of the executive committee."

5.2.4 Mayor and Executive Committee

The mayor presides at meetings of the executive committee, performing duties, including any ceremonial functions and exercises the powers delegated to the Mayor by the 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 by 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. The 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.

In terms of section 44 of the Principal Act, EXCO receives reports from other committees of the council and forwards these reports together with its recommendations to the council when it cannot dispose

of the matter in terms of its delegated powers. These “other committees” would have meant that EXCOs would receive reports from other oversight committees, including the MPAC.

To ensure that oversight by the municipal council is not compromised by reports from other committees being processed through the executive authority in the ELM, EXCO is, henceforth, only receiving reports from section 80 committees, and not from section 79 committees. If EXCO is unable to dispose of the matters raised in the report from section 80 committee through its delegated powers, then EXCO forward the report with its recommendations to the council.

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 the municipality government.

5.3.2 Institutional Arrangements (Per Directorate)

The institution has the following directorates that form part of the reviewed organisational structure. The vacancy rate is 12.5 % and, a detailed structure is presented in the page following this one:

DEPARTMENT	FILLED	VACANT	Total
Office of the Municipal Manager	20	7	**27**
Corporate Services	**24**	1	25
Planning, Economic Development, Tourism and Agri-culture	16	1	**17**
Budget and Treasury Office	19	3	**22**
Infrastructure Development and Human Settlement Services	29	11	40
Community Services	117	**11**	128
Total	**225**	34	**259**

TOTAL NUMBER OF VACANT POSITIONS	TOTAL NUMBER OF POSITIONS ON THE ORG STRUCTURE	VACANCY RATE
34	279	12,1%

Summary

The staff establishment has 223 posts vacancies

The position of the Municipal Manager and section 56 Managers have been filled.

Below is a graphical presentation of the macro political structure of our municipality:

EMALAHLENI LOCAL MUNICIPALITY (EC 136)

DRAFT PROPOSED ORGANIZATIONAL STRUCTURE

COLOUR CODING

NAME CHANGE POSTS=20

EXISTING/FILLED POSTS=225

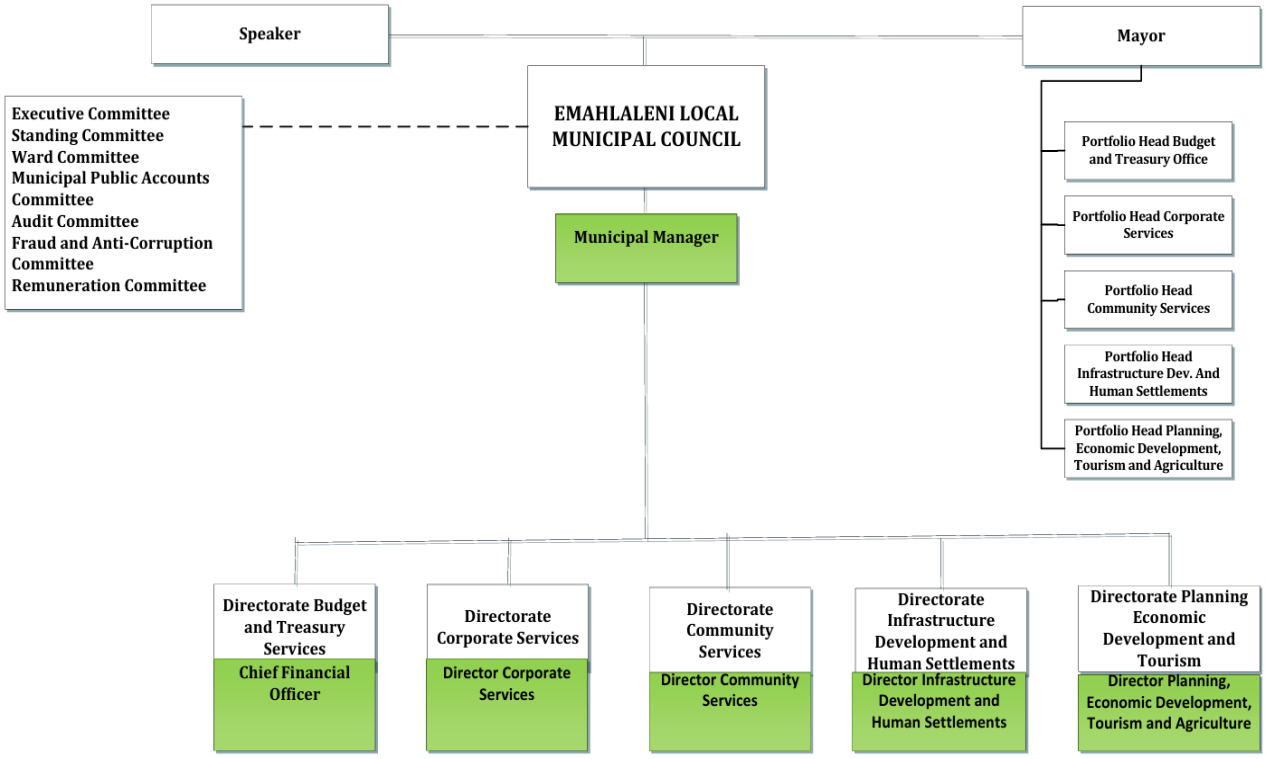
VACANT AND FUNDED POSTS=34

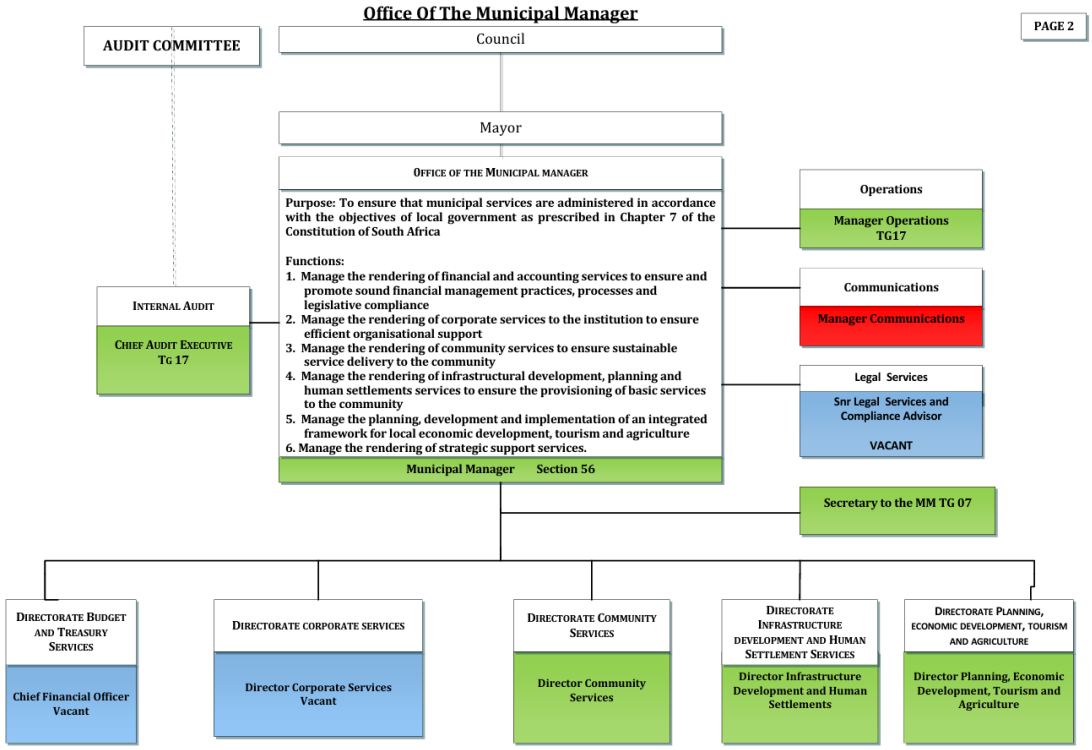
PROPOSED POSITIONS = 20

EMALAHLENI LOCAL MUNICIPALITY
2026 -06- 04
PRIVATE BAG X 1161
CACADU - 5410

TOTAL NUMBER OF POSTS IN STAFF ESTABLISHMENT 2026/2027 FINANCIAL YEAR:=279

Proposed Macro Structure Of Emahlaleni Local Municipality





Annexure has been added as full organogram.

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 lend 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 Municipal Services in terms of Chapter 8.

6.3Community 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.

6.3.2 IDP/PMS and Budget Community Participation Programmes (Road shows)

In November - December 2025 and April 2026, the municipality had roadshows in all the wards, where community meetings were held to confirm priorities and present the Draft IDP and budget for 2026/2027 financial year. Further aim to those engagements were to get inputs as well as comments on the adopted draft IDP. Subsequent to that the In line with the legislative requirements, the municipality adopted its final IDP on 28 May 2026 (Resolution number)

6.3.3 Council Programmes

(1) Ward Committees

The Municipality established Ward Committee members in all its 17 Wards and were inaugurated back in 2022. They are part of the mechanisms used to enhance community participation in the Municipality and are information agents. There is capacity building programs conducted annually to equip the Ward Committee members on how to disseminate information.

(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 and to deal with issues of land development and land rehabilitation. 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.

There are two (2) Traditional Leaders participating in Council in this term as per the guidelines issued by the Eastern Cape Provincial house of Traditional Leaders.

Community Development Workers

The Community Development Workers (CDW's) are the officials employed by the Department of Cooperative Governance and Traditional Affairs (COGTA). CDW's forms part of the Ward Committee monthly 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 has 10 functional CDW's for Ward 1, 2, 3, 7, 9, 10, 14 and 15. Ward 4 and 6 CDW's resigned while Wards 16 and 17 are awaiting new appointments. All other CDW's resigned from the Department and have not been replaced.

6.4 Ward Based Planning

The municipality developed a Ward Based Plan report for all 17 wards for the office of 2021-2026 term of office. The following are the highlights of the Ward Based-Plans as attached in the IDP.

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 informed 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 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 the IDP and Budget Process Plan making 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 Framework

Constitution of the Republic of South Africa (1996) requirements:

Section 152 assigns a clear developmental role to local government amongst other things: 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 organizations 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 centers 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 the 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 extent were incorporated into this plan.

These preliminary service delivery 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 in November 2022. At this meeting, a total 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 Public Participation Meeting Dates Advertisement were placed in local newspapers.
Loud hailing in all wards was done 2 hours prior to the IDP meeting.

6.5 DEVELOPMENT NEEDS AND PRIORITIES 2022-2027

WARD 1	CONTACTS	WARD DEVELOPMENT NEEDS
NQININGANA, RODANA, MPOTHULO TSOLOKAZI, TSHATSHU, RWANTSANA, QITHI, VEZAMBIZA AND NKOLONGA, SIKWANKQENI, NGXABANE, MTSALANE	Cllr WILSON BANGISA 082 751 8151 ANC	1. Access Roads: (Fezekile JSS, Hlathikhulu, Nkolonga, Rodana, Rwantsana, Emakhumeni, Skwanqeni and Qithi) and all DR Roads 2. Fencing Farming land - all villages 3. Bridges at Nqiningana and Causeway at Makhikhi, Tsolokazi, Mbetheni and Sikhwanqeni) 4. Toilets (Tshatshu, Rwantswana and extensions) 5. Storm Water in all villages 6. Dipping Tank- All villages 7. Building of Pre- schools- All villages 8. Pay Points 9. Network Pole – Hlatikhulu1 10. Bridge-Mphothulo, Hlatikulu, Xonxa next to Nqiningana 11. Old Age Centre - All Villages 12. Sports Fields- All Villages 13. Irrigation Scheme - Tshatshu, Qiti 14. RDP Houses 15. Mobile Police 16. Library- Tsolokazi 17. Tractors 18. Clinic 19. Fantesi 20. Eradication of Lapesi - Tshatshu, Rwantsana, Rodana 21. Desilting of Dams 22. Infills 23. Streetlights 24. Securities at Schools 25. Day Hospital at – Rwantsana 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 079 839 8907 **ANC**	1. Access road all villages 2. Electricity- Extensions and infills all village 3. RDP Houses all wards 4. Bengu and Lanti Scheme 5. Fencing – farming land, agricultural land and graveyards. 6. Mobile Police Station 7. Renovation Preschool- Noluvuyo and Quthubeni 8. Preschool- lanti, mthonjeni, quthubeni' 9. Playgrounds- all villages 10. Dipping tank 11. Community hall toilets, 12. Storm Water- all villages 13. Boarding school- Bengu Agricultural school 14. Scholar transport- agricultural school 15. Job creation for youth 16. Library books 17. Computer school 18. Textbooks for SPS 19. Old age home- all villages 20. Renovation of Bengu shearing shed 21. Access road- all villages 22. Bridge- maqhashu, quthubeni 23. Shearing Shed- Bengu, maqhashu, quthubeni, Lanti 24. Water at schools

		25 Support for farmers (feed, tractors, livestock improvement, Quthubeni and Bengu Coops) 26. Laboratory equipment 27. Travelling allowing for SGB 28. Development support – community projects 29. Clinics-, Masakhane , Njombela, 30. Abbarto- Masakhane 31. Library and library books- Masakhane, Lanti 32. Multipurpose for the youth (skills, job creation) 33. Maternity room at Lanti Clinic 34. Mobile clinic- Lanti, luqolo, Luthuli, 35. Eradication of Allien Plants- lanti, mthonjeni, lthulu 36. Windmill – Eshlabeni 37. House numbers – Eshlabeni, 38. Shearing shed tools – Elithuthu 39. Forestation at Quthubeni 40. Computers at Quthubeni Agricultural School 41. 24 hr. service at Bengu clinic 42. Tourism Centre 43. Building of Math's School at Zothe, Mthonjeni 44. Building of Community Hall at Mthonjeni 45. Network pole – Njombela 46. Access Road and foot bridge to Njombela Graves 47. Network Pole 48. Renovation - Kwamhlontlo tribal 49. Bridge - Maqhashu Clinic, Mthonjeni, Kwazothe – Lubisi. 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 073 038 2189 **ANC**	1. Access roads all villages and Paving Hala No. 2 2. Storm water- alumni, Hala 2, Hala 1,Maqhubela & Trust 3. Water at Ntlalontle and Hala No. 2, and Sanitation in extensions and infills 4. Electricity Extensions and Infills in all villages 5. RDP Houses in all villages 6. Dam Desilting 7. Fencing of Graveyards - all villages 8. Shearing Shed- Hala 2, Hala 1, Ntlalontle, Trust 9. RDP Houses - All villages 10. Windmill – Greyspan and Hala 11. Deeping Tanks – Hala 2, Trust, Ntlalontle & Greyspan Deeping Tank. 12. Fixing of Water Infrastructure- Maqhubela, Ntlalontle 13. Nguni Bulls 14. Motor Gate 15. Mobile Clinic- Greyspan 16. Pre-School – all villages except Maqhubela & Pesi. 17. Youth Development Programs- Drug abuse/ Job Creation
WARD 4	**CONTACTS**	**WARD DEVELOPMENT NEEDS**
CACADU, CACADU EXT, BONGOLWETHU, LADY FRERE TOWN AND LOCATION, PHUMLAMQESHI	Cllr. Thembinkosi Klaas 063 217 2293 **ANC**	1. Roads –paved road all village, Bridges and foot bridge at Zakhele Location & Cacadu town, access roads to graveyard 2. Multi-purpose Centre 3. RDP Houses all villages and towns 4. Shearing shed

		5. Water including household taps as well as Sanitation – Bongolwethu and Cacadu Ext 6. Bulk Infrastructure at Cacadu Town 7. Electricity (Infills and extensions) – all villages 8. Storm water pipes in sub village 9. High School (Lady Frere Jss to be High School 10. Sportfield in all villages and townships 11. Job Creation projects/Programmes 12. Early childhood development Centre 13. Public Toilets –middle class sites 14. Dipping tanks and renovation of Cacadu Ext Dipping tank 15. Fencing Graveyard (KwaZakhele townships) 16. High Mast lights Zakhele Location Cacadu village & Cacadu extension 17. Renovation of the old Age homes- at Zakhele township and Cacadu town 18. Shopping Mall in Cacadu 19. Additional banks 20. Sand mining in ward 4 (revenue generation) 21. Identification of church sites 22. Land sites in town and townships 23. Livestock grazing land in town 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 078 157 3819 **ANC**	1. Water at Mission and Zingxondo) & Sanitation at Mjikweni 2. Access Roads (Paving at Kharavi) and Maintenance (CWP Gravel) 3. Electricity infills and extensions all villages 4. RDP Houses all villages 5. Eradication Alien Plants (Mtsheko and Myksneck) 6. Storm Water- all villages 7. Sports Grounds- All villages 8. Mobile Clinics- Noluthando, Cumakala, Mzi, Dopu, Mission 9. Pre-School- Cumakala, Mzi, Topu, Mission, Makai Snak, Mtsheko, Mzi 10. RDP Houses (per household) move to No.3 11. Fencing- Cumakala, Mzi, Makaisnak, Mission, 12. Shearing Sheds- Mzi, Noluthando, Khavala, Zingxondo, 13. Colbert's- Makaisnak, Mzi, Cavala, 14. Farmer Support- Tractors- Mzi, Cumakala, Makaisnak 15. Renovation of Dipping Tanks- Mzi, Noluthando and Zingxondo 16. Construction of Dams for livestock- All villages 17. Tourism Centre- Mzi 18. Fremantle Boys High School- Access Road from Indwe Road, Temporary Classrooms Grade 8, 19. Deeping Tanks 20. Support for Orphans and Vulnerable Children 21. Bridge- Cumakala
WARD 6	**CONTACTS**	**WARD DEVELOPMENT NEEDS**
SMALL FARM, ROMA MATYANTYA, VULINDLELA GQEBENYA, SOKOLANI, DLAMINI,	Cllr. ZOLA BIDI 060 584 23029	1. Water (Gqebenya, Khundulu, Xonxa, Gando and Mxhiki Sokolani) and Sanitation extensions in all villages

HOLANI, GANDO MXHIKI, XONXA KUNDULU	**ANC**	2. Access Roads – Maqolombeni Road, Noshumi, Sokolani, Emazimeni Road to School and Clinic, paving to Ikhala FET College. 3. Fencing -Fields, grazing camps in all villages including Xonxa Dam, Gandu and Dlamini) 4. Construction of Multi-Purpose Sport Centre at Gqebenya and maintenance of Sports Fields. 5. Shearing Shed and dipping tanks – Vulindlela, Emazimeni, Sokolani. 6. Stormwater at Vulindlela and Gando 7. Construction of Livestock Dams – all villages 8. Early Childhood Development Centre 9. Old Age Centre – Xonxa and Gando 10. Land Care 11. Nonesi Cultural Village 12. Annual Festive Tournament 13. Electricity 14. Khundulu Shearing Shed 15. Farmer Support- Cooperatives for Women, Gran Miller 16. Tools of Trade for War Rooms 17. Water at Masikhule and Mtirara Schools 18. Mobile Clinic 19. RDP Houses 20. Library at Ikhala 21. water and sanitation at schools 22. Bridges and Colbert 23. Ambulance 24. Motor gate, 25. Temporal Classes at Mtirara 26. Tiger Brand Project 27. Speed Signs 28. Mix breed on sheep 29. Mining 30. Matriculates support at Mtirara 31. Xonxa Aqua Cultural and Tourism Centre 32. Xonxa Rural Nodes 33. Eradication of Alien Plants 34. Xonxa Irrigation Scheme. 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 071 826 0542 **ANC**	1. Access Roads & Causeways- Ndungwana & Tambekeni, Dubeni, Noluphondwana bridge 2. Fencing of arable land or grazing along Tar Road 3. Water (Sabalele) & Sanitation (Fani) (as well as expansion of dams) 4. Annual Tournament and Sportsfield- central in the ward 5. Storm water 6. Electricity Extension all villages & Infills 7. Eradication of Allien plant 8. Mobile Clinic- Dubeni 9. Qoqodala skills adult Centre 10. RDP Houses 11. SDF App & upgrading of network 12. Community Hall Dubeni, Bozwana 13. Support SMMEs 14. Vuyolwethu JSS Toilets & water
WARD 8	**CONTACTS**	**WARD DEVELOPMENT NEEDS**

MGQUKHWEBE, BOQO, JOJWENI, NGONYAMA, EJEKENI, UPPER NGONYAMA, VAALBANK, XUSHA, KUBHADI, AGNESS REST	Cllr NOSIBULELO NQONO 082 686 5824 **ANC**	1. Water at all villages and Sanitation (Deep Level, JOJO, & Boqo) 2. Electricity extensions in all villages 3. Access Roads- District Roads all villages and paving at Ngonyama 4. Shearing Shed Ngonyama and Jojweni 5. Economic growth (agriculture in all villages) 6. Fencing of grazing Land 7. RDP Houses 8. Libraries 9. Police Station 10. Construction and renovation of Bridges 11. Sport Fields 12. Renovation and Construction of Bridges- Boqo, Qhing? connect to Jojweni, Deep level 13. Annual Festive Tournament 14. Bus Shelter 15. Community Hall 16. Dipping Tanks 17. Connection of Water- Diesel engines Connection 18. Network Poles 19. Clinics / Mobile Clinics 20. Pay Points 21. Construction of Dams for Livestock 22. Scholar Transport 23. Shopping Mall 24. Wi-Fi 25. Bus to Lady Frere- Qhuqwarhu,Boqo, Boqo, Boqo, Marhwaybeni, 26. Eradication of Alien plants 27. Additional Classrooms, Toilets, Library and Sport fields at Ntsonkotha. 28. Reopening of Vaalbank Clinic 29. Sport fields – Boqo 30. Youth Development Strategy
WARD 9	**CONTACTS**	**WARD DEVELOPMENT NEEDS**
ZWAARTWATER, MDENI, DUM-DUM, GOVA, QUMBU, TABASA, SDWADWENI VAALBANK, EZINGCACENI, BAPTISE, DUKATHOLE, MAYEYE, EZIDENGENI, NYASHE, MAGEMFANENI AND PITOLI	Cllr ZANOXOLO S. QALI 060 457 1385 083 666 3433 **ANC**	1. Access Roads (all villages) and causeways 2. Water and Sanitation- Zwelitsha as well as Backup Borehole, Dum Dum & Mdeni Village 3. Youth Skills Programs: Tools for Farming, Machinery, Seeds for Farming, Machinery for baking, Awareness Campaign 4. Upgrade of Bridges – Gantsho and Bridge to Sizamile School Shearing Shed, Thozamisa, Qimbu, Dumdum, Laduma,Ilanga,Elapesini, Baptise,Buffelosdorings to Mayeye . 5. Dam Construction, Dam Desilting and Irrigation Schemes inKwabhadi, eLapesini, Esilaysini, Lalweni, Mayeye, Ekunene & Masaka. 6. Project Support – all projects including brick makers and farmers (fencing) in Sdwadweni, Tabase, Qumbu, Dukathole, Khowa, Hempe, Mcwangele, Masibambane, 7. Sdwadweni & Thabo Mbeki Ext 8. Network Tower- Vodacom - Gantsho 9. Mobile Police Station 10. Additional Classrooms, Teachers, Scholar Transport, Caretaker and Security, Gardeners? 11. Phase 2 RDP Houses

WARD 10	CONTACTS	WARD DEVELOPMENT NEEDS
BANKIES, NDIMANGENI, NGCALASOYI, BUFFELOSDORINGS, GXOBHO-TSAWULAYO AND TSEMBEYI	Cllr YONWABA N. SIBEKO 073 638 0967 835 321 **ANC**	1. Access roads all villages and DR08654 2. Bridges at Mcwangele 3. Toilets at Zisoyini, Bankies, Bufflesdorings, Mcwangele, Mateyise, Trust and KwaQithi 4. Electricity (Infills and extensions) 5. Water at Mayeye & Mateyise 6. Fencing for Agriculture land & Irrigation 7. Electrification of Hall at Zisoyini 8. Five Tractors 9. Stock Dam- All Villages 10. Closing of Gabions 11. RDP Houses- all villages 12. Sports field – All villages 13. Fencing of R392- from Qoqodala to Bankies 14. Bush Clearing – All villages 15. Mining- Coal, Sand, Bricks, Quaries & Crush stone 16. Network Tower- Mcwangele 7 Willow Park 17. Service Centers 18. Creches- Mcwangele, Helushe, Ndimangeni 19. Themba –Zumana Annual Tournament and Amavarara support
WARD 11	**CONTACTS**	**WARD DEVELOPMENT NEEDS**
MUNIKVILLE, HARRY GWALA, EXT.1, HARRY GWALA EXT. 2, MARAMASTAD, ZWELETHEMBA, ROBINVILLE, UPPER TEMBISA	Cllr MXOLISI P. MASIZA 082 067 2370 **ANC**	1. Electricity (streetlights) Housing electricity at Tyoksville 2. Building of RDP Houses 3. Roads-Paved Sinako road (Internal streets) 4. Education –Tvet College and Chris Hani full-service school 5. Middle income houses and allocation of sites 6. Clinic at Zwelethemba 7. Home Affairs, Sassa Offices, Police station, Post office, satellite etc. 8. Resource center (youth rehabilitation, youth empowerment) 9. Sanitation – flushing of toilets all areas 10. Agriculture (Cheese factory, commonage feedlot, cooperative) 11. Harry Gwala, Hall renovation, Municville hall, Munnikville hall 12. Art Centre 13. Plantation 14. Garage 15. Shopping Centre 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,	Cllr: THANDIWE NDLELA 082 878 1432 **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) 2.Access Roads- All Villages Bridges at Gali Bridge and Causeways in all villages 3.Shearing Shed Nqanda 4.Storm Water all village 5.RDP Houses 6.Electricity – Extensions & Upgrade - Mt Arthur and All Villages 7.Sport Fields-All Villages and Mt Arthur

PARADESI, NCALUKENI, BOMENI, MKAPHUSI		Mt Arthur- Renovation, Security, Fencing, Trees, Additional Classrooms, Septic Tank 8.Day Care Centers 9.Job Creation for Youth 10.Storm Water 11.Cleaners at Clinic 12.Forestation at Mkhaphusi 13.Law enforcement on selling of drugs and imfuyo eyabulayo 14.Mobile Clinic Ngqanda 15Appointment of male candidates for cooking at schools 16.Sorghum Production/ Buyambo Cooperative Support Nguni Bulls
WARD 13	**CONTACTS**	**WARD DEVELOPMENT NEEDS**
PLATKOP, GADLUME, QOBOSHANE, TRUST TSHAMAZIMBA, GXOJENI, KUHELUSHE, TALENI BOOMPLAAS, KWASTOCKS XHUMABHOKHWE, MBOLOMPENI, DYOBUDAKA, MACHUBENI	CLLR VUSUMZI E. MATYOBENI 073 849 0324 **ANC**	1. Main Road paving & Access Road (Luxeni, Helushe, Mazangweni) 2. Bridges at Mission and Helushe and causeway in all villages 3. Maintenance of the main line water pipe and Sanitation – Luxeni, Platkop, Gxojeni 4. Multi purpose centre Qoboshane 5. Electricity Extensions 6. Machubeni Dam desilting and fencing 7. RDP Houses – all villages 8. Fencing grazing land all villages 9. Community Library 10. Pay Point equipment 11. Multi- Purpose Centre (central in the Ward) 12. Slab Bus Shelters 13. Catchment Dams 14. Soyisele Women's Garden (Gxojeni) 15. Construction of Mud made schools – Nobandla, Vuasani & St Cyprians 16. Police Station 17. Taxi Rank – Nkangala 18. Alien Plant Eradication 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,	Cllr MCEDISI QOMOYI 073 3593 079 082 6129 119 **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 2. Shearing shed 3. Electricity 4. Dordrecht Sports ground 5. Sport Grounds in Sosebenza 6. Water and Sanitation 7. Solar Streetlights 8. Zola, Zwelethemba, and Sinako Paving 9. Community Hall 10. Pre Schools- Mrosheni and pre school in the rest of the ward

NXOMFU, TEMBISA AND VILLAGES		11. Clinic in Machubeni/ Boniswa Clinic 12. Youth Centre 13.Kalkfontein Clinic 14.Pay point in Mhlanga 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 067 769 6108 **ANC**	1. Water (Lupapasi, Maqwathini) and Sanitation at Maqwathini 2. Storm Water and channels at Manyano and Mzamomhle 3. Access Roads all villages & paving at Mavuya and Mzamomhle 4. Shearing Shed – Luphaphasi 5. RDP- Houses all villages 6. Bulk Infrastructure (Mzamomhle) 7. Sportfields 8. Tractors -Lupapasi 9. Mobile Clinic- Ida, Guba Farms, Thembelihle and Cegciyana 10. Clinic- Ntsinga, Lupapasi 11. Fencing- Grazing land- all villages 12. Nguni Bulls – Lupapasi 13. Network Pole- Mzamo, Ntsinga, Maqwatini and Ida 14. Extension and fencing of grave yard 15. Tar Road Indwe to Lady Frere, Ida School to Barckly East 16. Electricity Ext-all villages 17. RDP Houses 18. Pre-school- Mzamomhle 19. SAPS Visibility 20. Pay point- Luphaphasi 21. Bridges and Crossways 22. Service Points 23. Fencing of Bricks yard @Indwe, fencing of Ntsinga, Maqwati and Tembelihle 24. Ceiling of Indwe Hall 25. Multi-Purpose Centre 26. Grave Yard 27. Overhead Bridge 28. Manyano Water Upgrade from Ntsinga 29. Maintenance of Streets 30. Water Channels away from grave yards 31. Feedlot 32. Upgrade of Tar road at Manyano 33. Title Deeds- all villages 34. Upgrade of Maqwathini and Thembelihle Road 35. Maintenance of Boreholes Cleaning of tanks 36. Indwe Annual Tournament 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 083 872 0424 **ANC**	1. Access roads whole ward & paving in town, tar roads to Elitheni, tar roads from Indwe to Cacadu 2. RDP Houses whole ward 3. Sport field 4. Electrical Extensions 5. Bulk Infrastructure at Indwe, Water & Sanitation (all villages) 6. Coal Mine must be open 7. Playing ground to be fixed in all wards

		8. Skills Centre 9. Clinic – Chibini 10. Bulk Infrastructure
WARD 17	**CONTACTS**	**WARD DEVELOPMENT NEEDS**
MAQHASHU, NTSINGA, NGCUKA, STONEY CROFT BHAKUBHA ZINGQOLWENI AND NGQOKO	Cllr BABALWA MXATHULE 078 301 0662 **ANC**	Water and Sanitation- Lower Maqhashu, Bhakubha, Ngcuka, Ngqoko, Zingqolweni Electricity Infills and extensions all villages. Access Roads in all villages and paving in Ngcuka. Youth Development Centre at Ngcuka RDP Houses – All Villages Storm Water all villages 6. Plant Ngcuka and Nqoko 7. Pay Points- All villages 9. Deeping tanks- all villages 10. Development and Destilling of Dams 11. Eradication of Lapesi 12. Fencing of Agricultural Land - Ngcuka and Ngqoko, Sewerage Lower Bongolwethu 13.Youth Development Centre 14.Electricity infills and extensions - All villages 15.Mobile Police – Bhakubha 16.Playground- All villages 17.Preschool- ngqoko, ngcuka, bakubha, Lower Maqhashu 18.Bridges and cross ways- all villages 19.Renovation of Pre-Schools- Zingqolweni, Kulile 20.Job Opportunities for Youth 21.Gardening Projects 22.Painting of Schools 23.Eradication of Alien Plants

Out of 17 Community Engagements, top 5 priorities were repetitively identified which are as follows:

- Access road/Rural Roads
- Water and Sanitation
- RDP Houses
- Stormwater/ Bridges/Causeways
- Electricity extensions and infills
- Bulk infrastructure (Ward 4, 11, 14, 15 and 16)

It is important to note that the top 5 priorities have not changed however differ in terms of numbering.

CHAPTER 7 - EXECUTIVE SUMMARY OF THE SPATIAL DEVELOPMENT FRAMEWORK 2024 REVIEW

SPATIAL DEVELOPMENT FRAMEWORK REVIEW, 26 SEPTEMBER 2024

EXECUTIVE SUMMARY

SDF

The Municipal Manager
Emalahleni Municipality
Private Bag X1161
CACADU TOWN, 5410

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, maximize 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 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 10 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, there are areas where the following should be prioritized: - Appropriate levels of development investment in infrastructure and appropriate land use management to promote preferred development outcomes.

The Department of Cooperative Governance and Traditional Affairs (CoGTA) developed the Provincial Spatial Development Framework. Its key objective is to set out a broad framework for investment in a spatially orientated approach to give effect to the successful implementation of the Provincial Development Plan Vision 2030.

At the national sphere, the policy provisions of the Green Paper on Development and Planning (1999), the White Paper on Spatial Planning and Land Use Management (2001) and the National Spatial Development Perspective are the key instruments framing and shaping current spatial planning and development in the Eastern Cape. These introduced a unitary planning system applicable in both urban and rural areas across South Africa and defined the content of spatial planning and land use management for the purposes of the Municipal Systems Act.

The Provincial Spatial Development Plan intends to achieve the following:

- Provision of a coordinating provincial spatial framework to direct public sector investment towards a common vision and set of objectives;
- Provision of a broad policy framework to give direction to all other development agencies in the Province regarding the priorities of government;
- Enable public investment programmes to be more efficient;
- Opportunities to create an environment within which communities and the private sector can operate more effectively to achieve sustainable economic growth in the Province;
- Protection of the natural environmental systems;
- Efficient use of resources at Provincial Level;
- Prevention of duplication of effort by different departments and spheres of government; and
- Enable District Municipalities and Local Authorities to work within a broad policy framework when preparing and updating Integrated Development Plans (IDPs) and Spatial Development Framework Plans (SDFs).

Underpinning the vision of the PSDF, are a set of general and overarching core values additional to those contained in the NSDP; identified as the following:

- Environmental integrity and sustainability,
- Safeguarding all natural resources,

- Densification,
- Integrated Land Use,
- Economy and efficiency of development,
- Achieving synergy and linkages between urban and rural areas,
- Participatory community-based planning as a basis of going forward, and
- Emphasis being placed on “brownfield” development before adopting “greenfield” development.

The more detailed core values and principles in each spatial framework include:

- Active involvement in planning and development by all stakeholders, including communities and Traditional Leaders,
- Efficiency, sustainability of infrastructure with equal access to basic services for all,
- Infrastructure development to promote socio-economic development, achieve positive cost benefits and economic spin offs,
- Local beneficiation of produce and raw materials from agricultural production,
- Increased economic infrastructure to create an investment friendly environment and enhanced connectivity with the region, nation and global markets,
- Professionalism in human resources achieved through education and capacity building,
- Human resources sustainability through equal opportunities, fairness, support, mentorship and skills transfer,
- Compact integrated human settlements with access to basic services, amenities and social facilities; and
- Integrated spatial development plans (SDFs) which are the principal development management tool for all stakeholders, across the wall-to-wall municipalities.

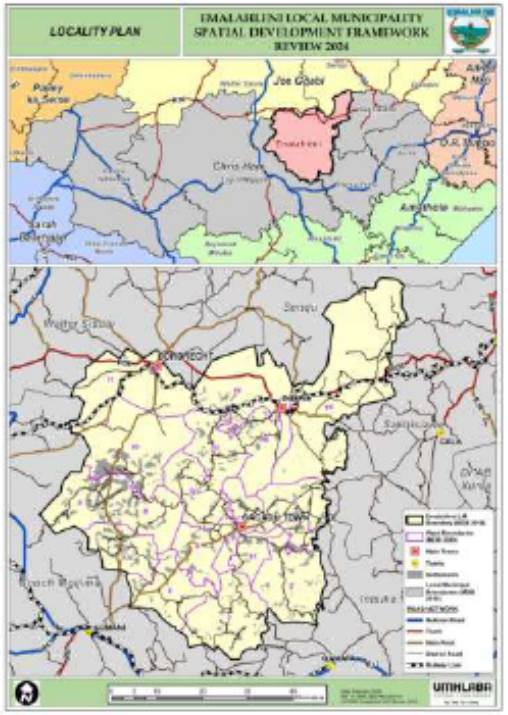
In terms of Spatial Development Principles, the District and Local Spatial Development Frameworks (SDFs) and the various Area Based Plans (ABPs) which are prepared and reviewed on a regular basis guide the provincial spatial planning approach. It is of crucial importance (to attain integrated delivery) that these SDFs become the integrated spatial development plans of all municipalities, reflecting all projects within the municipal and government sector plans, providing strategic spatial proposals for the municipality on a ‘wall to wall basis’.

1 EXECUTIVE SUMMARY

The Emalahleni Local Municipality appointed Umhlaba Consulting Group (Pty) Ltd., to assist the Municipality to review and compile a new SDF for its area of jurisdiction as a legally binding component of the Emalahleni Integrated Development Plan (IDP: 2022-2027).

The Study Area

The Geographic Area of Emalahleni Local Municipality is 3,484.78 km² in extent and is comprised of 17 wards. The Municipal has three urban centres, namely Cacadu Town (formerly known as Lady Frere and is the administrative seat of Emalahleni Municipality), Dordrecht and Indwe, but is largely rural in nature, having the majority of its population reside in some 238 rural settlements.



National Policy Context & Vision Directives

The national development mandate for South Africa is one that envisages a country where "all our people are living in *shared and transformed places in an integrated, inclusive, sustainable and competitive national space economy, with the* core development objectives focussing on inclusive economic growth, job creation and poverty eradication. Of importance to the Emalahleni LM, that supports a large rural hinterland, is that Chapter 6 of the National Development Plan (NDP), 2030, sets out specific targets and goals towards establishing a more inclusive rural economy through integrated rural development.

The new National Spatial Planning and Land Use Management Act, 2013 (SPLUMA) SPLUMA was introduced to "provide a single, uniform framework (system) for spatial planning and land use management" for municipal areas in South Africa. When carrying out spatial planning SPLUMA requires that that the context of each part of the study area is well understood in terms of the following:

- The spatial functional components (urban and rural settlement, agricultural settlement, productive agriculture and forestry use, conservation and sustainable resource use).
- Overlap in, or conflict of, functions of certain areas.
- Who the role players are that are active in decision making and administration in each part of the study area
- Historic and prevailing rights, exclusive rights, communal rights and public rights.
- Traditional and cultural practices that continue to determine the spatial development form and character of the study area.

The Provincial Spatial Development Plan's Spatial Vision is cited as follows (PSDF, 2020: Spatial Development Philosophy. P.13):

"The future spatial perspective of the province over the next 20-50 years could be conceptualised in the context of the Provincial Growth and Development Plan vision of a "poverty free Eastern Cape". Understanding that such a vision would be founded upon a concept of a "modern, ecologically sustainable economy based in agriculture, tourism and industry"' it is believed the future spatial perspective would comprise a spatial development framework of managed urban and rural human settlements clustered in urban settlement regions and corridors, alongside productive agricultural precincts, managed ecological natural resource areas and connected to a network of strategic transportation corridors, open to the global, national and provincial economy."

Regional Context & Vision Directives

Spatial Development **Vision of the Chris Hani District Municipality's SDF** is as follows "By 2050, CHDM will be a sustainable, resilient and people-centred sub-metro region, through economic growth and integrated development for the betterment of its people".

Mission: "To coordinate governance for quality service and better communities through co-operative governance, socio-economic development, integrated development and sustainable utilization of resources"

Key spatial issues and related objectives and strategies of the District Municipality were identified with related objectives and strategic response:-

KEY ISSUE	OBJECTIVE	STRATEGY
Balancing the focus between meeting basic needs and achieving productive investment	1. Ensure availability of minimum acceptable level of infrastructure and services throughout the DM 2. Target strategic investment in areas with demonstrated development potential	1. Identify and prioritise areas of greatest need for social transfers • Special Development Areas 2. Identify areas with enhanced development potential • Settlement of greater Significance • Corridors • Special Development Areas
Spatial fragmentation and the management of land development	1. A more efficient and integrated settlement pattern in the towns and settlement areas of the CHDM 2. A coherent and accepted land us management system addressing the needs of urban and rural environments	1. Promote densification and consolidation of urban and rural settlements wherever possible 2. Develop an interim land use management system based on local social compacts (locally negotiated agreements on processes to be followed to achieve land use management)
Ensure ease of access to opportunities	1. A well-structured road network system allowing for ease of movement	1. Identify centres and product (e.g. agricultural produce) that require linkage 2. Identify and priorities areas where need for improvised access is greatest 3. Priorities maintenance & upgrade of strategic routes

The Emalahleni Municipality's Spatial Development Vision and Mission

Emalahleni LMs long-term **VISION**, as set out in their IDP Review, 2023, reads as follows:

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

The Municipality's **Mission Statement** is given as: -

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

Summary of Key Spatial Development Issues within the Municipality

From the in-depth situation assessment of the Municipal area, the following key issues and related spatial planning informants were highlighted: -

- Focussed strategic development and planning must not be done in isolation of local need and should be ***guided by local knowledge and lifestyle practices inherent to the communities*** living there.
- For under-developed rural areas, the ***importance of linkages and accessibility to areas*** of service / support and opportunity is fundamental.
- ***Fragmentation of jurisdiction over land management functions in urban and rural areas***, which relates to the challenges and threats emanating from a de facto lack of formal control over most of the municipal land area, outside of the proclaimed town areas.
- ***Inefficient and "uneconomical" urban and rural settlement patterns vs the need for providing services to meet basic needs***, which refers to the tension between the reality of the inefficient settlement pattern prevailing in the urban and rural areas of Emalahleni versus the stated need to provide a basic level of infrastructure and social services to all Emalahleni LMs residents.
- ***The challenge, in the long term, is to provide infrastructure and quality social services to all*** settlements in Emalahleni in a sustainable manner. This requires strategic approaches to 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 etc.).

Alignment of Key Spatial Development Issues with the Municipality's Proposed Spatial Development Objectives

Key Spatial Development Issues	*Proposed Strategic Spatial Development Objectives*
For underdeveloped rural areas, the importance of linkages and accessibility to areas of opportunity is fundamental	➢ *To provide a well-structured and well-maintained road network throughout the study area, in partnership with relevant transport authorities, with consideration to the road hierarchy.* ➢ *To ensure the safety of people settled alongside major transport routes and the safety of commuters* ➢ *To priorities roads that enable good access to critical social services to areas of economic opportunity that will ensure the wellbeing of communities*
Fragmentation of jurisdiction over land management functions in urban and rural areas and complex land-legal systems.	➢ *To address land tenure issues through strategic partnerships and cooperative governance in rural areas* ➢ *To develop an agreed upon and accepted land use management system that ensures appropriate spatial management in urban and rural environments* ➢ *Land development is managed in line with a structured approach to settlement design and land development processes to ensure sustainability as a critical outcome.*
Long term provision of infrastructure and quality social services to all settlements and to provide services to meet the basic needs of residents in a sustainable manner. *Inefficient and "uneconomical" urban and rural settlement patterns vs the need for providing services to meet basic needs – hampers efficient and cost-effective provisions of a basic level of infrastructure and social services to all Emalahleni LMs residents.*	➢ *To eradicate basic infrastructure service backlogs in worst-off rural areas* ➢ *To provide basic infrastructure services to areas of greatest need* ➢ *To provide/ augment services and infrastructure to strategic areas of potential economic and social benefit to the municipal area and region.* ➢ *To develop an efficient and integrated settlement pattern in urban centres and their rural surrounds* ➢ *To implement an effective land use management system that responds to the development needs and potentials of the area and mitigates against unplanned and un-managed settlement growth*
Implementing environmental management (wise land use) to ensure sustainable use of resources.	➢ *To conserve critically biodiverse and valuable natural resource areas to sustain important eco-system functioning of important biomes, flora, and fauna and to support LED focus areas within the heritage, eco-tourism, and agriculture sectors.* ➢ *To ensure land management and wise land use practise is implemented throughout the study area.*

Spatial Strategies and Related Structuring Elements

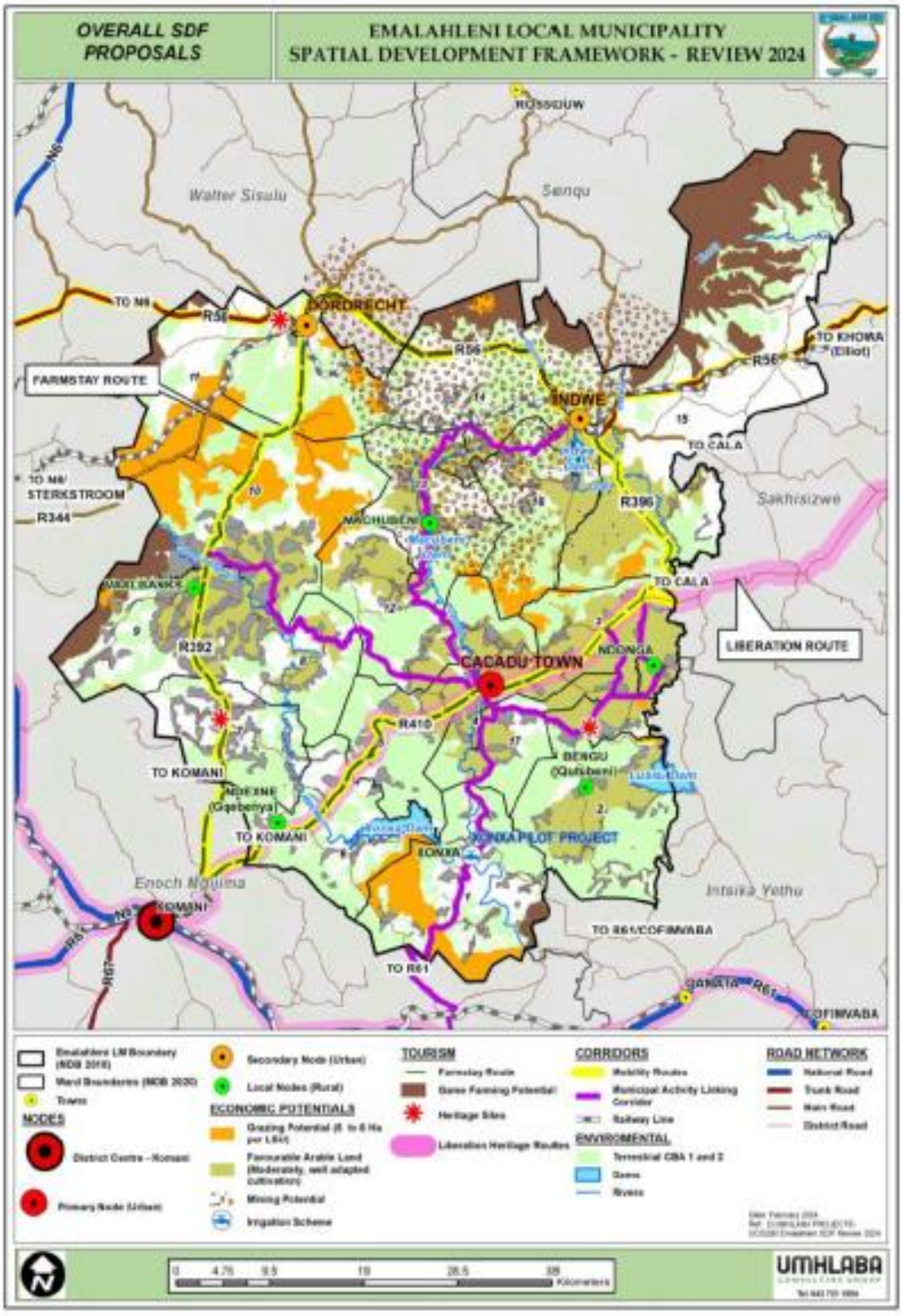
Spatial structuring elements used by the Emalahleni Municipality form the building blocks that guide future spatial planning in the Municipal area include (spatially presented in the plan below):

- **Development nodes**
- **Urban edges**
- **Development corridors**
- **Areas where environmental constraints apply**
- **Strategic development areas (SDAs)**



Overall Spatial Development Proposals

Applied to the Municipality as a whole, along with formulated statements of intent, spatial structuring and outcome management proposals and land use guidelines, the spatial proposals as presented in the overall Municipal Spatial Development Plan (see below), form the core of the Spatial Development proposals for the Municipality for the following 5-year period.



Implementation Plan and Programme - Key Identified Projects and Capital Investment Framework

To take the proposals of the Spatial Development Framework forward, the following projects, related tasks and timeframes are being proposed for implementation, evaluation and monitoring.

INTERVENTION	PROJECT DESCRIPTION / TASKS	PROJECT OWNER	IMPLEMENTING AGENT	APPROX. BUDGET (R)	TIMEFRAME
MUNICIPAL / RURAL LAND AUDIT	Completion and adoption of a comprehensive land audit for the municipal area • Update cadastral, land ownership and land use data / plans	**ELM**	**ELM**	**R300 000.00**	**Short term**
DEVELOP A TITLE ADJUSTMENT PROGRAMME FOR THE TOWNS	• Updating of title deeds which reflect details of absent owners who are not traceable. • To develop/update a data base to improve municipal revenue collection. • To identify and access land parcels, better utilized for residential / business expansion. • Motivate for land transfer (state-owned/other government owned land) for settlement and business expansion • To mitigate illegal occupation of land in urban towns.	**ELM**	**ELM**	**To be determined**	**Short term**
REVIEW - INTEGRATED SUSTAINABLE HUMAN SETTLEMENTS DELIVERY PROGRAMME (ISRHDP) (ELM IDP Review, 2023)	Update / Review of Human Settlement Development Plan for Emalahleni (EC DoHS) • Develop a specific ISRHDP strategy and related tasks: - o Analysis of the urban and rural demand (incl. farmworkers) and associated basic infrastructure services and tenure requirements. o To undertake a land identification and land packaging programme o To undertake feasibility of identified municipal and state land parcels (incl. DPW land) for business planning and land transfer o Assess and prioritise delivery programmes / housing delivery projects – Subject to review of ELM Human Settlement Development Plan	**DoHS CHDM ELM**	**DoHS CHDM ELM**	**To be determined**	**Short term**
UPGRADE / ERADICATE INFORMAL SETTLEMENTS (ELM IDP Review, 2023)	• Develop localised informal settlement strategy. • Localised policy to address tenure related to commonage and possible use thereof. • Formal township layout planning and settlement upgrade in the towns	**DoHS ELM**	**DoHS ELM**	**To be determined**	**Short term**
LOCAL SPATIAL DEVELOPMENT FRAMEWORK PLANS (LSDFs) **LOCAL SETTLEMENT AREA / WARD-BASED PLANNING**	• Prioritise areas where settlement consolidation and spatial planning should be undertaken in identified WARDS / NODAL areas: - o Development LSDFs for rural nodes: Machubeni, Ndonga, Ndexne (Gqebenya) and Bengu (Qutubeni) o Review LSDFs: Vaalbanks and Xonxa ▪ Seek to resolve land tenure issues and invest in required infrastructure networks to unlock value/potential. ▪ Initiate Business Planning to apply for funding for local planning processes of settlement areas and ward-based plans.	**ELM TAs / CoGTA DRDLR; DEDEA, DARD**	**ELM TAs / CoGTA DRDLR; DEDEA, DARD**	**To be determined**	**TBD**
LOCAL PRECINCT PLANNING (TOWNS)	o Initiate business planning to apply for funding to undertake local precinct plans for proposed business development areas within the towns: Dordrecht; Indwe; Cacadu o Town revitalisation, urban design, beautification, transportation and informal trade hubs.	**ELM**	**ELM**	**To be determined**	**To be determined**

LAND USE MANAGEMENT PROGRAMME FOR RURAL AREAS	• Adoption of the wall to wall land use scheme for the ELM and zoning scheme by-laws ○ Incremental implementation of a Land Use Management Scheme (records / mapping) for rural areas.	**ELM TAs DRDLR**	**ELM TAs DRDLR**	**R400 000.00**	**Short term**
	• Generation of settlement edges for rural settlements in accordance with functional use and densities, in consultation with community & traditional leadership structures.	**ELM TAs / CoGTA DRDLR**	**ELM TAs / CoGTA DRDLR**	**R500 000,00**	**Short term**
REVITALISATION OF IRRIGATION SCHEMES	• Implement *Revitalization of Irrigation Schemes Programme*, supported by associated local spatial planning and infrastructural requirements: Xonxa (prioritised), Lubisi, Doringriver, Machubeni Dams. ○ Subject to feasibility and impact on water resources (drought / low rainfall areas)	**ELM DPW CHDM TAs/CoGTA**	**ELM DPW CHDM TAs/CoGTA**	**To be determined**	**Xonxa Scheme – Short term**
Develop and implement a roads and public transport upgrade programme	• Partner with the relevant roads agencies / authorities to develop an agreed upon schedule of road development/maintenance as well as public transport facility development and upgrade. • Ensure that rural roads are prioritised in relation to both critical need (health and safety issues indicate first priority) and then to development opportunity (it is important to ensure that areas where development initiatives are underway are properly linked by passable roads). • EC Dept. of Transport: proposed priority road upgrade list for 5 years (ELM IDP Review 2023, Pg. 392) 1. DR08565 (Bengu – Lanti) 2. DR08576 (R410 – Thaba Maria – R396) 3. DR02624 (R396 – Stormberg Dordrecht Farms) 4. DR08040 (Indwe – Cala) 5. DR08551 (Lady Frere – Indwe) 6. DR02849 (Ida) 7. DR08601 (Lady Frere – Maqhashu) 8. DR08595 (Boomplaas) 9. DR08596 (Mhlanga) 10. Guba Farm roads 11. DR08569 (Drivers Drift towards Rodana) 12. DR08568	**EC DoT / SANRAL**	**EC DoT/SANRAL**	**Ongoing**	**Short term - ongoing**

Monitoring Of Implementation

To ensure that the proposals contained in this SDF Review (2024) are acted upon, it is proposed that the office of the Emalahleni Municipal Manager initiate a process to identify a person to report back to the relevant Standing Committee of Council on a quarterly basis regarding the following aspects: -

1. The application of the SDF and the Land Use Management Guidelines contained therein;
2. The implementation of projects and related activities as proposed in terms of the Spatial Planning, Land Use Management and Development Feasibility Programmes, including the allocation of funding and/or the sourcing of funding for individual projects.

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.).

(SEE ATTACHED SDF 2024-2029)

CHAPTER 8 – EXECUTIVE SUMMARY LOCAL ECONOMIC DEVELOPMENT STRATEGY

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 reviewed in 2022. The review was 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 Enoch Mgijima Local Municipality. The latest review was in 2023 to align the document with SCM policy, after the BBBEE case. Amongst other objectives the LED Strategy remains the key mechanism for business expansion, retention and attraction for further investment. 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 contributes 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 calls Geoscience, and DTI for Elitheni Coal Mine for possible investor
- 14km from R56 to Coal Mine is under construction
- Noticeable growth in Enterprise Development

CHAPTER 9 – HOUSING SECTOR PLAN

HUMAN SETTLEMENTS SECTOR PLAN REVIEW

(2018 – 2022)





EMALAHLENI LOCAL MUNICIPALITY

9.1 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 their 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 coordinating 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 the Human Settlements Sector Plan

9.1.1 PROJECT PURPOSE

The purpose of this document is to analyses 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 utilize 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 prioritizing human settlements projects and obtaining political consensus 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 are 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.

9.2 LEGISLATIVE AND POLICY MANDATES

9.2.1 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 executing the mandate of the Department of Human Settlements with reference to Section 26 and Schedule 4. 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. 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. 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-sized households in designated Restructuring Zones, 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 identify 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 the 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: • Stimulating the Residential Property Market. • Spatial Restructuring and Sustainable Human Settlements. • Social (Medium-Density) Housing Programme. • Informal Settlement Upgrading Programme. • Institutional Reform and Capacity Building. • Housing Subsidy Funding and System Reforms; and 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: Those whose existing shelters have been destroyed or damaged by natural causes, (e.g. tornados, flooding, fire, etc.). Those whose existing houses are located in prevailing situations that pose an immediate threat to their lives, health and safety, (buildings that are not conducive to human habitation, environmentally unsafe areas, etc.) Those evicted or face the 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 a 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 with policies and eliminate risks in the procurement of goods and services to fulfil the provisions of the Public Finance Management Act.

9.3 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. The 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 citizens 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)) National housing policy ***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) ***Funding*** - negotiate for the national apportionment of the state budget for housing and based on DORA formula, determines conditional grant allocations - Sect 3(4) ***Performance Monitoring*** - monitors performance of all three spheres of government against housing delivery goals and budget- Sect3 (2)(c) ***Capacity Building*** – assists provinces to develop administrative capacity – Sect 3(2)(d) and, supports	**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))** *Provincial policy* determined - Sect. 7(2)(a) ***Provincial legislatio*n** to ensure effective housing delivery - Sect. 7(2)(b) ***Capacity Building*** – support and strengthen municipalities - Sect 7(2)(c) and (e) ***Housing development*** – to co-ordinate housing development in the province - Sect 7(2)(d) ***Intervention*** – when municipality fails to perform functions i.t.o. Housing Act - Sect 7(2)(f) ***Planning***- multi-year plan to be prepared - Sect 7(2)(g) ***Municipal Accreditation*** - Sect 10	**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))** ***Housing delivery goals*** – to be set for municipal area in annual housing Plan Sect 9(1)(b) ***Housing development*** - initiate plan, co-ordinate, facilitate, promote, and enable appropriate housing development in municipal area - Sect 9(1)(f) ***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) ***Health and safety*** – Sect 9(1)(a)(ii) ***Efficient Services*** - water, sanitation, electricity, roads, storm water drainage and transport to be provided in economically efficient manner - Sect 9(1)(a)(iii) ***Public environment*** - to be created and maintained to be

National	Provincial	Municipality
and strengthens municipalities - Sect 3(2)(e) ***Consultation*** – promotes consultation between National and housing sector, including other spheres of government - Sect 3(2)(f) ***Communication*** – promotes effective communication i.r.o. housing development- Sect 3(2)(g)		conducive to housing development- Sect 9(1)(d) ***Conflict resolution*** - in respect of conflict arising in housing development - process - sect 9(1)(e) ***Bulk and revenue generating services***- to be provided by municipality where not provided by specialist utility suppliers – Sect 9(1)(g)

9.4 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 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 subsidized accommodation through institutions, to people who qualify for individual ownership subsidies on the basis of secure tenure such as rental, instalment sale, share-block, etc. This subsidy type is utilized through social housing
People's Housing Process (PHP)	To support people who want to build or manage building their homes themselves to access consolidation, project-linked, institutional and rural housing subsidies as well as other support measures.

National Housing Programme	Policy Objective
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. This 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 people, households with income between R800 and R3 500 per month who are not able to enter the formal private rental and social housing market.

9.5 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 questionnaires 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 questionnaires. 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.

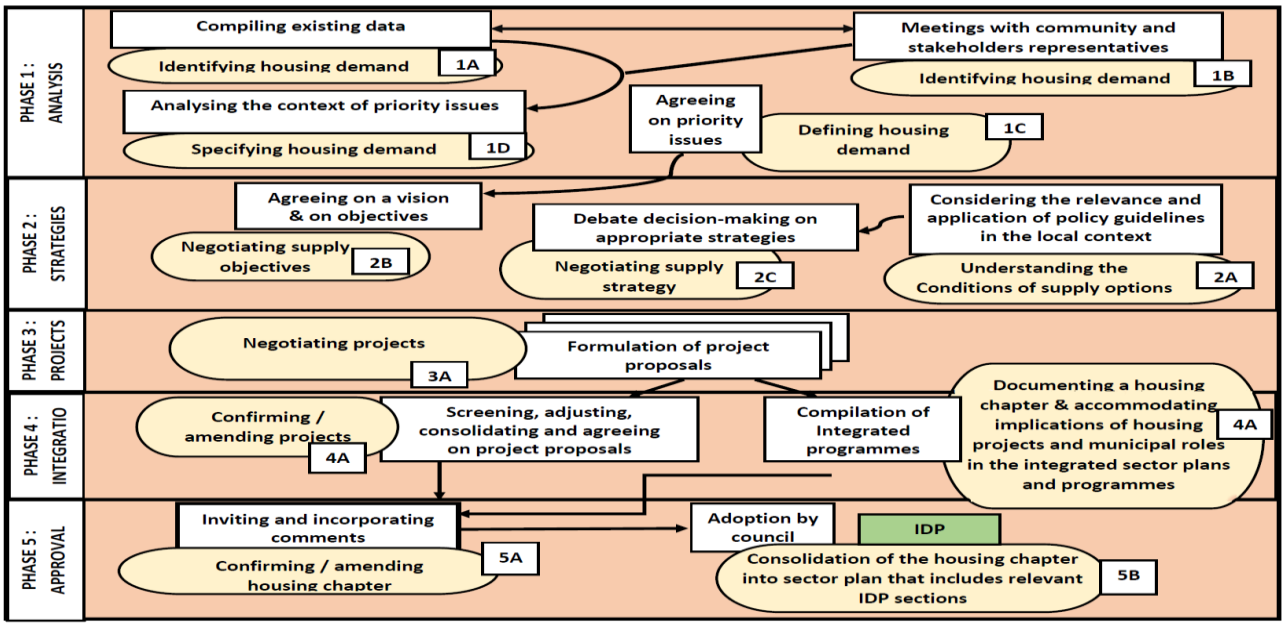
Phase 5: Final Human Settlements Sector Plan and Approval

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



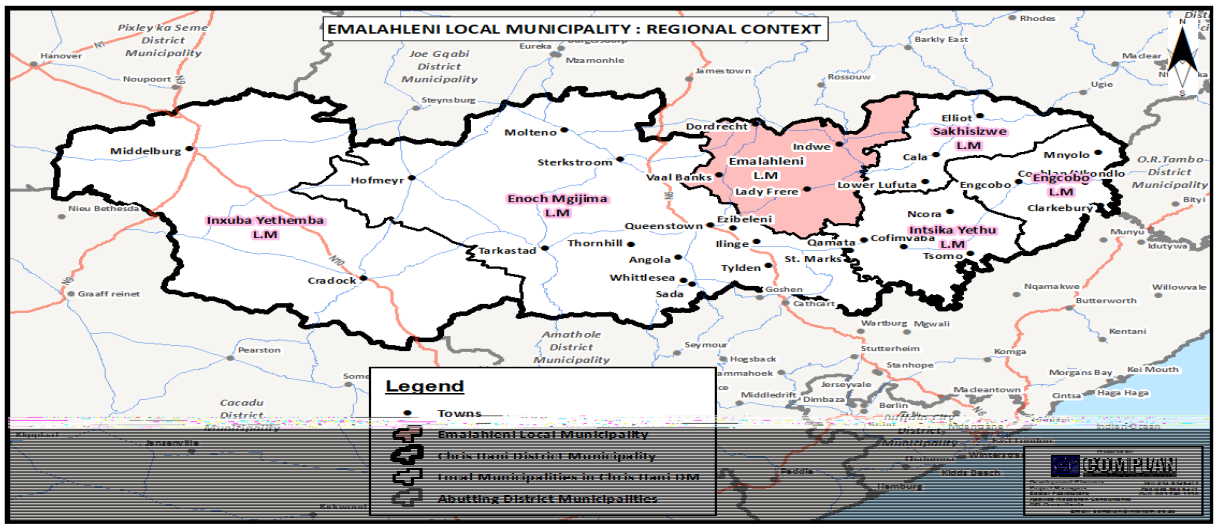
Adapted from Municipal Housing Sector Manual, 2006

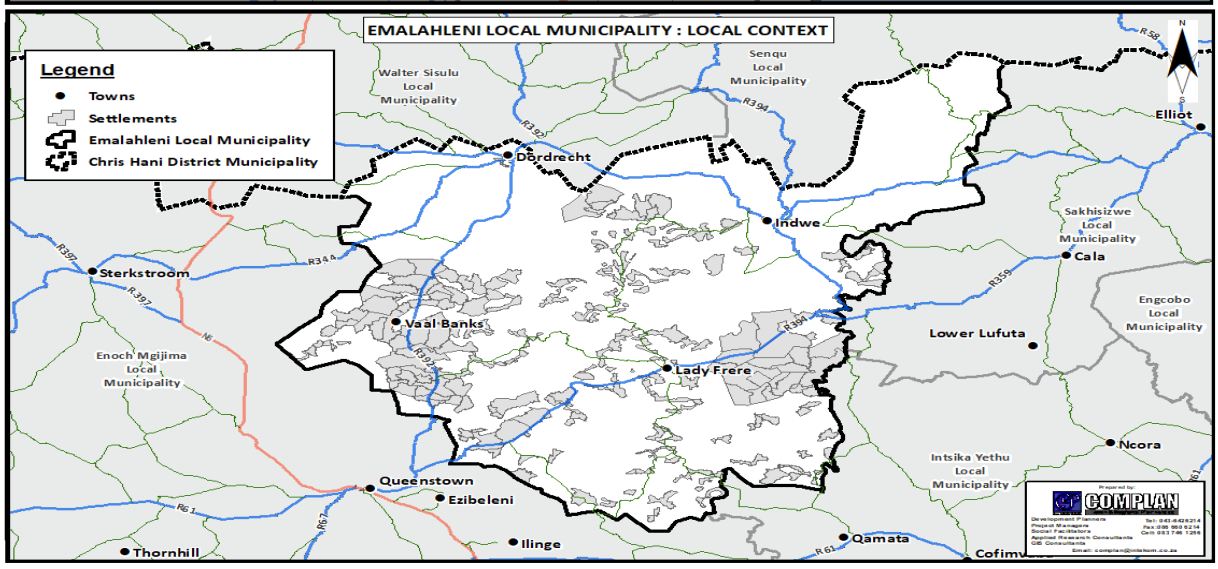
9.6 LOCALITY AND DESCRIPTION

The Emalahleni Local Municipality (ELM) is located on the northern central part of the Chris Hani District Municipality (CHDM) with major centers in Cacadu, Dordrecht and Indwe. It is approximately 16km Northeast of the town of Queenstown which is the district's administrative center. It has

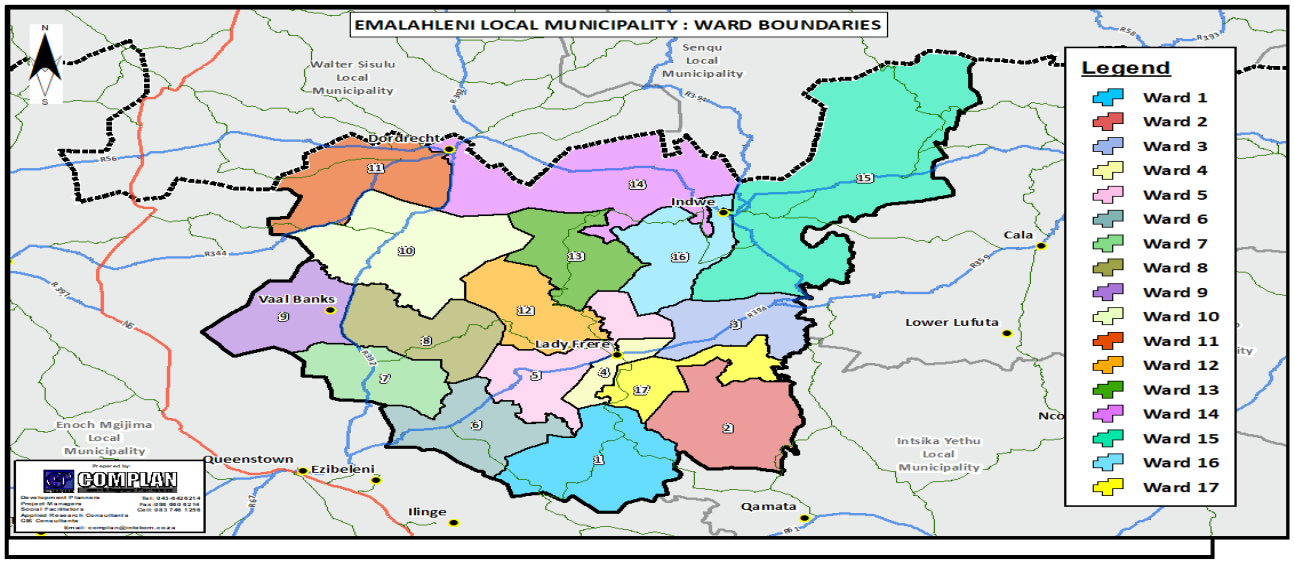
seventeen (17) wards and consists of an extensive rural component. The Emalahleni local municipality is comprised of 17 ward boundaries.

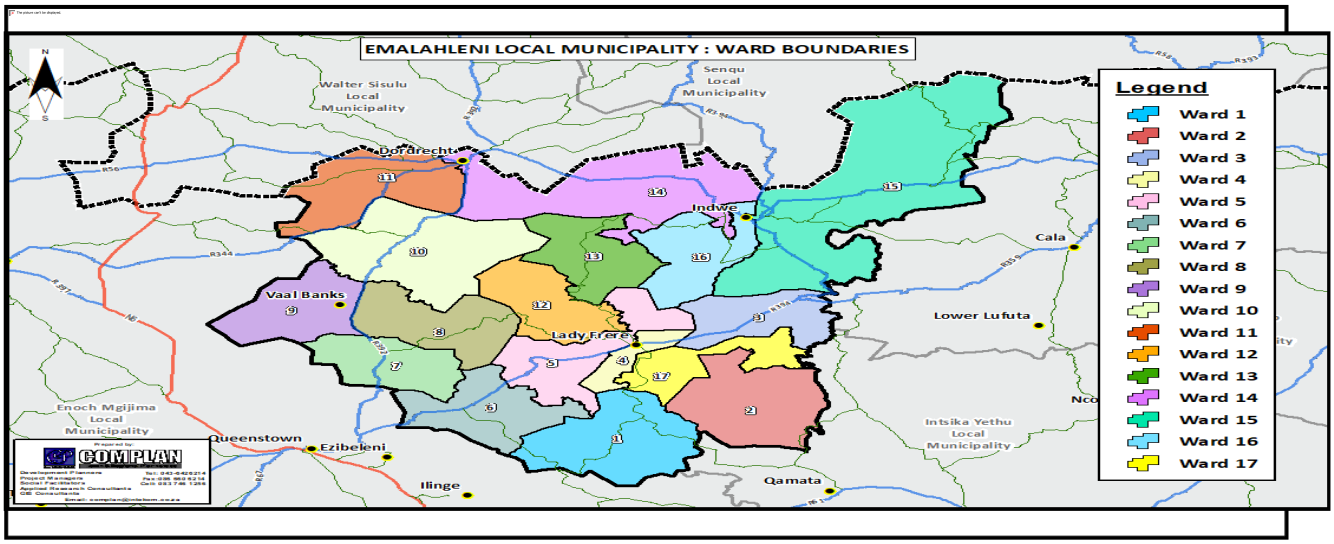
Plan 9.5-1: Regional context



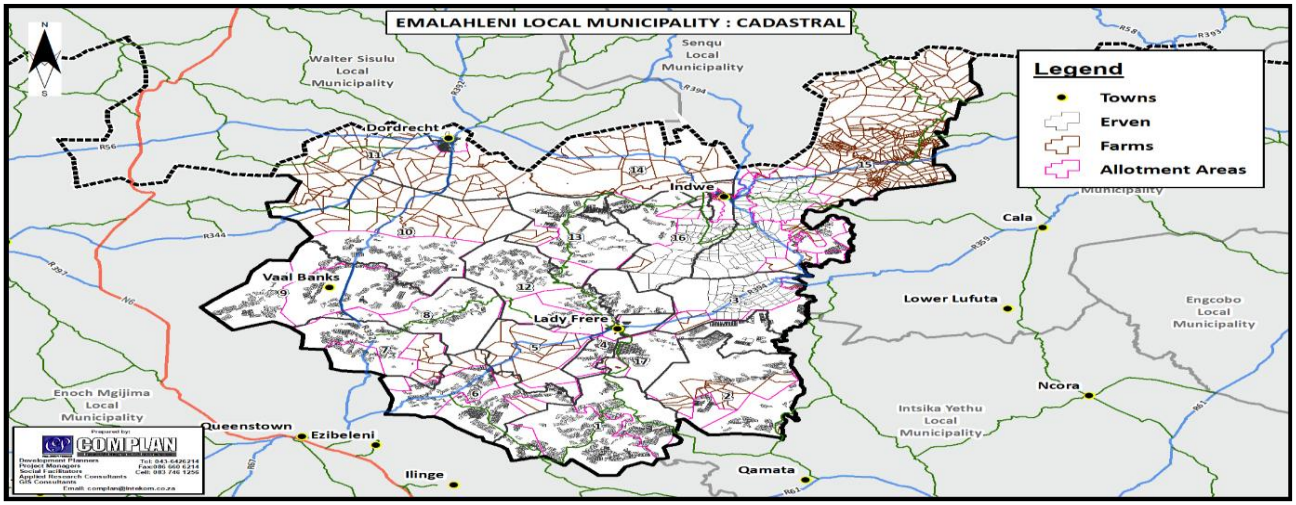


Plan 9.5-2: Local context





Plan 9.5-4: Cadastral



9.7 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 in terms of demand and allocation of resources i.e., housing, social amenities, and economic opportunities.

Table 9.5-1: 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

Population Projection

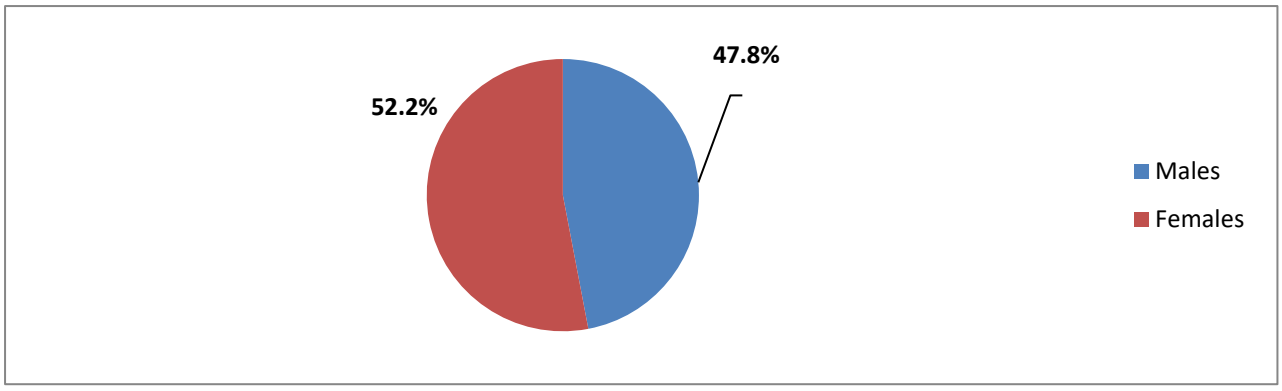
The HSSP should provide a trend analysis to inform future growth. Population projections have become very important in predicting the development of a particular area in terms of housing provisions. Through population projections, the municipality will know how many houses, schools, job opportunities, 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 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.

9.7.1 Gender Distribution

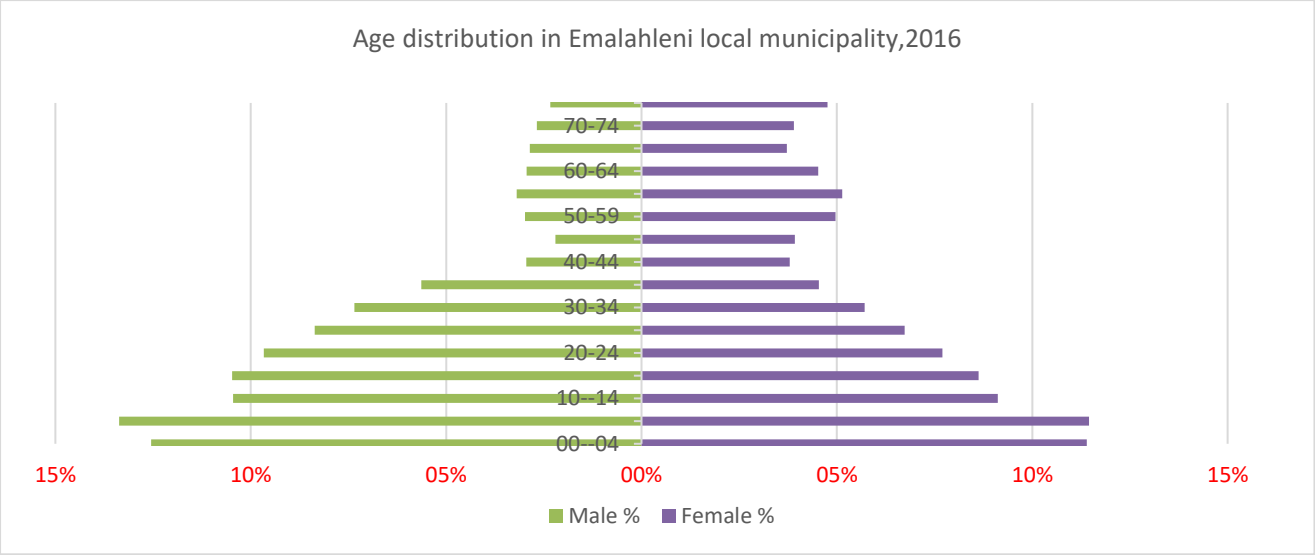
In terms of gender distribution, females dominate with 52.2% (65 042) while males account for 47.8% (59 490). This means that there are more females in the study area than males. The different in the ratios might be attributed to high mobility of the male population to other places of employment in search 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 9.5-1: Gender Distribution



Source: Community Survey, 2016

9.7.2 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 the 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.

9.7.3 Employment status

About 14.2% of the 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

9.7.4 Income level

Household income is an important determinant of welfare in 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 affects the household's ability to pay for municipal services.

Table 9.5-2: Monthly Household Income

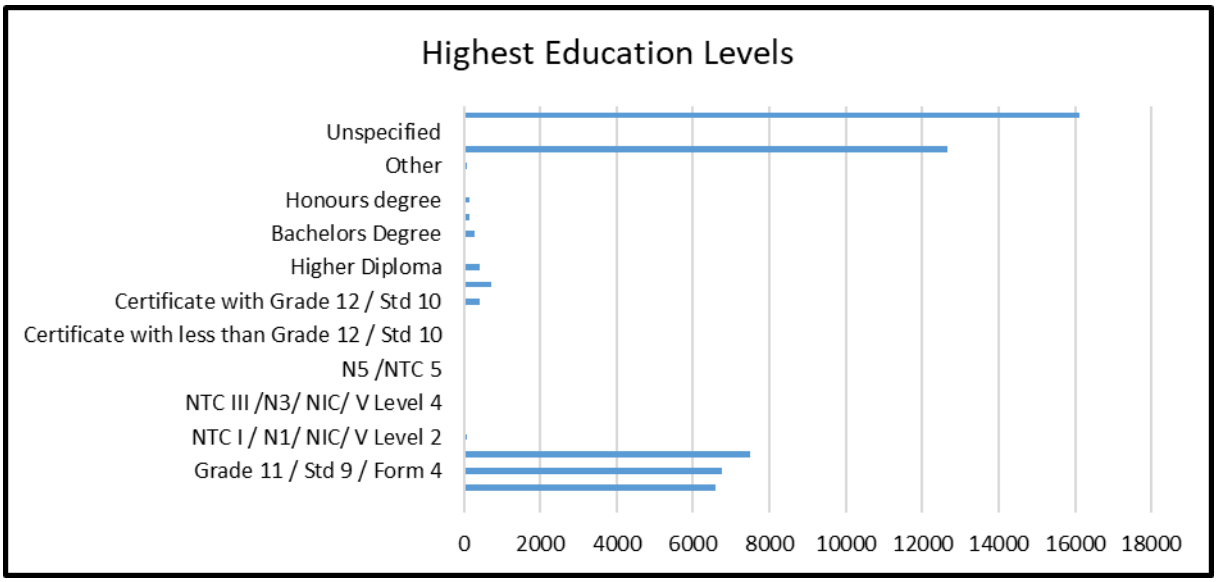
Monthly household income	2001		2011	
	No	%	No	%
No Income	8911	34.18	4803	15.15
R1-R400	1961	7.52	2037	6.42
R400-RR800	8332	31.96	3471	10.95
R800-R1600	4127	15.82	9414	29.70
R1600-R3200	1486	5.70	7836	24.72
R3200-R6400	751	2.88	2292	7.23
R6400-R12 800	337	1.29	975	3.07
R12 800-R25 600	101	0.38	546	1.72
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

9.7.5 Education level

About 35% of the entire population has no schooling whilst only 5% of the population has matric (Grade 12) qualifications 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 the population has no schooling at all.

Figure 9.5-2: Highest education levels



Source: Statistics SA 2011

9.8 SOCIO-ECONOMIC INDICATORS

The ELM is in 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 summarized 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 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.
- The 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.

9.9 INFRASTRUCTURE ASSESSMENT

Bulk water and sanitation projects

The most significant sources of water in the ELM comes from the Munich, Anderson, Machubeni and Doring Rivier (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 utilizing its allocation. Water reuse opportunities in the area are limited.

9.9.1 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 Machubeni 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 into two off-site reservoirs from where it gravitates to a network of domestic, commercial, and institutional connections in the town.

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 receive raw water through a pumped system from the Anderson and Munich 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 gravitate 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 Minersville, 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.

9.9.2 Household access to water supply

There has been a great improvement in the provision of water supply in ELM between 2001 and 2011 as only 7.4% of households 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.

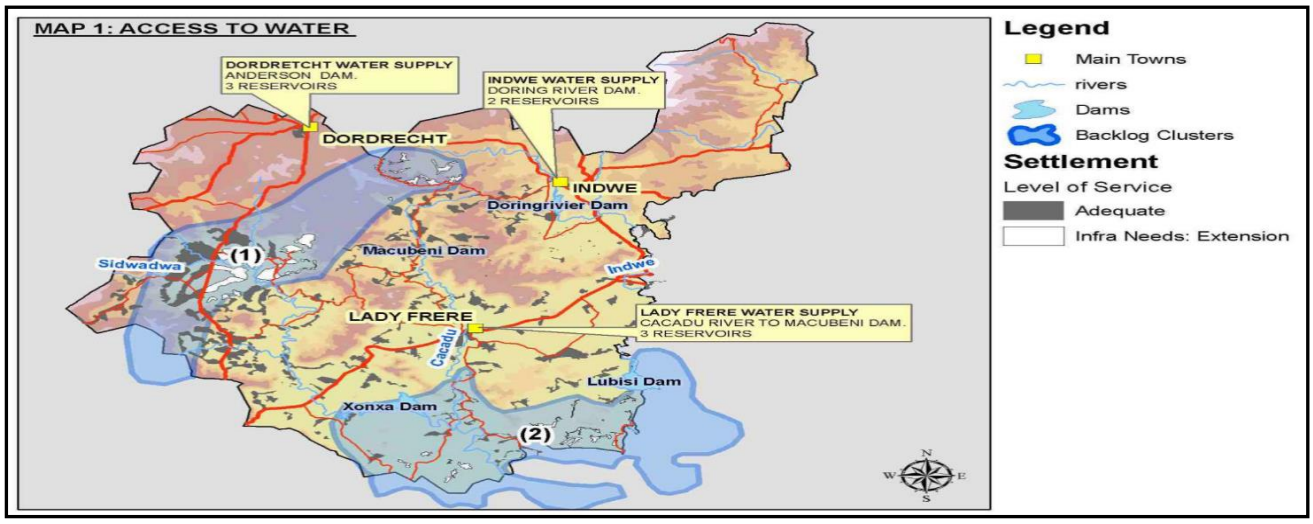
Table 9.5-3: Household access to Water Supply

	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

	2001		2011		2016	
Water Supply	No	%	No	%	No	%
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 9.5-5: Access to water



Source: Emalahleni IDP 2016/2017

9.9.3 Sanitation Supply

Cacadu

Sewage from the town of Cacadu and its townships in the Chris Hani District is currently treated at 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 effect 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 work 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.

9.9.4 Household Access to Sanitation

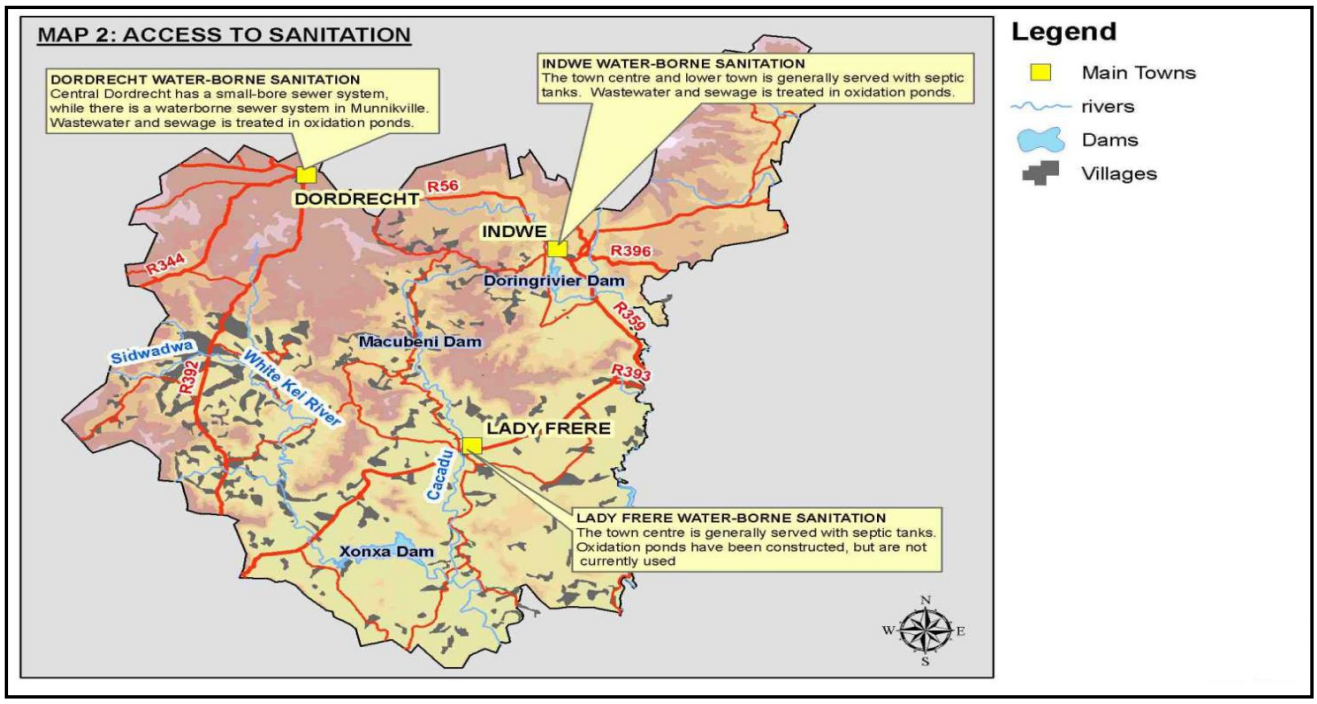
In access to sanitation services, there has also been a great improvement in Emalahleni LM. Households without access to sanitation services have decreased from 31.6% in 2011 to 29.2% in 2016. Households with access to sanitation facilities in form of flush toilets either connected to sewerage system or with septic tanks increased from 13.2% in 2011 to 17.8% in 2016. The sanitation backlog in the municipality currently stands at about 46.6%

Table 9.5-4: 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 9.5-6: Access to sanitation



Source: Emalahleni IDP 2016/2017

9.9.5 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 9.5-5: 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	-	-

Refuse disposal	2001		2011		2016	
	No	%	No	%	No	%
Total	26 066	100.0	31 680	100.0	27 008	100.0

Source: Census 2001 & 2011 and Community Survey, 2016

9.9.6 Electricity Supply

Electricity in the municipality is the main energy source for lighting. In 2011, 79.4% of households had access to electricity, which slightly increased to 79.4% in 2016, indicating an improvement by 0.4%. The remaining 20.6% of the households use alternative energy sources which include gas, candles, solar and the majority using paraffin.

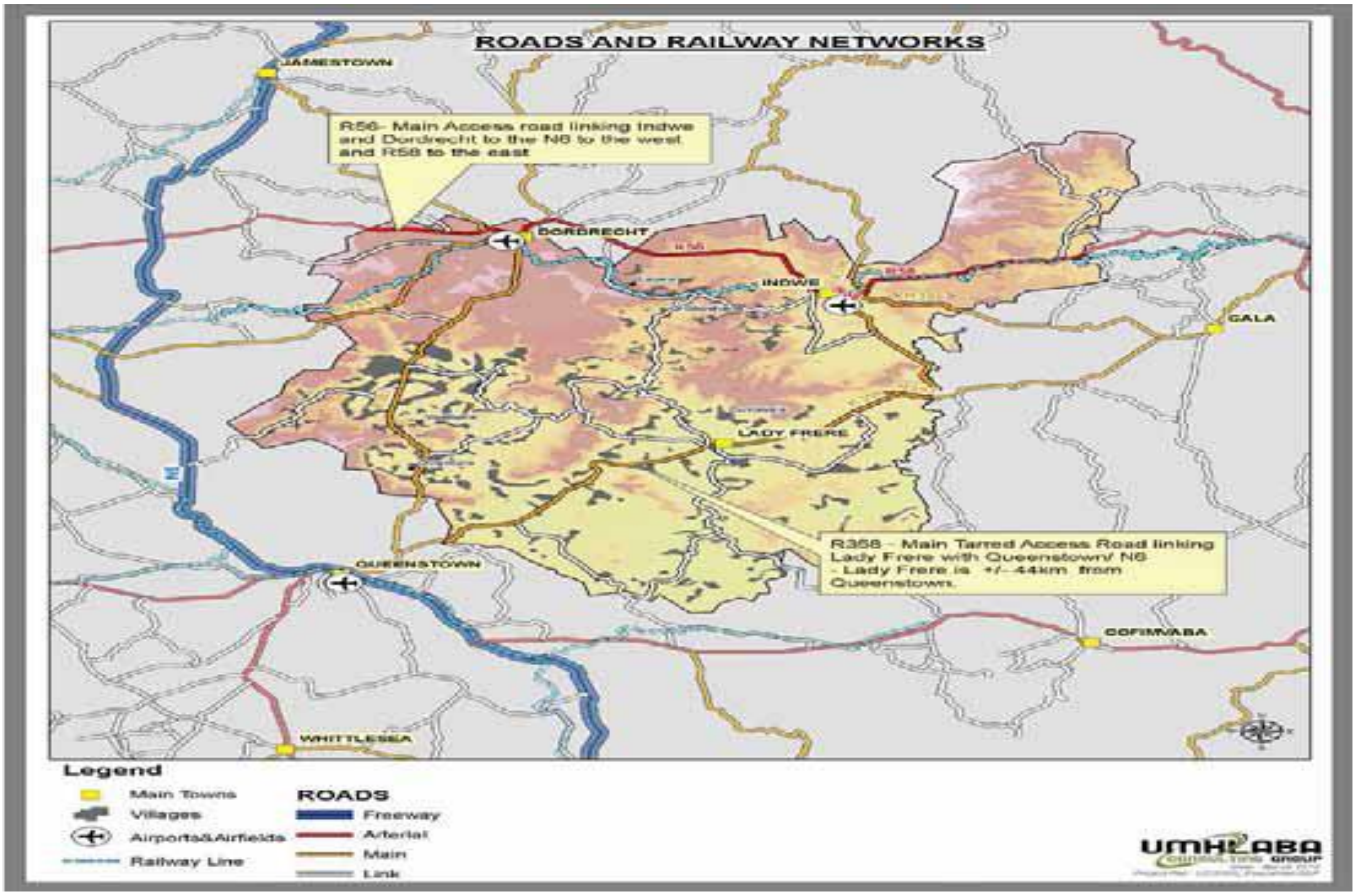
Table 9.5-6: Sources of energy

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

9.9.7 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 characterized 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.

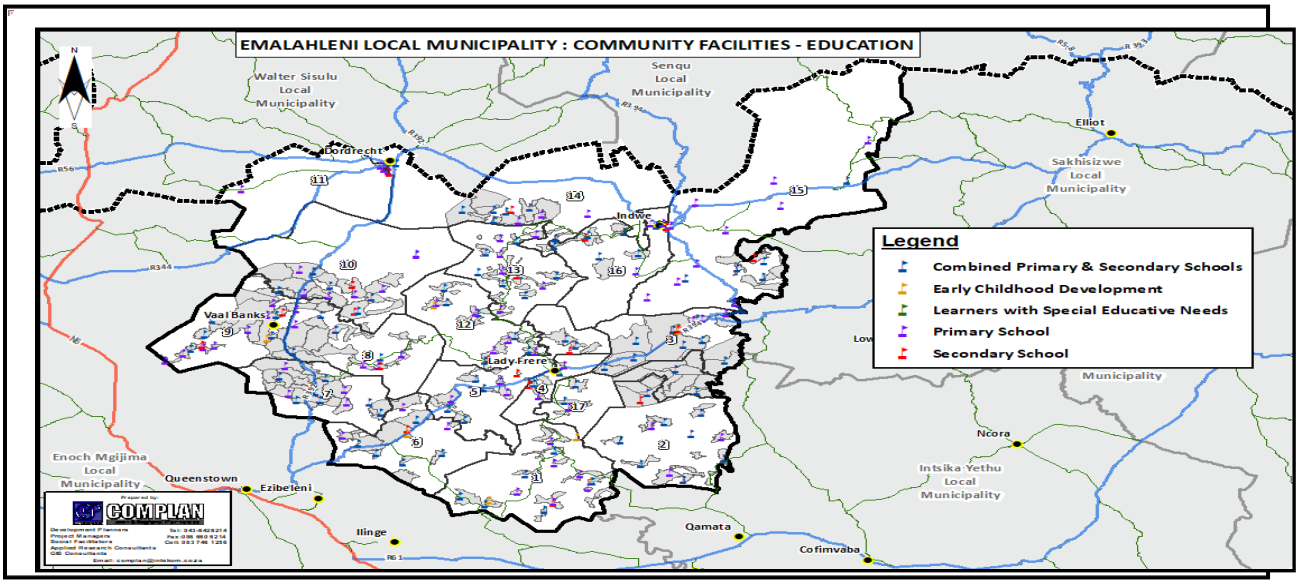


COMMUNITY FACILITIES

9.9.8 Education facilities

There are approximately 173 schools servicing Emalahleni LM. The distribution of these schools is illustrated in plan below.

Plan 9.5-7: Functional and registered educational facilities



9.9.9 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 9.5-7: Library Facilities

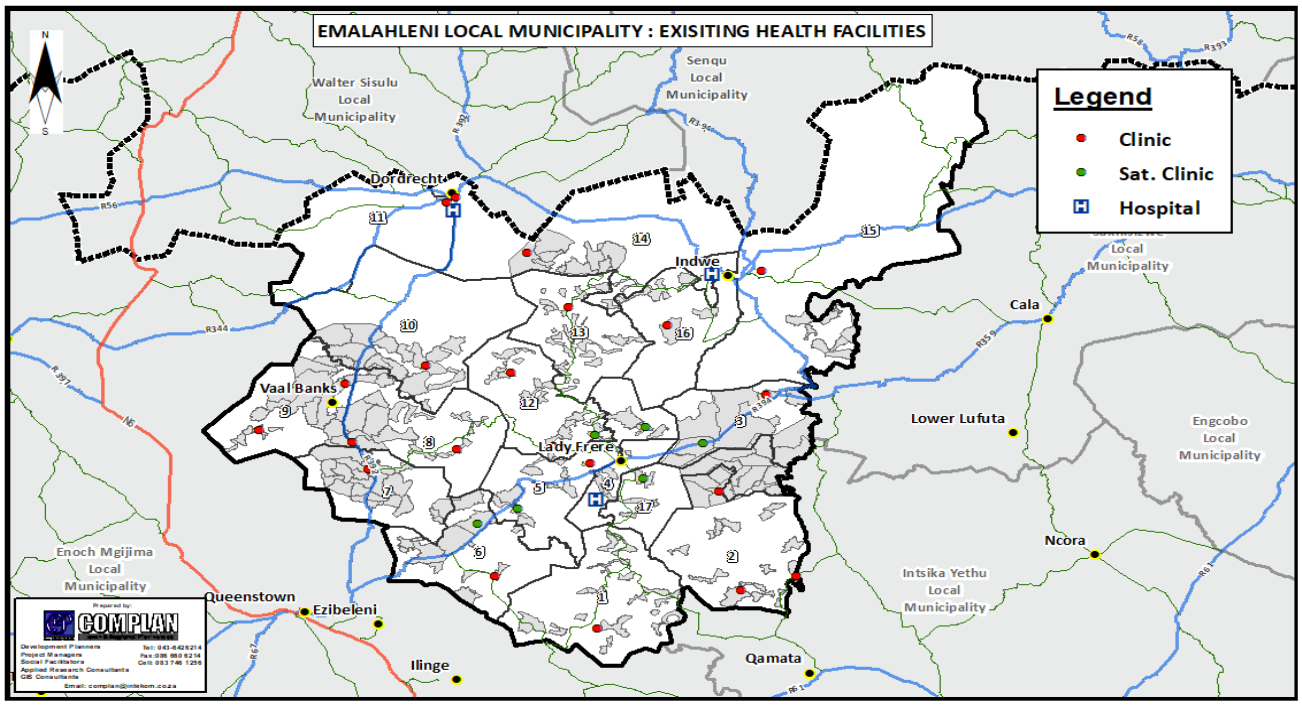
Area	Library
Cacadu	1. Bengu Modular Library
	2. Mhlanga Library
	3. Tsembeyi Modular Library
	4. Cacadu Library
Indwe	1.ndwe Public Library
Dordrecht	1. Dordrecht Public Library

9.9.10 Health Facilities

There are currently 35 medical & primary healthcare 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 are 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 to mountainous topography.
- Shortage of nurses and doctors

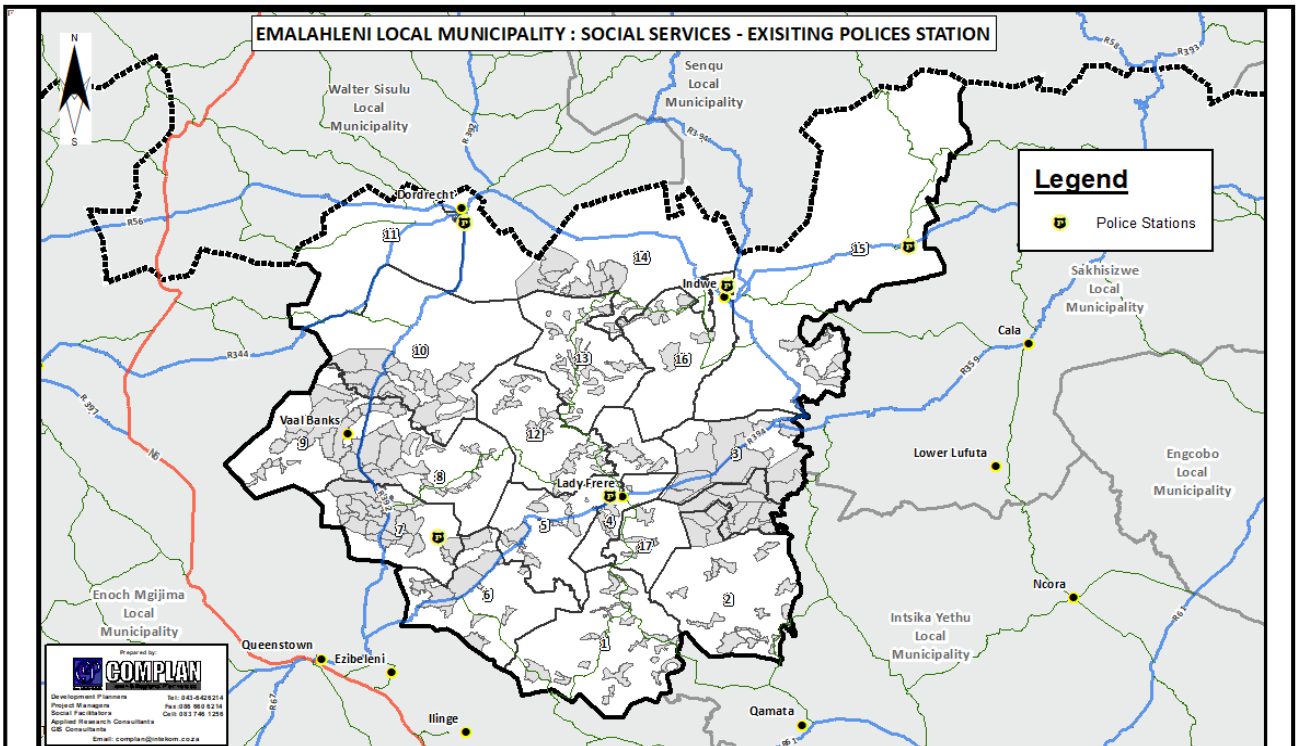
Plan 9.5-8: Existing Health Facilities and their location in terms of wards



9.9.11 Safety and security facilities

There are currently 5 Police Stations in the Emalahleni Local Municipality.

Plan 9.5-9: Existing Police Stations



9.9.12 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.

9.9.13 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.

9.9.14 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 channeling 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 a parking bay, storm water channeling and roads have been implemented

9.9.15 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 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 with the support of the Department of Environmental Affairs. There is currently no plant and equipment for Landfill Site operation, however the 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.

9.9.16 Parks, Recreation and Sport facilities

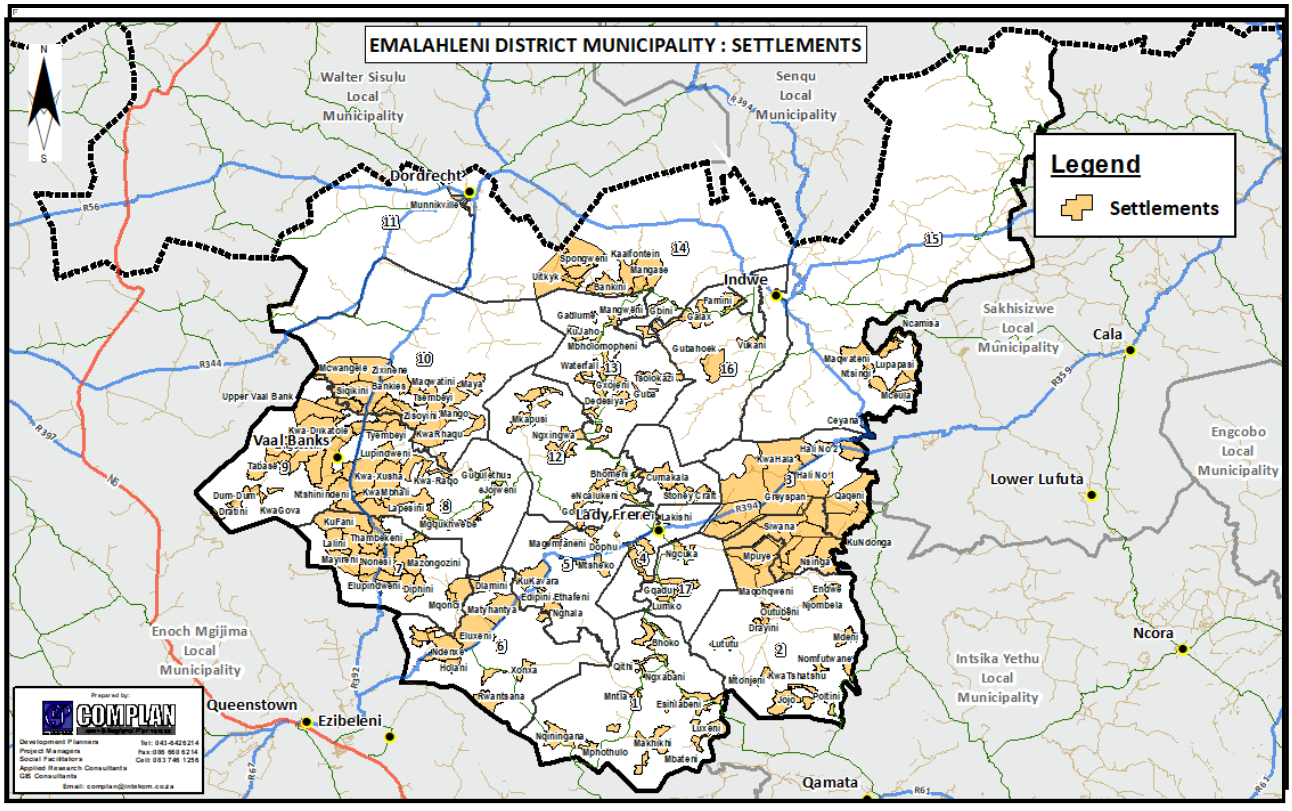
The Municipality has two Parks at Indwe and Dordrecht that need to be revived and MIG budget has been set aside for 2016/2017. A site has been identified, and concept designs have been conducted for the development of a Cacadu Park. Funds are being solicited for open space management and parks development. The municipality has three Sport Stadiums located in three towns. The Stadium in Cacadu is currently undergoing upgrading.

9.10 SPATIAL ANALYSIS

9.10.1 Settlement Patterns

The settlement pattern is characterized by compact urban areas and scattered rural settlements. It is then followed by informal (peri-urban) settlements and lastly very formally planned, characterized by high densities and a relatively high abundance of municipal services.

Plan 9.5-10: Settlements

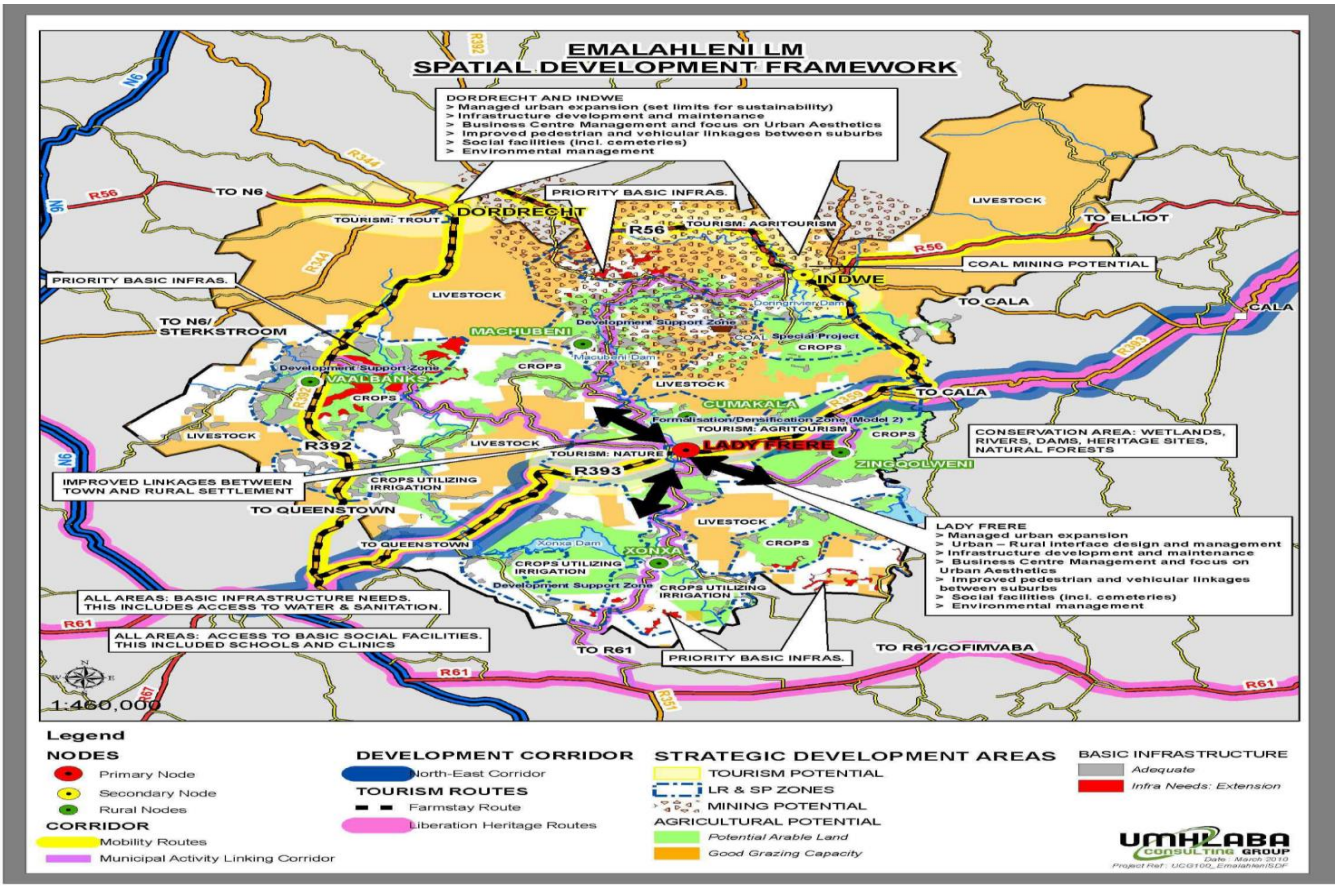


9.10.2 Settlement Hierarchy

Node	Name	Role	Spatial Priorities
Primary Urban Development Node (Sub-District Service Centre	Cacadu	• Retail, Industrial and Administration Node in LM • Centre of excellence for Social Services • Cater for permanent and temporary residents • Potential for agro-industrial processes	• Managed urban expansion • Urban – Rural interface design and Management • Infrastructure development and Maintenance • Business Centre Management and focus on Urban Aesthetics • Improved pedestrian and vehicular linkages between suburbs in town • Social facilities (incl. cemeteries) • Environmental management
Secondary Urban Development Node Local Centres	• Dordrecht • Indwe	• Local-scale Retail, Industrial and Administration Nodes • Cater for permanent and temporary residents • Potential for value-adding agro-industrial/mining process	• Managed urban expansion (set limits for sustainability) • Infrastructure development • Business Centre Management and focus on Urban Aesthetics • Improved pedestrian and vehicular linkages between suburbs in town • Social facilities (incl. cemeteries) • Environmental management
Rural Nodes (Sub-Local Centres)	• Vaalbanks, • Machubeni, • Ndonga, • Xonxa • Cumakala	• Commercial and Social Facilities serving surrounding rural areas	• Basic level of service extension (Cumakala) • Local planning to maximise use of resources (Vaalbank, Machubeni, Ndonga, Xonxa) • Local land use schemes to be extended (Xonxa) • Linkages of towns and the market (Vaalbank, Machubeni, Ndonga.

Node	Name	Role	Spatial Priorities
Rural Settlements	Rural settlements across the municipality	• Primarily residential and livelihood subsistence function • Some provision of limited social goods and services	•Basic level of service extension •Local planning to maximize use of resources •Local land use schemes to be negotiated

Source: CHDM SDF 2015



9.10.3 Development Corridor

R56 road is the primary corridor which links 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)

9.11 LAND ISSUES

9.11.1 Land tenure and ownership

The Municipality is faced with a high demand for housing and the efforts to keep 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 9.5-8: 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	253

9.11.2 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 a 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 9.5-9: Land demand for housing development

Ownership	Hectares
Cacadu	152
Indwe	58
Dordrecht	45
Total	255

Source: Housing Sector Plan, 2014

9.11.3 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 audits 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)

9.12 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.

9.12.1 The CHDM 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 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 the 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 the 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.

9.12.2 Emalahleni Integrated Development Plan (IDP) 2022 – 2027

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 (2022 – 2027) 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)

9.12.3 Emalahleni Spatial Development Framework (2017)

The Spatial Development Framework provides twelve additional secondary activity nodes distributed throughout the 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 Judo 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.

10 HUMAN SETTLEMENTS ASSESSMENT

10.1.1 Housing Types and Backlogs

Progress in the provision of adequate housing has been marked in the ELM. In 2016, formal houses which are 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 10-1: 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

10.1.2 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 800	Mixed Development	Mixed Development	2023/2024	800
Cacadu Ext 3 &4	Mixed Development	Mixed Development	2023/2024	800
Dordrecht 800	Mixed Development	Mixed Development	2023/2024	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**

Progress on current projects:

Project Name	Project Budget		Project Deliverables		Start & Completion	Challenges and Outstanding issues
	Budget	Expenditure	Project Scope	Units Completed		
Zwart water 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	The contractor is on site. However, construction activities are moving at 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	A contractor has been recently appointed and busy with the contracting process thereafter introducing it to municipality. Contractors 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 Neba vest 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

11 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 also provides emergency houses. The Division is made up of housing components and the administration of estate components.

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.

12 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. • 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
Socio-Economic indicators	• In terms of gender distribution, females dominate with 52.2% (65 042) while males account for 47.8% (59 490). • 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). • About 14.2% of the working-class population is employed and 85.8% of the economic active population is unemployment and rely on government subsidies. • 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 the very low-income category. The bulk of the households, 71.8%, earn R3 200 and below. • About 35% of the entire population has no schooling whilst only 5% of the population has matric (Grade 12) qualifications and above. The level of educational attainment is relatively very low. • There are 306 child headed households in Emalahleni
Spatial Planning	• The settlement pattern is characterized by compact urban areas and scattered rural settlements.

	• The ELMSDF identifies that Cacadu is a primary node whereas Indwe and Dordrecht are secondary nodes. • In terms of development corridor R56 is identified as a primary corridor whereas R392 and R359 are secondary corridors in the municipality • The area covered by the Emalahleni local Municipality is characterized by compact urban areas and sparse rural settlements. • The IDP also highlights social, economic and infrastructure projects which support the 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. • In terms of sanitation, about 29.2% of households have no access to sanitation facilities and about 1.7% of households rely on budget systems. 15.7% of households rely on Pit toilets without ventilation. The backlog in terms of sanitation stands at 46.6% within the municipality. • About 79.4% of households have access to electricity supply and the remaining households (20.6%) rely on other forms of energy supply. • 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. • The rest of the municipal area is serviced by gravel roads that link farms and rural towns to the major routes. It is often characterized 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. • 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. • 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 are 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 to mountainous topography. • Shortage of nurses and doctors • There are currently 5 Police Stations in the Emalahleni Local Municipality. • Emalahleni Municipality has 19 community halls, 5 community halls need major renovations, 4 are under construction. • 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 ELM since 2001. However, inadequate dwellings constitute an important component of housing need, that is, a backlog of 9624 in 2016. • Traditional dwellings 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. • 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. • The presence of 132 households residing in informal flats and/or rooms in backyards as well as those using caravan and tent calls for demand for rental accommodation provision, especially in the urban nodes. • There are 22 households currently residing in informal dwellings not in backyards and this indicates a need for slum upgrading and/or rental accommodation
Land Assessment	• Land set aside for housing development is privately owned • 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. • In some cases, the municipality is assisted by consultants, especially in areas such as building construction, service installation and top structure construction. • 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.

13 STRATEGIC FRAMEWORK REVIEW (CHECK FOR ELM VISION)

13.1 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.

13.1.1 Consolidated strategic Goal and Objectives

Strategic goal	Objective
GOAL 1 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.
GOAL 2 Scale up of the delivery of subsidized human settlement delivery to meet the demand.	**(i) Strategic planning for human settlements delivery** (a) Conduct an annual environment analysis in order to review and revise the annual human settlements sector plan. (b) To develop localized policies to create a more enabling environment and to manage the mushrooming of inadequate human settlements.
	(ii) Project pipeline (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. (b) To plan projects that are aligned with the provincial human settlement's sustainability criteria (c) To submit new projects to the province for funding approval and technical support
	(iii) Land and land packaging (a) To undertake a land identification and land packaging Programme. (b) To understand the land reform Programme and to create a linkage with such a Programme.

Strategic goal	Objective
	(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 (a) To engage with the infrastructure officials and plans to seek prioritization and alignment with human settlements Programme.
	(5) Integrated Sustainable Rural Human Settlements Delivery Programme (inclusive of Farm Worker accommodation) (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 (a) To package projects in terms of top structure, undertake procurement of contractors and to initiate project construction. (b) To undertake project management of all current projects in order to ensure good quality and timely completion. (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. (d) To have a dedicated Programme to close out blocked projects. (e) To Programme the rectification needs of the current projects.
GOAL3 To build a suitably structured human settlements unit in	(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.

Strategic goal	Objective
order to meet the human settlements delivery mandate	(ii) To develop the internal organization 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 To formalize the required institutional structures to support the Municipality in meeting its human settlements delivery targets	(i) Strengthening 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. ▪ Investigate the feasibility of human settlements projects in the municipal area (urban and rural).
	Scaled up supply of state funded human settlements delivery to meet demand.	▪ Land Acquisition ▪ Appointment of competent contractors. ▪ Prioritization of human settlements development applications. ▪ Investigate and determine the human settlements need in the entire Municipal area. ▪ Refurbish old houses.

Programme 2	Eradicate all squatters and Informal Settlements with provision of Housing for Middle Income Earners	▪ Land Identification and Town Planning Establishment processes ▪ Developed Strategy for Households in Traditional Structures in Rural Areas ▪ Develop Strategy for Rural Housing and Human Settlements ▪ Develop Strategy for informal/in-situ upgrading. ▪ 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 formalize the required institutional structures to support the Municipality in meeting its human settlements delivery targets	▪ Procurement + tenders is a problem. ▪ A professional team is needed. ▪ Local Municipality is performing Provincial roles. ▪ Strengthening and reinforcement of IDRs ▪ Continued involvement of all relevant stakeholders. ▪ 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. ▪ Monitor all projects for compliance with National and Provincial Standards. ▪ Repair old Housing Projects. ▪ Recreation 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/ Housing Voice	Develop methodology and instruments as per Blue Book	Jan					Province	
	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 subsidized human settlements delivery to meet the demand

Deliverable	**Key activity**	**Timeframe**					**Responsibility**	**Cost**
		2018	**2019**	**2020**	**2021**	**2022**		
STRATEGIC PLANNING:								

Deliverable	Key activity	Timeframe					Responsibility	Cost
		2018	2019	2020	2021	2022		
Annual environment analysis in order to review and revise annual human settlement sector plan / aligned with IDP Review	Consider: • Report on human settlements demand from housing voice and Human Settlements /Housing Needs Register • Supply report from pipeline of projects • 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 localized policies to create a more enabling environment and to manage the mushrooming of inadequate housing	• Local Town planning dispensation • Localized policy to address tenure related to commonage • ISRHDP policy • Informal settlement strategy	Oct					Municipality	
PROJECT PIPELINE:								
Installation of designed data base system that holds the integrated project pipeline	Upload tracking tool for the project pipeline	Jan					Province	

Deliverable	Key activity	Timeframe					Responsibility	Cost
		2018	2019	2020	2021	2022		
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 information on the context, nature and location of rural housing, priority interventions re tenure, infrastructure, and top structure for all key stakeholders.	Jul					Selected Internal or external team	
Key stakeholder feedback and	Workshop of key stakeholders to discuss baseline information, its	Aug					Stakeholders and	

Deliverable	Key activity	Timeframe					Responsibility	Cost
		2018	2019	2020	2021	2022		
direction on baseline information.	accuracy, relevancy and identify gaps.						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 suitable parcels, including land identified by Province for transfer to Municipality	Mar		On-going			Human Settlements 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: - Land - Land preparation and packaging - Initial design - Beneficiary identification	Mar		On-going			Human Settlements Officer with Province	

Deliverable	Key activity	Timeframe					Responsibility	Cost
		2018	2019	2020	2021	2022		
	- Scope of work (rectification and blocked) - Finance packaging - Preparation of tendering etc.							
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. 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 committees and councillors in the speedy execution of projects.	Project Steering Committees to be formed for all human settlements' projects comprising ward committee, councilor and local stakeholders. Submit project reports to the Human Settlements Department	Jan					Human Settlements officer with 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 standardized 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 formalize 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 management	
Defined Approach to strengthening Partnerships	Based on roles and responsibilities and key potential partners - defining the type of relationship and approach negotiating this.	Mar					Municipal management	

Negotiated basis of co-operation	Meeting with individual key stakeholders to discuss the bases of co-operation and action plan for co-operation over the next 2 years.	Jun					Municipal management	
Agreed MOU on Co-operation	Preparation of MOU and action plan based on above and ready for signing between partners.	Jul					Municipal management	
Working together	Implementing the action plan around municipal priorities.	Continuous					Municipal officials and partner officials	

14 PROJECT PIPELINE AND CAPITAL BUDGET

14.1 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 projects 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 of 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 underestimated cash flow projections. These underestimations 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 14-1: 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	A contractor has been recently appointed	R 39,465,795.60					
Cacadu 715	Appointed contractor Neba vest 46 (PTY)	R 48,495,000.00					
Dordrecht 2000	Two contractors are on site.	R 259,167,920.00					

15 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 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 communities 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 Seplani 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 (2022 – 2027)

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 Review (2023 – 2024)

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 Developme nt	01/04/ 2014	31 /03/ 2017	-	-	R2 878 000
Nobuhle JSS	Final Completion	Public Ordinary Schools	02/04/201 5	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	11/18/201 5	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	18/11/201 5	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)

HUMAN SETTLEMENT PLANNING AND DELIVERY RISK MANAGEMENT MATTERS

Table 15-1: Risk Assessment

RISK	RISK MITIGATION
Poor information and analyze 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

16 GAPS REQUIRING FILLING

The following Table outlines the key gaps that require filling to substantially strengthen the possibility of an implementable strategy for these human settlements chapter.

Table 16-1: 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 summarized 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 templates 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. It is 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 analyzing 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.

17 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 smooth delivery of the desired goals.

Table 17-1: 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 conducted in a way that does not create any expectations from the communities but 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 summarized, and the committee must interrogate the comment and decide how each comment should be treated.

To ensure that the human settlement sector plan has 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 newspapers to ensure that final comments are received within 21 days. Once this process has been finalized, the human settlement sector plan will form part of the approved IDP.

18 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 legislation includes 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 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 terms 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 on 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.

19 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

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 the Council the Final Annual Budget for the 2026/27 - 2028/29 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 Appropriate 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 132 & 134 for the 2026/27 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 2026. 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
- 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.
- Infrastructure capital projects are funded through capital grants listed in DoRA, namely INEP and MIG. Emalahleni has been affected by the disaster floods which has damaged infrastructure across wards.
- Emalahleni has aging electricity infrastructure in the Dordrecht and Indwe where it has a distribution licence. The municipality has budgeted R4,6 million for the maintenance of its electrical infrastructure, increased by 17% from 2025/26 budget of R 3,8 million.
- Emalahleni has a constitutional mandate to stimulate local economy through the Local Economic Development unit under PEDTA. The catalyst projects are SMME development, feedlot, crop production, livestock, irrigation scheme, investment summit and the container mall. The budget for 2025/26 was R2 million to R2,1 million. This equals to 4% increase.

Below is the overall summary of the final council approved budget:

- Structure of the Final Approved 2026/27 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 2026, namely:

- Budget Policy
- Virement Policy
- Cash and cash investment policy
- Funding and Reserve Policy
- Borrowing Policy
- UIF&WE Strategy
- Cost containment policy
- Asset Management Policy
- Credit control & Debt collection policy
- Tariff policy
- Indigent Support Policy
- Property rates policy
- Supply Chain Management Policy
- SCM Turnaround Policy
- Debt Impairment policy

The final tariffs have been developed based on the 3,7% Inflation increase as per the Budget Circular 134.

The municipality has submitted the NERSA D-Forms within the stipulated timeframe with the intention of apply for the NERSA annual tariff increase which is expected to be finalized before 1st July 2026.

Provincial Treasury conducted a Budget Benchmarking Assessment on the 6th of May 2025 on the draft budget and the assessment concluded that the municipal draft budget submitted is funded.

The Service Delivery Budget Implementation Plan (SDBIP) for 2026/27 to be approved by the Mayor on or before the 30th of June 2026 will take into account the below 1-year budget allocation:

GRANTS & SUBSIDIES FOR 2026/27

Revenue	**Government**	**Total**	**Operational**	**Capital**
Transfers and subsidies	**Sphere**	**227 055 000**	**165 425 400**	**61 629 600**
MIG	National	41 368 000	2 068 400	39 299 600
FMG	National	3 000 000	3 000 000	-
INEP	National	7 330 000		7 330 000
OTP	Provincial	15 000 000		15 000 000
EPWP	National	1 803 000	1 803 000	
Equitable share	National	157 016 000	157 016 000	
Library	Provincial	1 538 000	1 538 000	

No transfers have been allocated by the District Municipality for 2026/27 and none by the Local Municipality to the District Municipality.

OPERATING REVENUE

The total own revenue sources amount to R120 021 206 which is a 15% increase of when compared to R 101 750 293 in 2025/26. This increase is largely due to the anticipated positive performance of revenue sources.

The split is as follows:

- Billable Revenue (Property rates, Waste management & electricity) = R 62 645 700.
- Non-Billable Revenue: R 57 375 506.

EXPENDITURE

The 2026/27 budget is limited to essential project expenditures 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.

The capital budget is funded through DoRA allocated grants and subsidies to the municipality. There is limited funding capital expenditure funded through internal funds.

Employee-related costs – 5% increase have been provided for Councillors based on the previous Gazette Notice for the Remuneration of Public Office Bearers issued in October 2025.

A provision of Average CPI index increase of 3,4% has been made for employee-related costs in line with circular 134.

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

BUDGET PERFORMANCE (GRANTS SUBSIDIES AND INTERNAL REVENUE)					
	CURRENT YEAR 2025/26		**2026/27 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK**		
DESCRIPTION	**Original Budget 2025/26**	**Adjustment Budget 2025/26**	**Budget Year 2026/27**	**Budget Year 2027/28**	**Budget Year 2028/29**
Grant & Subsidies	132 271 041	124 466 024	70 039 000	81 012 797	81 755 237
Equitable Share	139 060 057	160 925 724	157 016 000	155 384 000	167 119 000
Own Revenue	91 640 006	101 750 293	118 221 853	132 059 271	133 100 058
TOTAL	**362 971 104**	**387 142 041**	**345 276 853**	**368 456 068**	**381 974 295**
BUDGET PERFORMANCE (OPERATIONAL AND CAPITAL EXPENDITURE)					
DESCRIPTION	**Original Budget 2025/26**	**Adjustment Budget 2025/26**	**Budget Year 2026/27**	**Budget Year 2027/28**	**Budget Year 2028/29**
Operating Expenditure	166 320 220	163 182 774	153 291 765	157 015 992	160 825 796
Employee Related Costs	99 978 799	106 377 770	135 763 751	137 518 625	140 871 497
Capital Expenditure	128 696 163	126 986 163	70 774 600	65 770 379	48 330 619
TOTAL	**394 995 182**	**396 546 707**	**343 355 116**	**370 814 617**	**375 390 293**
Surplus or (Deficit -)	**- 32 024 078**	**- 9 404 666**	**1 921 737**	**-2 358 549**	**6 584 002**
EMPLOYEE COST VS TOTAL BUDGET	**25%**	**27%**	**36%**	**38%**	**38%**
EMPLOYEE COST VS OPERATIONAL BUDGET	**38%**	**39%**	**46%**	**47%**	**47%**
EMPLOYEE COST VS EQUITABLE SHARE	**72%**	**66%**	**79%**	**84%**	**82%**
REPAIRS VS FAR	**1%**	**1%**	**1%**	**1%**	**1%**
REPAIRS VS TOTAL BUDGET	**3%**	**3%**	**3%**	**3%**	**3%**

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 2026/2027 Final Budget as contained in A1 of the Budget.

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Performance										
Property rates	(718)	11 895	12 054	14 100	16 100	16 100	16 100	16 696	17 247	17 816
Service charges	26 825	33 491	32 926	38 000	42 600	42 600	42 600	45 950	47 151	48 707
Investment revenue	8 756	12 830	14 194	15 000	15 000	15 000	15 000	15 555	16 068	16 583
Transfer and subsidies - Operational	154 229	187 682	200 430	167 532	169 435	169 435	169 435	166 752	164 167	176 102
Other own revenue	15 970	33 632	14 701	12 540	15 510	15 510	15 510	46 024	47 542	49 074
Total Revenue (excluding capital transfers and contributions)	205 062	279 530	274 305	247 172	258 646	258 646	258 646	290 977	292 176	308 281
Employee costs	86 251	93 044	105 941	103 547	110 609	110 609	110 609	118 404	119 682	121 640
Remuneration of councillors	14 240	14 723	15 473	15 672	15 672	15 672	15 672	17 360	17 836	19 232
Depreciation, amortisation and impairment	17 994	20 113	21 776	16 688	16 688	16 688	16 688	17 888	18 478	19 072
Interest, Dividends and Rent on Land	181	1 725	4 191	0	–	–	–	–	–	–
Inventory consumed and bulk purchases	16 867	22 263	26 378	21 208	26 581	26 581	26 581	23 719	24 502	25 286
Transfers and subsidies	1 369	1 177	652	780	880	880	880	850	878	906
Other expenditure	71 107	129 643	130 738	85 065	127 326	127 326	127 326	110 835	113 158	115 562
Total Expenditure	208 008	282 688	305 150	242 960	297 757	297 757	297 757	289 056	294 535	301 697
Surplus/(Deficit)	(2 946)	(3 158)	(30 845)	4 212	(39 111)	(39 111)	(39 111)	1 922	(2 359)	6 584
Transfers and subsidies - capital (monetary allocations)	71 621	46 095	51 946	120 213	102 166	102 166	102 166	54 300	76 280	73 693
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	68 675	42 937	21 102	124 425	63 055	63 055	63 055	56 221	73 921	80 277
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	68 675	42 937	21 102	124 425	63 055	63 055	63 055	56 221	73 921	80 277
Capital expenditure & funds sources										
Capital expenditure	42 672	102 761	90 385	135 811	115 641	115 641	115 641	70 775	65 770	48 331
Transfers recognised - capital	41 383	85 096	86 794	122 896	99 916	99 916	99 916	54 300	49 888	31 696
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	1 234	8 567	2 160	12 915	15 725	15 725	15 725	16 475	15 882	16 635
Total sources of capital funds	42 617	93 663	88 954	135 811	115 641	115 641	115 641	70 775	65 770	48 331
Financial position										
Total current assets	136 715	128 392	152 191	236 007	134 712	134 712	134 712	175 120	207 021	232 448
Total non current assets	425 852	507 499	544 100	254 959	685 761	685 761	685 761	538 496	550 028	549 152
Total current liabilities	33 047	103 462	49 534	43 924	157 256	157 256	157 256	163 477	181 426	194 104
Total non current liabilities	(0)	(0)	28 801	0	28 801	28 801	28 801	49 999	49 999	49 999
Community wealth/Equity	505 291	500 709	545 148	294 597	618 560	618 560	618 560	624 105	624 105	624 105
Cash flows										
Net cash from (used) operating	(114 304)	(110 733)	(203 797)	57 111	(71 673)	(71 673)	(71 673)	76 367	78 920	86 050
Net cash from (used) investing	–	–	–	(59 757)	(134 037)	(134 037)	(134 037)	(68 649)	(63 574)	(46 063)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	(38 230)	(184)	(69 926)	(2 444)	(70 482)	(70 482)	(70 482)	142 947	150 574	175 217
Cash backing/surplus reconciliation										
Cash and investments available	(38 230)	(184)	(69 926)	(2 444)	(70 482)	(70 482)	(70 482)	142 947	150 574	175 217
Application of cash and investments	32 952	57 230	49 427	10 045	97 200	97 200	97 200	142 230	144 428	157 271
Balance - surplus (shortfall)	(71 183)	(57 414)	(119 354)	(12 489)	(167 682)	(167 682)	(167 682)	716	6 146	17 945
Asset management										
Asset register summary (WDV)	323 143	410 302	475 924	44 970	508 758	508 758		400 329	419 267	436 371
Depreciation	17 994	20 113	21 746	16 688	16 688	16 688		17 888	18 478	19 072
Renewal and Upgrading of Existing Assets	35 401	90 961	149 440	51 626	25 689	25 689		68 325	61 380	43 795
Repairs and Maintenance	3 964	28 809	43 691	6 760	9 225	9 225		6 393	4 920	5 389
Free services										
Cost of Free Basic Services provided	1 739	1 739	1 739	1 913	1 913	1 913		2 103	2 181	2 262
Revenue cost of free services provided	99	99	99	101	101	101		104	107	110
Households below minimum service level										
Water:	–	–	–	–	–	–		–	–	–
Sanitation/sewerage:	–	–	–	–	–	–		–	–	–
Energy:	–	–	4	4	4	4		4	5	5
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 – budget is anticipated to be R77 304 600 in the 2026/27 financial year. The adjusted budget for 2025/26 was R123 360 700. It must be noted that there is a decrease of R46 056 100. The grants are funded from various sources, namely:

- Decrease in INEP from R 20 287 006 to R 7 330 000
- Increase of MIG from R50 886 000 to R 41 368 000
- Decrease in MDRG from R 32 072 000 to R0
- Increase in Office of the Premier from R14 720 000 to R15 000 000

The detailed capital Projects for 2026/27 MTREF are shown on the table below. Below is the final capital expenditure:

Vote Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital Expenditure - Functional										
Governance and administration	**1 247**	**2 205**	**352**	**1 728**	**1 500**	**1 500**	**1 500**	**500**	**775**	**1 028**
Executive and council	–	–	124	–	–	–	–	–	–	–
Finance and administration	1 247	2 205	228	1 728	1 500	1 500	1 500	500	775	1 028
Community and public safety	**95**	**159**	**–**	**855**	**800**	**800**	**800**	**2 750**	**1 963**	**2 027**
Community and social services	138	141	–	0	–	–	–	1 200	–	0
Sport and recreation	(43)	18	–	0	–	–	–	–	–	–
Public safety	–	–	–	855	800	800	800	1 550	1 963	2 027
Economic and environmental services	**40 288**	**59 705**	**38 793**	**106 306**	**106 641**	**106 641**	**106 641**	**60 025**	**55 802**	**37 805**
Planning and development	–	7 222	(942)	3 697	37 854	37 854	37 854	32 963	18 033	3 763
Road transport	40 288	52 483	39 735	102 609	68 787	68 787	68 787	27 062	37 769	34 042
Environmental protection	–	–	–	–	–	–	–	–	–	–
Trading services	**1 043**	**40 692**	**51 240**	**26 922**	**6 700**	**6 700**	**6 700**	**7 500**	**7 231**	**7 470**
Energy sources	–	30 911	37 942	26 602	5 900	5 900	5 900	5 100	6 818	7 043
Waste water management	1 043	9 910	13 260	0	–	–	–	–	–	–
Waste management	–	(128)	39	320	800	800	800	2 400	413	427
Total Capital Expenditure - Functional	**42 672**	**102 761**	**90 385**	**135 811**	**115 641**	**115 641**	**115 641**	**70 775**	**65 770**	**48 331**
Funded by:										
National Government	39 913	50 527	83 719	105 926	85 196	85 196	85 196	39 300	17 000	2 696
Provincial Government	1 470	34 570	3 075	16 970	14 720	14 720	14 720	15 000	32 888	29 000
Transfers recognised - capital	**41 383**	**85 096**	**86 794**	**122 896**	**99 916**	**99 916**	**99 916**	**54 300**	**49 888**	**31 696**
Internally generated funds	1 234	8 567	2 160	12 915	15 725	15 725	15 725	16 475	15 882	16 635
Total Capital Funding	**42 617**	**93 663**	**88 954**	**135 811**	**115 641**	**115 641**	**115 641**	**70 775**	**65 770**	**48 331**

The municipality has managed to spend 100% of the capital budget for 2025/26. The majority of the capital expenditure is funded through conditional grants which have been spent at 100% at the end of 2025/26

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CONDITIONAL GRANT PERFORMANCE FOR 2024/25

GRANT	ALLOCATION	AMOUNT RECEIVED	AMOUNT SPENT	EXPENDITURE AS %
EPWP	3 556 000	3 556 000	3 556 000	100%
FMG	3 000 000	3 000 000	3 000 000	100%
MIG	48 891 000	48 891 000	48 891 000	100%
LIBRARY	1 509 000	1 509 000	1 509 000	100%
INEP	44 431 000	44 431 000	44 431 000	100%
DISASTER GRANT	32 071 000	32 071 000	32 071 000	100%
TOTAL	133 458 000	133 458 000	138 458 000	100%

The above grants have been spent according to the DORA conditions; the municipality has not been subjected to Section 18 of DORA due to non-compliance with the grant framework. The monthly reports and annual reports have been submitted timeously as per DORA requirements.

Supply Chain Management Unit

The good conditional grant performance is dependent on the functional bid committee system within the municipality. The municipality has the following functional committees:

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

The contract management function is located within the SCM unit and generates quarterly reports based on performance evaluation assessments conducted by project managers; these reports are included in the SCM reports that are submitted to Council.

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	(38 230)	(184)	(69 926)	(2 444)	(70 482)	(70 482)	(70 482)	142 947	150 574	175 217
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	–	–	–	0	–	–	–	–	–	–
Cash and investments available:		(38 230)	(184)	(69 926)	(2 444)	(70 482)	(70 482)	(70 482)	142 947	150 574	175 217
Application of cash and investments											
Unspent conditional transfers		(20 290)	(0)	4 973	(287)	(925)	(925)	(925)	4 959	4 971	4 985
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	0	–	–	–	18 054	3 054	3 054
Other working capital requirements	3	34 601	29 973	43 708	(7 234)	94 450	94 450	94 450	118 743	135 929	148 758
Other provisions		18 641	27 257	747	17 566	3 675	3 675	3 675	475	475	475
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		32 952	57 230	49 427	10 045	97 200	97 200	97 200	142 230	144 428	157 271
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		(71 183)	(57 414)	(119 354)	(12 489)	(167 682)	(167 682)	(167 682)	716	6 146	17 945
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		(71 183)	(57 414)	(119 354)	(12 489)	(167 682)	(167 682)	(167 682)	716	6 146	17 945

Explanatory notes to Table A8 - Cash Backed Reserves / Accumulated Surplus Reconciliation

The cash-backed reserves / accumulated surplus reconciliation is aligned with 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 avail- able funding to the liabilities / commitments that exist.

The outcome of this exercise would either be a surplus or a 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. As part of the budgeting and planning guidelines that informed the compilation of the 2026/27 MTREF the end objective of the medium-term framework was to ensure the budget is funded and aligned to section 18 of the MFMA.

Loans and Borrowings

The municipality does not have any loans and borrowings associated with financial institutions. This position is likely to continue over the MTREF, as the municipality is still building cash backed reserves and strengthening its financial management capacity.

Funded status of the Budget and new budget requests.

The Cash and investments available amounts to R142 947million for 2026/27, R150 574million and R175 217million 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. The municipality has made a withdrawal of R30 million from the reserves to cater for purchase of plant and machinery and pre-paid meters in 2025/26 financial year.

Bank accounts held by the municipality.

The municipality banks with Standard Bank where it maintains a primary account and the current account. The municipality receives the conditional grant from its primary bank account, in turn the funds are allocated to various investment accounts as part of an investment strategy until they are required to honour suppliers responsible for grant implementation.

The payments are then made from the current account after transferring funds from the investment accounts. During the year under review, the municipality held the following accounts in various banks:

Name of Bank	**Type of Account**
Investec	Investment Suffix
Standard Bank	48-hour Notice, 7 day, 21 days, 30 days, 60 days, 90 days & 12 months
Absa Bank	Fixed Deposit accounts

Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	14 043	28 874	28 874	28 874	12 522	12 935	13 362
Service charges		–	–	–	22 184	87 860	87 860	87 860	35 169	36 090	37 279
Other revenue		–	–	–	8 152	8 152	8 152	8 152	41 985	27 875	28 772
Transfers and Subsidies - Operational	1	–	–	–	162 811	4 236	4 236	4 236	174 082	171 739	183 916
Transfers and Subsidies - Capital	1	–	–	–	61 902	48 842	48 842	48 842	54 300	76 280	73 693
Interest		–	–	–	–	–	–	–	15 555	16 068	16 599
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(114 304)	(110 733)	(203 412)	(211 970)	(249 626)	(249 626)	(249 626)	(257 246)	(262 068)	(267 570)
Finance charges		–	–	(385)	(11)	(11)	(11)	(11)	–	–	(0)
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(114 304)**	**(110 733)**	**(203 797)**	**57 111**	**(71 673)**	**(71 673)**	**(71 673)**	**76 367**	**78 920**	**86 050**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	0	–	–	–	2 126	2 196	2 268
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital		–	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	–	–	(59 757)	(134 037)	(134 037)	(134 037)	(70 775)	(65 770)	(48 331)
Retention (Capital)		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**–**	**–**	**(59 757)**	**(134 037)**	**(134 037)**	**(134 037)**	**(68 649)**	**(63 574)**	**(46 063)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		**(114 304)**	**(110 733)**	**(203 797)**	**(2 646)**	**(205 711)**	**(205 711)**	**(205 711)**	**7 718**	**15 345**	**39 988**
Cash/cash equivalents at the year begin:	2	**76 073**	**110 549**	**133 871**	**202**	**135 229**	**135 229**	**135 229**	**135 229**	**135 229**	**135 229**
Cash/cash equivalents at the year end:	2	**(38 230)**	**(184)**	**(69 926)**	**(2 444)**	**(70 482)**	**(70 482)**	**(70 482)**	**142 947**	**150 574**	**175 217**

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget. The 2026/27 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

Financial Reporting

The municipal council passed the resolution on mSCOA in 2014. The mSCOA governance structures were established which included a committee, implementation plan and SCOA champion. The mSCOA project steering committee meetings are incorporated into the municipal calendar.

The municipality has a functional mSCOA project steering committee in place which monitors the implementation plan and reports quarterly to Council.

The Budget section is responsible for MFMA compliance reporting and for the year under review, full compliance has been achieved:

- Section 71 reports have been submitted timeously;
- Section 52d reports have been submitted timeously;
- Section 72 report has been submitted timeously;
- Annual Financial Statements have been submitted timeously.

COUNCIL RESOLUTIONS

The Council approves and takes the following resolutions for the final annual budget (MTREF) of 2026/27 financial year:

The Council of Emalahleni Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves:

- The final budget of the municipality for the financial year 2026/2027 and the multi-year and single-year capital appropriations as set out in the following tables:
- Budget Summary reflected in Table A1
- Budgeted Financial Performance (revenue and expenditure by standard classification) reflected in Table A2;
- Budgeted Financial Performance (revenue and expenditure by municipal vote) reflected in Table A3;
- Budgeted Financial Performance (Revenue and Expenditure) reflected in Table A4;
- 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;
- 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:
- Budgeted Financial Position reflected in Table A6;
- Budgeted Cash Flows reflected in Table A7;
- Cash backed reserves and accumulated surplus reconciliation reflected in table A8;
- Asset management in Table A9; and
- Basic service delivery measurement reflected in Table A10.

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 2026.

Council resolves that the budget related policies reflected and listed below are approved for the budget year 2026/2027:

- 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
- Supply Chain Management Turnaround Policy
- Debt Impairment policy
- Consultant Reduction Policy

The policies were adopted by Council on the 30th of March as draft, stakeholder consultation was conducted in April resulting in the final policies being adopted by Council on 31st of May 2026 for implementation on 1st July 2026.

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.
- The municipality gazette annually the Property Rates By-law which gives effect to the power to levy rates as guided by Municipal Property Rates Act (MPRA). The municipality has reviewed the following by-laws and have conducted public participation during 2025/26 for implementation in 2026/27, namely:

- Business By-law
- Street Trading By-law
- Electricity By-law
- Cemetery By-law
- Traffic By-law
- Accommodation By-law
- Liquor By-law
- Spatial & Land Use By-law
- Waste management By-law

- The by-laws have also been uploaded on the municipal website under the following link: By-laws (www.emalahlenilm.gov.za).

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. Total operating revenue has decreased by 14% for the 2026/2027 financial year when compared to the 2025/2026 Adjustments Budget.

The following is the basis of the final budget:

- Division of Revenue Bill Act No 48017 of February 2026.
- Realistic anticipated revenues based on performance and plans for 2026/27, e.g.
- Traffic Revenue – acquisition of a traffic fines system based on benchmarking with another municipality, approval of by-laws to empower revenue generation capacity, solutions to the current network connectivity challenges.
- Billable revenue (property rates & waste management) increases based improved current year collection rates.
- Non billable revenue projections are based on implementation of revenue enhancement strategy.
- Personnel budget has been increased by 5% 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.
- 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 2026/27 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.

The municipality has a functional expenditure management unit which ensure compliance with Section 65 and 66 of the MFMA. Expenditure management financial system module has been automated and integrated with Budget and Supply Chain Modules to enhance the internal control environment. The municipality continues to strive to pay its creditors within 30 days as prescribed by the MFMA.

REVENUE

OPERATING REVENUE FRAMEWORK

The country is experiencing low level economic growth rates which in turn have an impact on the number of jobs available for citizens. Emalahleni Municipality is one of the municipalities faced with a high number of low-income and unemployed community members. This can be seen in the high debtors' account the municipality has showing the struggle of its communities to keep up with the payment of their accounts.

In terms of National Treasury's Municipal Budget and Reporting Regulations, the budget of a municipality is required to encompass 3 years of audited information; the current year; the next financial year and the two outer financial years. The funding of the annual budget has been calculated taking into account the following:-

- Rates and Service Charges
- Interest on outstanding debtors
- Interest expected to be received from investments
- Grants as guided by the division of revenue act (DORA).

The municipality strives to project realistic revenue projections as required by the MFMA in mind of the anticipated collection rates. 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 2026/2027 MTREF period. The municipality budgets for the non-payment of accounts based on experience of recovery rates. The contribution for bad debt has been increased to R13 million in 2026/2027 financial year.

Revenue is billed monthly in arrears after the monthly transactions and meter readings have been captured on the system. The municipality maintains complaints register to ensure the billing queries are attended to timeously.

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 4%. Due to the levels of collection in the 2025/26 property rates have been kept the same for the 2026/27 year at R16,6 million. Property rates cover the cost of the provision of general services. 100% alignment has been achieved between the billing system and the valuation roll property register. The municipality will be implementing a supplementary valuation roll with effect from 01 July 2026.

Sale of Electricity and Impact of Tariff Increases

The percentage increases of Eskom bulk tariffs at 9% are far beyond the mentioned inflation target. Given that this 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. Registered indigents will again be granted 50 kWh per 30-day period free of charge. 100% alignment has been achieved between the billing system and the list of active conventional meters from electricity unit.

Refuse

The refuse revenue projections have been based on the number of billable debtor accounts as per category. The bulk of the impairment is with waste management due to the residential service provision and as thus, the projections have factored in the impairment provision. 100% alignment has been achieved between the billing system and the valuation roll property list.

Agency Services

Agency fees revenue has increased slightly in the 2026 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

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

This revenue source has been adjusted to accommodate the possible reduction in interest charges in the medium term due to the rising collection levels and the employment of a debt collector.

Fines and Penalties

Fines and penalties have been on a steady increase for the past 2 years, but way below their service potential. This trend has not been sustainable and as such the municipality had projected a more averaged budget for the 2026/2027 financial year.

Other Revenue

The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices must 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.
- 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 are on average 3.4% per annum.
- Implementation of credit control and debt collection policy
- During the 2023/24 financial year the Council approved the Revenue Enhancement Strategy to maximise revenue management practices within the municipal jurisdiction.
- To ensure there is implementation of the strategy, the municipality has an internal Revenue Enhancement Committee which comprises all the line managers who are responsible for revenue generation and achievement of collection targets. The Committee is chaired by the Revenue Manager and reports to the Executive Management Committee. The revenue collection

performance is monitored on a quarterly basis through the SDBIP. The set target for the year is 95% of the billed amount as per the approved budget.

The revenue collection rate has continued to fluctuate over the past 3 years signified by the following performance:

Financial Year	Collection rate
2021-2022	181% billed income collected
2022-2023	38% billed income collected
2023-2024	50% billed income collected
2024-2025	62% billed income collected
2025-2026	71% billed income collected

Distribution Loss Management

The municipality has an operating distribution licence issued by NERSA for electricity in Dordrecht (Ward 11 & 14) and in Indwe (Ward 15 & 16). The municipality monitors the electricity distribution losses by performing the following functions:

Action	Responsible Person	Frequency
Compare the sales report against the purchase report.	Revenue	Monthly
Monitor meter exception reports	Revenue & Electricity	Monthly
Perform meter audits, implement credit control (disconnections)	Revenue & Electricity	Quarterly
Review Network performance reports and follow up on exceptions.	Electricity	Monthly

PROPOSED TARRIFS

EC136 APPROVED TARIFF STRUCTURE FOR 2026/2027 FINANCIAL YEAR				
Financial Year	**25/26**		**26/27**	
	Excl Vat	**Incl VAT**	**Excl Vat**	**Incl Vat**
ASSESSMENT RATES				
Residential Properties	0,0092	0,0092	0,0096	0,0096
Undeveloped land/Vacant land	0,0092	0,0092	0,0096	0,0096
Business and commercial properties	0,0138	0,0138	0,0143	0,0143
Properties owned by an organ of state and used for public service purposes	0,0138	0,0138	0,0143	0,0143
Agricultural properties	0,0023	0,0023	0,0024	0,0024
Indigent subsidy 100% of rates amount	-	-	-	-
ELECTRICITY - SUBJECT TO NERSA APPROVAL				
HOUSE HOLDS				
Domestic Indigent Prepaid				
Block 1 - 0 - 50 Kwh	2,0356	2,3409	2,2208	2,5539

Block 2 - 51 - 350 Kwh	2,5743	2,9604	2,8086	3,2299
Block 3 - 351 - 600 Kwh	3,3950	3,9043	3,7039	4,2595
Block 4 - > 600 Kwh	4,0151	4,6174	4,3805	5,0376
Basic Charge /month				
Domestic Pre-paid & Conventional Single Phase				
Block 1 - 0 - 50 Kwh	2,0356	2,3409	2,2208	2,5539
Block 2 - 51 - 350 Kwh	2,5743	2,9604	2,8086	3,2299
Block 3 - 351 - 600 Kwh	3,4943	4,0184	3,8123	4,3841
Block 4 - > 600 Kwh	4,1140	4,7311	4,4884	5,1617
Basic Charge /month				
Domestic Pre-paid & Conventional Three Phase				
Block 1 - 0 - 50 Kwh	2,7101	3,1166	2,9567	3,4002
Block 2 - 51 - 350 Kwh	2,9580	3,4017	3,2272	3,7113
Block 3 - 351 - 600 Kwh	3,5904	4,1290	3,9171	4,5047
Block 4 - > 600 Kwh	4,1097	4,7262	4,4837	5,1563
Small Commercial Prepaid - Single Phase				
Energy charge: kWh	4,3108	4,9574	4,7031	5,4086
Small Commercial Prepaids - Three Phase				
Energy charge: kWh	4,3797	5,0367	4,7783	5,4950
COMMERCIAL				
SMALL ≤ 3 500 Kwh				
CONVENTIONAL SINGLE PHASE				
Basic Charge /month	814,96	937,20	889,12	1 022,49
Energy charge: kWh	3,1235	3,5920	340,77	391,89
CONVENTIONAL THREE PHASE	-			
Basic Charge /month	1 599,05	1 838,91	1 744,56	2 006,24
Energy charge: kWh	2,9963	3,4457	326,90	375,94
	-			
ENERGY TARIFFS (TOU CONVERTED) INDUSTRIAL (125A & ABOVE)				
Peak (c/kWh)	-	-	374,20	430,33
Standard (c/kWh)	-	-	218,28	251,02
Off-Peak (c/kWh)	-	-	150,72	173,33
Demand: R/kVA	-	-	495,19	569,47
Basic Charge /month	-	-	1 905,44	2 191,26
DEPARTMENTAL/STREET LIGHTNING				
@ COST AS PER ESKOM TARIFFS				
TEMPERING PENALTIES				
1ST OFFENCE- Residential	19 122,72	19 122,72	8 000,00	8 000,00
1ST OFFENCE-Businesses/Government	24 586,36	24 586,36	10 000,00	10 000,00
2ND OFFENCE-Residential	24 586,36	24 586,36	12 000,00	12 000,00
2ND OFFENCE-Businesses/Government	35 513,63	35 513,63	15 000,00	15 000,00

RE-CONNECTION FEE - TEMPERING (RESIDENTIAL)	8 195,45	8 195,45	8 498,68	9 773,49
RE-CONNECTION FEE - TEMPERING (BUSINESSES)	13 659,09	13 659,09	14 164,47	16 289,14
RE-CONNECTION FEE - CREDIT CONTROL				
Domestic	481,77	554,00	499,59	574,53
Business/Commercial	894,20	894,20	927,29	1 066,38
Government	1 375,97	1 582,40	1 426,88	1 640,91
NEW METER CONNECTION				
Single Phase Smart Meter Fee	-	-	4 355,40	5 008,71
Three Phase Smart Meter Fee	-	-	4 977,60	5 724,24
Installation Fee: Single Phase Meter	-	-	829,60	954,04
Installation Fee: Three Phase Meter	-	-	1 814,75	2 086,96
Connection Fee: (1KVA)	-	-	311,10	357,77
SMALL-SCALE EMBEDDED GENERATION (SOLAR ENERGY)				
HOUSE HOLDS				
IMPORT TARIFF				
Network and service charge	175,38	201,69	181,87	209,15
Energy charge: kWh	1,40	1,61	1,45	1,67
EXPORT TARIFF				
Export tariff	1,02	1,18	1,06	1,21
COMMERCIAL				
SMALL - SINGLE PHASE				
IMPORT TARIFF				
Network and service charge	759,97	873,96	788,08	906,30
Energy charge: kWh	2,28	2,62	2,37	2,72
EXPORT TARIFF				
Export tariff	1,02	1,18	1,06	1,21
SMALL - THRE PHASE				
IMPORT TARIFF				
Network and service charge	13,71	15,76	14,21	16,35
Energy charge: kWh	2,20	2,52	2,28	2,62
EXPORT TARIFF	-	-		
Export tariff	1,02	1,18	1,06	1,21
LARGE BUSINESS				
IMPORT TARIFF				
Network and service charge	1 303,63	1 499,18	1 351,87	1 554,65
Monthly demand charge: kVa	305,44	351,26	316,75	364,26
Energy charge: kWh	1,28	1,47	1,33	1,53
EXPORT TARIFF	-	-		
Export tariff	0,98	1,12	1,01	1,16
MUNICIPAL PARKS (For Exclusive Use)				
Municipal Parks (day events 08h00 - 16h30)	803,48	924,00	833,21	958,19
Municipal Parks (Weekend events 08h00 - 16h30)	1 205,22	1 386,00	1 249,81	1 437,28
Charged Entertainment Events	6 448,09	7 415,30	6 686,67	7 689,67
AfterHours Use (per additional hour use)	803,48	924,00	833,21	958,19

Cleaning Charges	757,30	870,90	785,32	903,12
Holding Deposit	658,52	757,30	682,89	785,32
				REFUSE REMOVAL
Domestic consumers (once per week)	155,83	179,20	161,59	185,83
Commercial consumers (once per week)	356,17	409,60	369,35	424,76
Commercial consumers (per 4 ton load)	780,78	897,90	809,67	931,12
Commercial consumers (per 18 ton load)	2 342,17	2 693,50	2 428,83	2 793,16
Government consumers (once per week)	1 584,09	1 821,70	1 642,70	1 889,10
Commercial Skip Bins (2.5m³ capacity per collection)	699,31	804,20	725,18	833,96
Indigents	155,83	179,20	161,59	185,83
Subsidy - 100%	155,83	179,20	161,59	185,83
Effective charge				
Special refuse collection	433,91	499,00	449,97	517,46
Special refuse collection - Government and Commercial	495,83	570,20	514,17	591,30
Collection of garden refuse	433,91	499,00	449,97	517,46
Clearing of Vacant Plots	740,09	851,10	767,47	882,59
Tree felling - inside yard per tree	4 500,00	5 175,00	4 666,50	5 366,48
Tree Pruning - Inside Yard (per tree)	2 373,91	2 730,00	2 461,75	2 831,01
Building rubble - per load	461,13	530,30	478,19	549,92
Disposal of General Waste at Landfill Site	418,96	481,80	434,46	499,63
Disposal of Condemned Waste (per m³) plus special collection fee/Disposal fee	250,43	288,00	259,70	298,66
Grass Cutting - inside the yard - Residential	768,61	883,90	797,05	916,60
Grass Cutting - inside the yard - Governament and Commercial	1 135,57	1 305,90	1 177,58	1 354,22

The following table is a summary of the 2026/27 MTREF (classified by main revenue source):

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	15 282	23 123	22 257	26 000	30 500	30 500	30 500	33 245	34 027	35 150
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	11 543	10 369	10 669	12 000	12 100	12 100	12 100	12 705	13 124	13 557
Sale of Goods and Rendering of Services	2	130	172	140	160	310	310	310	882	910	941
Agency services	2	1 622	1 414	1 234	1 500	1 500	1 500	1 500	1 556	1 607	1 660
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	4 845	6 939	8 098	2 120	2 120	2 120	2 120	7 385	7 629	7 873
Interest earned from Current and Non Current Assets	2	8 756	12 830	14 194	15 000	15 000	15 000	15 000	15 555	16 068	16 583
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	5	0	0	-	-	-	-	-	-	-
Rental from Fixed Assets	2	451	399	213	400	1 800	1 800	1 800	1 867	1 928	1 992
Licence and permits	2	531	665	706	1 450	1 500	1 500	1 500	3 556	3 673	3 790
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	7 330	7 572	7 814
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	1 264	21 357	149	1 210	230	230	230	15 289	15 793	16 299
Non-Exchange Revenue											
Property rates	2	(718)	11 895	12 054	14 100	16 100	16 100	16 100	16 696	17 247	17 816
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	306	203	495	3 700	3 700	3 700	3 700	3 837	3 964	4 090
Licences or permits	2	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	154 229	187 682	200 430	167 532	169 435	169 435	169 435	166 752	164 167	176 102
Interest	2	2 840	3 392	3 696	2 000	2 300	2 300	2 300	2 198	2 271	2 346
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	14	-	-	0	2 050	2 050	2 050	2 126	2 196	2 268
Other Gains	2	3 961	(908)	(30)	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**205 062**	**279 530**	**274 305**	**247 172**	**258 646**	**258 646**	**258 646**	**290 977**	**292 176**	**308 281**
Expenditure											
Employee related costs	2	86 251	93 044	105 941	103 547	110 609	110 609	110 609	118 404	119 682	121 640
Remuneration of councillors	2	14 240	14 723	15 473	15 672	15 672	15 672	15 672	17 360	17 836	19 232
Bulk purchases - electricity	2	16 158	20 278	24 224	19 000	23 000	23 000	23 000	20 000	20 660	21 321
Inventory consumed	2,8	709	1 985	2 154	2 208	3 581	3 581	3 581	3 719	3 842	3 965
Debt impairment	2,3	12 760	47 315	15 489	914	914	914	914	13 166	13 601	14 036
Depreciation, amortisation and impairment	2	17 994	20 113	21 776	16 688	16 688	16 688	16 688	17 888	18 478	19 072
Interest, Dividends and Rent on Land	2	181	1 725	4 191	0	-	-	-	-	-	-
Contracted services	2	24 430	43 941	75 554	31 752	74 847	74 847	74 847	48 630	48 900	49 248
Transfers and subsidies	2	1 369	1 177	652	780	880	880	880	850	878	906
Irrecoverable debts written off	2	-	-	87	0	-	-	-	-	-	-
Operational costs	2	33 491	38 351	37 679	52 399	51 566	51 566	51 566	49 039	50 657	52 278
Disposal of Fixed and Intangible Assets	2	426	37	1 929	0	-	-	-	-	-	-
Other Losses	2	-	-	-	-	-	-	-	-	-	-
Total Expenditure		**208 008**	**282 688**	**305 150**	**242 960**	**297 757**	**297 757**	**297 757**	**289 056**	**294 535**	**301 697**
Surplus/(Deficit)		**(2 946)**	**(3 158)**	**(30 845)**	**4 212**	**(39 111)**	**(39 111)**	**(39 111)**	**1 922**	**(2 359)**	**6 584**
Transfers and subsidies - capital (monetary allocations)	6	71 621	46 095	51 946	120 213	102 166	102 166	102 166	54 300	76 280	73 693
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		**68 675**	**42 937**	**21 102**	**124 425**	**63 055**	**63 055**	**63 055**	**56 221**	**73 921**	**80 277**
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		**68 675**	**42 937**	**21 102**	**124 425**	**63 055**	**63 055**	**63 055**	**56 221**	**73 921**	**80 277**
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		**68 675**	**42 937**	**21 102**	**124 425**	**63 055**	**63 055**	**63 055**	**56 221**	**73 921**	**80 277**
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	**68 675**	**42 937**	**21 102**	**124 425**	**63 055**	**63 055**	**63 055**	**56 221**	**73 921**	**80 277**

Total revenue per municipal vote, including capital transfers, is listed below:

Vote Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote									
Vote 1 - Executive and council	5 187	7 694	8 094	–	–	–	7 851	7 769	8 356
Vote 2 - Corporate Services	99	153	153	200	200	200	–	–	0
Vote 3 - Budget and Treasury	161 237	198 366	192 166	198 461	203 706	203 706	207 130	207 490	220 476
Vote 4 - PEDTA	5	25 531	28 586	32 080	10	10	50	52	53
Vote 5 - Community Services and Social Services	18 719	18 862	20 396	20 409	21 988	21 988	30 800	30 410	31 415
Vote 6 - Infrastructure Development and Human Settlement	92 154	75 020	76 856	116 235	155 735	155 735	99 446	122 735	121 674
Vote 7 - Engineering Services	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	**277 401**	**325 625**	**326 251**	**367 385**	**381 638**	**381 638**	**345 277**	**368 456**	**381 974**
Expenditure by Vote to be appropriated									
Vote 1 - Executive and council	32 386	35 521	34 368	37 472	38 690	38 690	44 612	44 751	46 167
Vote 2 - Corporate Services	31 553	17 627	31 096	35 551	39 656	39 656	36 865	31 410	31 746
Vote 3 - Budget and Treasury	41 713	60 868	77 839	75 564	84 037	84 037	83 974	92 669	95 047
Vote 4 - PEDTA	9 351	12 582	10 070	7 879	10 135	10 135	12 908	14 501	14 792
Vote 5 - Community Services and Social Services	49 015	55 137	56 374	38 701	51 538	51 538	52 507	53 346	54 958
Vote 6 - Infrastructure Development and Human Settlement	50 399	109 623	101 895	49 062	74 971	74 971	58 189	57 858	58 988
Vote 7 - Engineering Services	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	**214 416**	**291 357**	**311 643**	**244 230**	**299 027**	**299 027**	**289 056**	**294 535**	**301 697**
Surplus/(Deficit) for the year	**62 985**	**34 268**	**14 609**	**123 155**	**82 612**	**82 612**	**56 221**	**73 921**	**80 277**

The following table shows the overall expected impact of the tariff increases on different households.

OPERATING EXPENDITURE FRAMEWORK

The 2026/27 final budget is limited to essential project expenditures in line with the cost containment policy and the IDP priorities. The following table is a high-level summary of the 2026/27 budget and MTREF (classified per main type of operating expenditure):

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure										
Employee related costs	86 251	93 044	105 941	103 547	110 609	110 609	110 609	118 404	119 682	121 640
Remuneration of councillors	14 240	14 723	15 473	15 672	15 672	15 672	15 672	17 360	17 836	19 232
Bulk purchases - electricity	16 158	20 278	24 224	19 000	23 000	23 000	23 000	20 000	20 660	21 321
Inventory consumed	709	1 985	2 154	2 208	3 581	3 581	3 581	3 719	3 842	3 965
Debt impairment	12 760	47 315	15 489	914	914	914	914	13 166	13 601	14 036
Depreciation, amortisation and impairment	17 994	20 113	21 776	16 688	16 688	16 688	16 688	17 888	18 478	19 072
Interest, Dividends and Rent on Land	181	1 725	4 191	0	-	-	-	-	-	-
Contracted services	24 430	43 941	75 554	31 752	74 847	74 847	74 847	48 630	48 900	49 248
Transfers and subsidies	1 369	1 177	652	780	880	880	880	850	878	906
Irrecoverable debts written off	-	-	87	0	-	-	-	-	-	-
Operational costs	33 491	38 351	37 679	52 399	51 566	51 566	51 566	49 039	50 657	52 278
Disposal of Fixed and Intangible Assets	426	37	1 929	0	-	-	-	-	-	-
Total Expenditure	**208 008**	**282 688**	**305 150**	**242 960**	**297 757**	**297 757**	**297 757**	**289 056**	**294 535**	**301 697**

Main operational expenditure categories for the 2026/27 financial year

Depreciation & Asset Impairment – The budget amounts to R 31 million which is an increase from the 2025/26 budget of R 17.6 million. Strides are being taken to gradually phase in the cash backed surplus for depreciation.

Bulk Purchases – The budget is at R 20,000 million, this is due to the application in the increase of the NMD and installation of smart meters to reduce losses.

Contracted Services – They have been projected downwards from the 2025/26 budget by R75 million to R48 million (2024/25: R34.7 million).

Other expenditure – This also has been projected downwards due to implementation of cost containment measures.

The overall consideration was a combination of priority per IDP objectives, performance in 2026/27 and budget prudence with regards to the requirements of the MFMA.

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 2026/27 financial year, a process reviewed annually.

Tariffs for indigent households are set out below:

- Rates free of charge to the value based on market value of his property to the maximum of R80 000
- 50 kWh free electricity per month
- Free refuse x 4 removal per month

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 indigent relief has been budgeted at R2.500 million for the 2026/27.

Priority given to repairs and maintenance

National Treasury requires municipalities to adapt their costing systems to reflect these costs as Repairs and Maintenance. R10.8 million has been budgeted for repairs and maintenance in the MTREF which represents 3% of the total Operational expenditure.

The above repairs and maintenance plans are reported to the Standing Committees, IDP/Budget Steering Committee, Executive Committee and Council on a quarterly basis. The total maintenance budget for 2026/27 amounted to 3% of the Operational budget, which means the municipality has not complied with MFMA Circular 51 provisions.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**1 496 365**	**25 401 773**	**41 332 971**	**3 515 031**	**5 080 000**	**5 080 000**	**4 643 000**	**3 317 547**	**3 381 774**
Roads Infrastructure	-	4 138 753	2 191 588	1 000 003	1 000 000	1 000 000	1 200 000	1 239 600	1 279 267
Roads	-	-	-	1 000 002	1 000 000	1 000 000	1 200 000	1 239 600	1 279 267
Road Structures	-	4 138 753	2 191 588	1	-	-	-	-	-
Storm water Infrastructure	464 330	-	276 492	7	-	-	-	-	-
Storm water Conveyance	464 330	-	276 492	7	-	-	-	-	-
Electrical Infrastructure	1 032 035	21 263 020	38 864 891	2 515 021	4 080 000	4 080 000	3 443 000	2 077 947	2 102 507
MV Substations	99 350	- 40 893	-	9	-	-	-	-	-
MV Networks	575 100	22 927 541	37 093 904	2 515 004	4 080 000	4 080 000	3 443 000	2 077 947	2 102 507
LV Networks	357 585	- 1 623 628	1 770 987	8	-	-	-	-	-
Community Assets	**365 289**	**455 097**	**185 450**	**1**	**-**	**-**	**-**	**-**	**2**
Community Facilities	365 289	455 097	185 450	1	-	-	-	-	2
Halls	365 289	455 097	169 500	1	-	-	-	-	1
Cemeteries/Crematoria	-	-	15 950	-	-	-	-	-	1
Other assets	**488 683**	**937 325**	**- 59 343**	**750 020**	**1 760 000**	**1 760 000**	**1 350 000**	**1 324 250**	**1 400 278**
Operational Buildings	488 683	937 325	- 59 343	750 020	1 760 000	1 760 000	1 350 000	1 324 250	1 400 278
Municipal Offices	488 683	937 325	- 59 343	750 020	1 760 000	1 760 000	1 350 000	1 324 250	1 400 278
Machinery and Equipment	615 637	- 117 833	- 52 139	100 007	130 000	130 000	200 000	253 300	306 710
Machinery and Equipment	615 637	- 117 833	- 52 139	100 007	130 000	130 000	200 000	253 300	306 710
Transport Assets	997 876	2 132 884	2 261 750	1 394 851	1 394 844	1 394 844	-	-	4
Transport Assets	997 876	2 132 884	2 261 750	1 394 851	1 394 844	1 394 844	-	-	4
Zoo's, Marine and Non-biological Animals	-	-	21 000	-	-	-	-	-	1
Zoo's, Marine and Non-biological Animals	-	-	21 000	-	-	-	-	-	1
Total Repairs and Maintenance Expenditure	**3 963 850**	**28 809 245**	**43 689 688**	**5 759 910**	**8 364 844**	**8 364 844**	**6 193 000**	**4 895 097**	**5 088 769**

Repairs & Maintenance Plan

The municipality is using the conditional assessment report in the Fixed Asset Register to develop a maintenance plan for poor condition assets. The planning of maintenance schedules are based on the following activities:

Asset Type	Repair & Maintenance Indicator	Action Plan
Motor Vehicles	Fleet management reports	Budget for routine maintenance Accidental damages is reported to the insurer.
Computer Equipment	ICT Steering Committee reports	Budget for routine maintenance Accidental damages is reported to the insurer.
Office Equipment	Asset physical verification reports	Budget for routine maintenance Accidental damages is reported to the insurer.
Buildings	Facilities Management Reports	Budget for routine maintenance Accidental damages is reported to the insurer.
Electricity Infrastructure	Network Planning Reports Electricity Maintenance Reports Ad-hoc customer applications for network upgrades.	Budget for routine maintenance Accidental damages is reported to the insurer.
Road Infrastructure	IDP Project Prioritization Report Ward Committee Forum on Service Delivery challenges IDP/Rep Forums Resolutions	Budget for routine maintenance (3kms per ward) – 5 wards are identified per year. Source funding from sector departments & stakeholders with mandates for infra- structure development.

CAPITAL EXPENDITURE

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure ***to be appropriated***	2										
Vote 1 - Executive and council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Corporate Services		(25)	1 834	–	500	500	500	500	100	517	534
Vote 3 - Budget and Treasury		(2)	–	–	0	–	–	–	–	–	–
Vote 4 - PEDTA		–	–	(1 736)	1 500	344	344	344	500	517	534
Vote 5 - Community Services and Social Services		49	(11)	58	1 103	800	800	800	2 150	2 479	2 789
Vote 6 - Infrastructure Development and Human Settlement		64 183	51 578	22 093	7 422	5 225	5 225	5 225	38 878	21 881	7 738
Vote 7 - Engineering 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	7	**64 204**	**53 401**	**20 415**	**10 525**	**6 869**	**6 869**	**6 869**	**41 628**	**25 393**	**11 594**
Single-year expenditure ***to be appropriated***	2										
Vote 1 - Executive and council		–	–	124	–	–	–	–	–	–	–
Vote 2 - Corporate Services		944	(79)	208	1 000	1 000	1 000	1 000	200	155	160
Vote 3 - Budget and Treasury		99	450	–	0	1 600	1 600	1 600	500	1 653	1 707
Vote 4 - PEDTA		–	–	–	0	1 156	1 156	1 156	500	517	534
Vote 5 - Community Services and Social Services		278	42	–	300	800	800	800	1 200	–	0
Vote 6 - Infrastructure Development and Human Settlement		(22 852)	48 948	69 637	123 986	104 216	104 216	104 216	26 747	38 053	34 335
Vote 7 - Engineering 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		**(21 532)**	**49 360**	**69 970**	**125 286**	**108 772**	**108 772**	**108 772**	**29 147**	**40 377**	**36 736**
Total Capital Expenditure - Vote		**42 672**	**102 761**	**90 385**	**135 811**	**115 641**	**115 641**	**115 641**	**70 775**	**65 770**	**48 331**
Capital Expenditure - Functional											
Governance and administration		**1 247**	**2 205**	**352**	**1 728**	**1 500**	**1 500**	**1 500**	**500**	**775**	**1 028**
Executive and council		–	–	124	–	–	–	–	–	–	–
Finance and administration		1 247	2 205	228	1 728	1 500	1 500	1 500	500	775	1 028
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		**95**	**159**	**–**	**855**	**800**	**800**	**800**	**2 750**	**1 963**	**2 027**
Community and social services		138	141	–	0	–	–	–	1 200	–	0
Sport and recreation		(43)	18	–	0	–	–	–	–	–	–
Public safety		–	–	–	855	800	800	800	1 550	1 963	2 027
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**40 288**	**59 705**	**38 793**	**106 306**	**106 641**	**106 641**	**106 641**	**60 025**	**55 802**	**37 805**
Planning and development		–	7 222	(942)	3 697	37 854	37 854	37 854	32 963	18 033	3 763
Road transport		40 288	52 483	39 735	102 609	68 787	68 787	68 787	27 062	37 769	34 042
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		**1 043**	**40 692**	**51 240**	**26 922**	**6 700**	**6 700**	**6 700**	**7 500**	**7 231**	**7 470**
Energy sources		–	30 911	37 942	26 602	5 900	5 900	5 900	5 100	6 818	7 043
Water management		–	–	–	–	–	–	–	–	–	–
Waste water management		1 043	9 910	13 260	0	–	–	–	–	–	–
Waste management		–	(128)	39	320	800	800	800	2 400	413	427
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	3	**42 672**	**102 761**	**90 385**	**135 811**	**115 641**	**115 641**	**115 641**	**70 775**	**65 770**	**48 331**
Funded by:											
National Government		39 913	50 527	83 719	105 926	85 196	85 196	85 196	39 300	17 000	2 696
Provincial Government		1 470	34 570	3 075	16 970	14 720	14 720	14 720	15 000	32 888	29 000
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**41 383**	**85 096**	**86 794**	**122 896**	**99 916**	**99 916**	**99 916**	**54 300**	**49 888**	**31 696**
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		1 234	8 567	2 160	12 915	15 725	15 725	15 725	16 475	15 882	16 635
Total Capital Funding	7	**42 617**	**93 663**	**88 954**	**135 811**	**115 641**	**115 641**	**115 641**	**70 775**	**65 770**	**48 331**

The municipality has a GRAP Asset Register that received a unqualified audit opinion for the 2024/25. The Asset register is updated on a monthly basis and forms part of the Section 71 reports to National & Provincial Treasury. Furthermore, the Asset Register updates are reported to Council on a quarterly basis as part of the Section 52d report that are submitted to all council structures for oversight purposes. The quarterly Asset Register reports are also uploaded to the municipal website under the following link: Quarterly Reports (emalahlenilm.gov.za).

Part 2 – Supporting Documentation

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.

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 2025) 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 2025.

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 2026/27 MTREF, based on the approved 2026/27 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 2026/27 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 2026/27 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning and essentially informed the detail operating budget appropriations and three-year capital programme.

Financial Modelling and Key Planning Drivers

As part of the compilation of the 2026/27 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 2026/27 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 2024/25 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 to 134 has been taken into consideration in the planning and prioritisation process.

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 2026/27 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives

2026/2027 Financial Year	2026/27 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)

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:

- To have a transparent and performance driven organisation
- To ensure that cost effective, appropriate and efficient services are delivered
- To ensure that conditions are created which stimulate the growth of the local economy
- To implement good financial management
- 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 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.

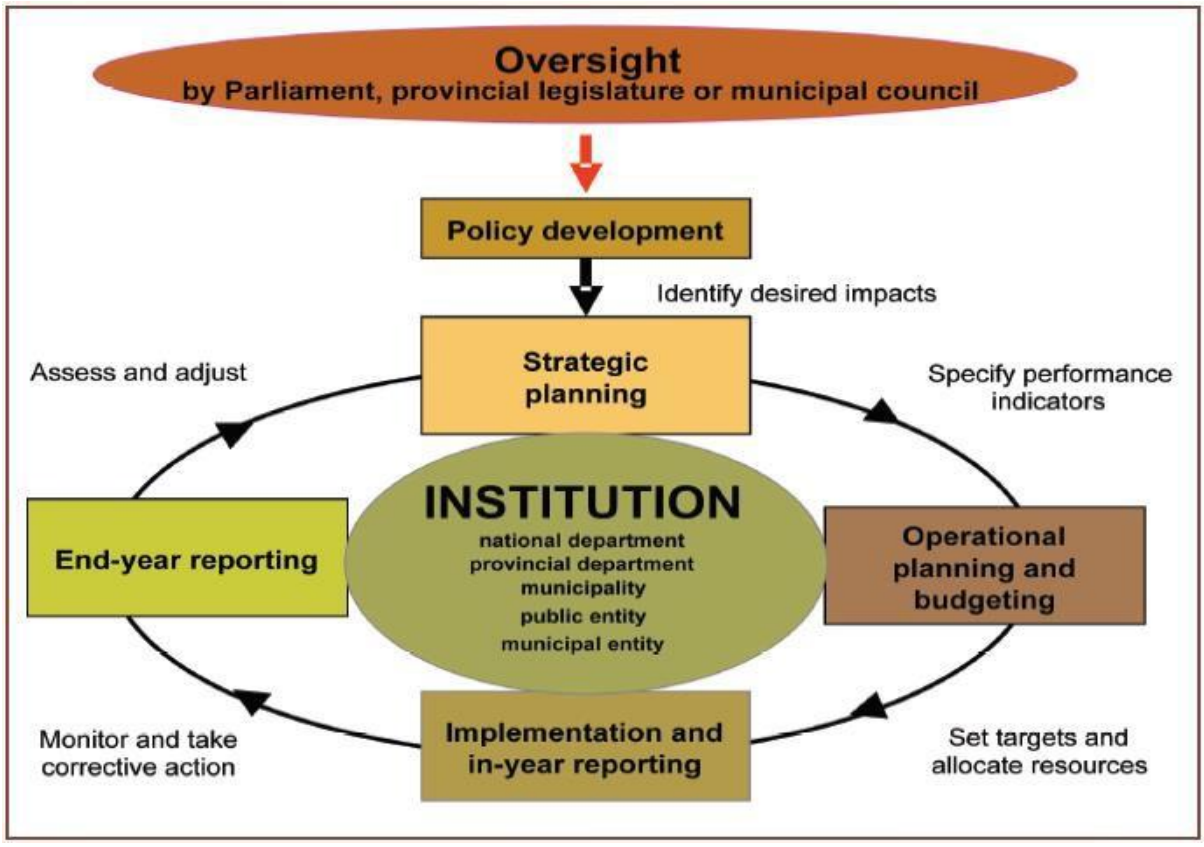
The 2026/27 MTREF has therefore been directly informed by the IDP revision process, the following tables provide reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

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.

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	(38 230)	(184)	(69 926)	(2 444)	(70 482)	(70 482)	(70 482)	142 947	150 574	175 217
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	–	–	–	0	–	–	–	–	–	–
Cash and investments available:		**(38 230)**	**(184)**	**(69 926)**	**(2 444)**	**(70 482)**	**(70 482)**	**(70 482)**	**142 947**	**150 574**	**175 217**
Application of cash and investments											
Unspent conditional transfers		(20 290)	(0)	4 973	(287)	(925)	(925)	(925)	4 959	4 971	4 985
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	0	–	–	–	18 054	3 054	3 054
Other working capital requirements	3	34 601	29 973	43 708	(7 234)	94 450	94 450	94 450	118 743	135 929	148 758
Other provisions		18 641	27 257	747	17 566	3 675	3 675	3 675	475	475	475
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**32 952**	**57 230**	**49 427**	**10 045**	**97 200**	**97 200**	**97 200**	**142 230**	**144 428**	**157 271**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**(71 183)**	**(57 414)**	**(119 354)**	**(12 489)**	**(167 682)**	**(167 682)**	**(167 682)**	**716**	**6 146**	**17 945**
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**(71 183)**	**(57 414)**	**(119 354)**	**(12 489)**	**(167 682)**	**(167 682)**	**(167 682)**	**716**	**6 146**	**17 945**

Performance indicators and benchmarks

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 2026/27 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 2026/27 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 2026/27.MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

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, overfinal 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.

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 2026/27 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 2026/27 financial year the ratio was 3.5.

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.

Creditors Management

The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. 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 favorable 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.

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 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.

Free Basic Services: basic social services package for indigent households

The municipality has a dedicated Free Basic Services Practitioner within the Revenue Section. The indigent register currently has 10400 households who are eligible to receive free basic social services. The register is updated annually, with the registration and vetting process being performed in the 3rd and 4th quarter to ensure implementation is rolled out by 1 July each year.

The credibility of the register is enhanced by the utilization of services of the vetting agency, who verify the applicants through the home affairs live database, affordability test and CIPC test, etc. The municipality has budgeted an amount of R 2 500 000 for 2026/27 towards the implementation of free basic services. This budget is based on the baseline expenditure for the past two years.

The municipality has established a Free Basic Services Forum, which includes the Ward Councillors and Ward Committees. The Ward committee members serve as data collectors and submit to the Free Basic Services unit for verification and uploading into the indigent register. This structure is functional, which has resulted in an improvement of number of households.

The approved indigent register has been shared with the Chris Hani District Municipality.

OVERVIEW OF BUDGET RELATED-POLICIES

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

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 2026/27 MTREF has been prepared based on achieving an average debtors' collection rate of 71 per cent on current billings. In addition, the collection of debt more than 90 days has been prioritized as a pertinent strategy in increasing the Municipality's cash levels.

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 utilized as a guide to the selection and prioritization of individual capital projects. In addition, the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

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.

Supply Chain Management Policy

The Supply Chain Management Policy was reviewed presented to Council in March 2026. Any amendments policy to the policy will be considered by Council when it arises of which the amendments will be extensively consulted on.

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 2025 and is expected to be adopted before the end of the financial year to be implemented in the 2026/27 financial year.

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.

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).

OVERVIEW OF BUDGET ASSUMPTIONS

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 2025 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.

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 2024/25 MTREF:

1. **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
- The increase in the cost of remuneration.

2. Credit rating outlook

- The Municipality did not perform a credit rating outlook.
- 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.

3. 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 60 per cent) of annual billings. Cash flow is assumed to be on average 60 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.

4. 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.

5. **Salary increases**

A 5% increase have been provided for Councillors, a provision of 5% increase has been made for employee related costs, and a 6% increase has been provided for Directors remuneration increase. Employee related costs including Councillor allowances now represent 46% 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.

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 2026 to May 2026 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 2026/27 financial year limited provision was made for the implementation of the business plans due to the shrinkage of the fiscus and available 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 2026/27 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; and
- Affordability of capital projects and the resultant operational costs associated with new infrastructure projects.

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 2026/27 MTREF:

- The 2025/26 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 2026/27 final 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;
- 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 2025/25 MTREF of which performance has been factored into the cash flow budget.

OVERVIEW OF BUDGET FUNDING

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

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. 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.

Description	MFMA section	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(38 230)	(184)	(69 926)	(2 444)	(70 482)	(70 482)	(70 482)	142 947	150 574	175 217
Cash + investments at the yr end less applications - R'000	18(1)b	2	(71 183)	(57 414)	(119 354)	(12 489)	(167 682)	(167 682)	(167 682)	716	6 146	17 945
Cash year end/monthly employee/supplier payments	18(1)b	3	(1,0)	(0,0)	(2,0)	(0,1)	(2,0)	(2,1)	(2,1)	4,0	–	–
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	68 675	42 937	21 102	124 425	63 055	63 055	63 055	56 221	73 921	80 277
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	67,8%	(6,9%)	9,8%	6,7%	(6,0%)	(6,0%)	0,7%	(3,2%)	(2,7%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0,0%	0,0%	0,0%	27,3%	71,9%	71,9%	71,9%	36,5%	31,3%	30,6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	48,9%	104,2%	34,4%	1,8%	1,6%	1,6%	1,6%	21,0%	21,1%	21,1%
Capital payments % of capital expenditure	18(1)c;19	8	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	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								0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(133,6%)	(264,2%)	815,5%	(32,6%)	0,0%	0,0%	(49,9%)	22,2%	1,5%
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	1,2%	7,0%	9,2%	15,4%	1,8%	1,8%	1,6%	1,2%	1,2%	0,0%
Asset renewal % of capital budget	20(1)(vi)	14	28,5%	13,4%	69,7%	1,7%	1,0%	1,0%	0,0%	60,2%	27,9%	8,4%

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 2026/27 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 2026/27 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 analyze 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 85 per cent for 2026/27 and the outer financial years. Given that the assumed collection rate was based on an average of 5 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) must 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. 100 per cent of payments have 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 too long term because the budget is not being protected.

Asset renewal/rehabilitation expenditure level

This measure has a similar objective to the 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 summarize 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.

Policies

The policies were approved by the 31st of May 2026.

GRAP COMPLIANCE

The municipality has established an AFS unit headed by the Manager and an Accountant. The GRAP compliant Annual Financial Statements are prepared internally, reviewed by the CFO and Internal Audit and Provincial Treasury. The municipality utilises a CaseWare AFS tool to prepare the AFS.

MBRR SA33 - Contracts having future budgetary implications

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.

LEGISLATION COMPLIANCE STATUS

Compliance with the MFMA implementation requirements has been substantially adhered to through the following activities:

In year reporting

Reporting to the National Treasury in electronic format was fully complied with monthly. Section 71 reporting to the Mayor (within 10 working days) has progressively improved.

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,

Budget and Treasury Office

The Budget and Treasury Office have been established in accordance with the MFMA.

Audit Committee

An Audit Committee has been established and is fully functional.

Service Delivery and Implementation Plan

The detail SDBIP document is at a final stage and will be finalized after approval of the 2025/26 MTREF in May 2026.

Annual Report

The annual report is compiled in terms of the MFMA and National Treasury requirements.

MFMA Training

The MFMA training module in electronic format is presented at the Municipality's internal center and training is ongoing.

Valuation Roll

The municipality currently compliances with the MPRA. The current valuation has been effective since 01 July 2015 and it is set to expire on 30 June 2029, having been extended for 1 additional year by the MEC. The municipality is currently implementing Supplementary Valuation Roll 3.6. which was advertised in terms Section 49 of the MPRA and is found on the following link: NOTICE CALLING FOR INSPECTION OF SUPPLEMENTARY VALUATION ROLL 3.6 OF 2025 AND LODGING OF OBJECTIONS (emalahlenilm.gov.za)

The valuation roll is published in the municipal website under the following link: Valuation Roll (emalahlenilm.gov.za)

BUDGET TABLES

EC136 Emalahleni (Ec) - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Performance										
Property rates	(718)	11 895	12 054	14 100	16 100	16 100	16 100	16 696	17 247	17 816
Service charges	26 825	33 491	32 926	38 000	42 600	42 600	42 600	45 950	47 151	48 707
Investment revenue	8 756	12 830	14 194	15 000	15 000	15 000	15 000	15 555	16 068	16 583
Transfer and subsidies - Operational	154 229	187 682	200 430	167 532	169 435	169 435	169 435	166 752	164 167	176 102
Other own revenue	15 970	33 632	14 701	12 540	15 510	15 510	15 510	46 024	47 542	49 074
Total Revenue (excluding capital transfers and contributions)	205 062	279 530	274 305	247 172	258 646	258 646	258 646	290 977	292 176	308 281
Employee costs	86 251	93 044	105 941	103 547	110 609	110 609	110 609	118 404	119 682	121 640
Remuneration of councillors	14 240	14 723	15 473	15 672	15 672	15 672	15 672	17 360	17 836	19 232
Depreciation, amortisation and impairment	17 994	20 113	21 776	16 688	16 688	16 688	16 688	17 888	18 478	19 072
Interest, Dividends and Rent on Land	181	1 725	4 191	0	–	–	–	–	–	–
Inventory consumed and bulk purchases	16 867	22 263	26 378	21 208	26 581	26 581	26 581	23 719	24 502	25 286
Transfers and subsidies	1 369	1 177	652	780	880	880	880	850	878	906
Other expenditure	71 107	129 643	130 738	85 065	127 326	127 326	127 326	110 835	113 158	115 562
Total Expenditure	208 008	282 688	305 150	242 960	297 757	297 757	297 757	289 056	294 535	301 697
Surplus/(Deficit)	(2 946)	(3 158)	(30 845)	4 212	(39 111)	(39 111)	(39 111)	1 922	(2 359)	6 584
Transfers and subsidies - capital (monetary allocations)	71 621	46 095	51 946	120 213	102 166	102 166	102 166	54 300	76 280	73 693
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	68 675	42 937	21 102	124 425	63 055	63 055	63 055	56 221	73 921	80 277
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	68 675	42 937	21 102	124 425	63 055	63 055	63 055	56 221	73 921	80 277
Capital expenditure & funds sources										
Capital expenditure	42 672	102 761	90 385	135 811	115 641	115 641	115 641	70 775	65 770	48 331
Transfers recognised - capital	41 383	85 096	86 794	122 896	99 916	99 916	99 916	54 300	49 888	31 696
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	1 234	8 567	2 160	12 915	15 725	15 725	15 725	16 475	15 882	16 635
Total sources of capital funds	42 617	93 663	88 954	135 811	115 641	115 641	115 641	70 775	65 770	48 331
Financial position										
Total current assets	136 715	128 392	152 191	236 007	134 712	134 712	134 712	175 120	207 021	232 448
Total non current assets	425 852	507 499	544 100	254 959	685 761	685 761	685 761	538 496	550 028	549 152
Total current liabilities	33 047	103 462	49 534	43 924	157 256	157 256	157 256	163 477	181 426	194 104
Total non current liabilities	(0)	(0)	28 801	0	28 801	28 801	28 801	49 999	49 999	49 999
Community wealth/Equity	505 291	500 709	545 148	294 597	618 560	618 560	618 560	624 105	624 105	624 105
Cash flows										
Net cash from (used) operating	(114 304)	(110 733)	(203 797)	57 111	(71 673)	(71 673)	(71 673)	76 367	78 920	86 050
Net cash from (used) investing	–	–	–	(59 757)	(134 037)	(134 037)	(134 037)	(68 649)	(63 574)	(46 063)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	(38 230)	(184)	(69 926)	(2 444)	(70 482)	(70 482)	(70 482)	142 947	150 574	175 217
Cash backing/surplus reconciliation										
Cash and investments available	(38 230)	(184)	(69 926)	(2 444)	(70 482)	(70 482)	(70 482)	142 947	150 574	175 217
Application of cash and investments	32 952	57 230	49 427	10 045	97 200	97 200	97 200	142 230	144 428	157 271
Balance - surplus (shortfall)	(71 183)	(57 414)	(119 354)	(12 489)	(167 682)	(167 682)	(167 682)	716	6 146	17 945
Asset management										
Asset register summary (WDV)	323 143	410 302	475 924	44 970	508 758	508 758		400 329	419 267	436 371
Depreciation	17 994	20 113	21 746	16 688	16 688	16 688		17 888	18 478	19 072
Renewal and Upgrading of Existing Assets	35 401	90 961	149 440	51 626	25 689	25 689		68 325	61 380	43 795
Repairs and Maintenance	3 964	28 809	43 691	6 760	9 225	9 225		6 393	4 920	5 389
Free services										
Cost of Free Basic Services provided	1 739	1 739	1 739	1 913	1 913	1 913		2 103	2 181	2 262
Revenue cost of free services provided	99	99	99	101	101	101		104	107	110
Households below minimum service level										
Water:	–	–	–	–	–	–		–	–	–
Sanitation/sewerage:	–	–	–	–	–	–		–	–	–
Energy:	–	–	4	4	4	4		4	5	5
Refuse:	–	–	–	–	–	–		–	–	–

EC136 Emalahleni (Ec) - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional										
Governance and administration		**167 790**	**232 197**	**229 557**	**230 731**	**201 861**	**201 861**	**214 981**	**215 259**	**228 832**
Executive and council		5 187	7 694	8 094	200	200	200	7 851	7 769	8 356
Finance and administration		162 602	224 503	221 462	230 531	201 661	201 661	207 130	207 490	220 476
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**1 409**	**1 583**	**1 858**	**6 969**	**8 398**	**8 398**	**10 204**	**9 135**	**9 446**
Community and social services		803	992	1 537	1 969	3 398	3 398	4 912	3 668	3 802
Sport and recreation		(0)	–	–	–	–	–	–	–	–
Public safety		606	591	321	5 000	5 000	5 000	5 292	5 467	5 644
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**48 745**	**50 516**	**52 644**	**71 398**	**107 952**	**107 952**	**62 427**	**84 809**	**82 501**
Planning and development		43 453	45 816	52 644	52 978	89 482	89 482	43 871	48 248	49 710
Road transport		5 292	4 700	–	18 420	18 470	18 470	18 556	36 561	32 790
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**58 787**	**40 257**	**40 890**	**58 287**	**63 427**	**63 427**	**57 665**	**59 253**	**61 196**
Energy sources		43 408	24 504	24 211	46 287	51 327	51 327	40 575	41 599	42 964
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		15 379	15 753	16 679	12 000	12 100	12 100	17 090	17 654	18 232
Other	4	**670**	**1 072**	**1 303**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Functional	2	**277 401**	**325 625**	**326 251**	**367 385**	**381 638**	**381 638**	**345 277**	**368 456**	**381 974**
Expenditure - Functional										
Governance and administration		**106 840**	**125 568**	**145 195**	**141 885**	**156 971**	**156 971**	**160 030**	**163 825**	**167 968**
Executive and council		29 696	29 579	29 562	33 582	31 397	31 397	40 296	40 246	41 463
Finance and administration		75 511	91 501	112 643	106 511	119 844	119 844	116 585	120 265	123 034
Internal audit		1 633	4 488	2 990	1 792	5 731	5 731	3 149	3 315	3 471
Community and public safety		**22 806**	**25 524**	**28 741**	**21 756**	**27 096**	**27 096**	**29 937**	**30 082**	**30 497**
Community and social services		16 951	20 484	22 999	13 442	17 681	17 681	18 548	17 556	18 380
Sport and recreation		2 053	1 726	1 930	3 153	2 473	2 473	4 287	5 424	4 695
Public safety		1 972	1 678	2 006	2 672	3 708	3 708	3 333	3 145	3 267
Housing		1 829	1 637	1 805	2 489	3 234	3 234	3 768	3 957	4 155
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**35 255**	**44 313**	**44 629**	**49 350**	**49 765**	**49 765**	**46 022**	**48 969**	**50 646**
Planning and development		28 770	38 276	40 821	42 969	42 005	42 005	40 652	43 177	44 598
Road transport		6 485	6 038	3 808	6 382	7 760	7 760	5 371	5 792	6 049
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**44 399**	**90 455**	**84 652**	**28 813**	**60 876**	**60 876**	**48 197**	**46 552**	**47 241**
Energy sources		20 169	73 604	74 258	23 429	52 912	52 912	35 887	34 168	34 068
Water management		–	–	–	–	–	–	–	–	–
Waste water management		1 456	1 073	1 468	388	1 476	1 476	3 768	3 957	4 155
Waste management		22 774	15 779	8 925	4 996	6 488	6 488	8 541	8 427	9 018
Other	4	**5 116**	**5 496**	**8 426**	**2 426**	**4 319**	**4 319**	**4 869**	**5 107**	**5 346**
Total Expenditure - Functional	3	**214 416**	**291 357**	**311 643**	**244 230**	**299 027**	**299 027**	**289 056**	**294 535**	**301 697**
Surplus/(Deficit) for the year		**62 985**	**34 268**	**14 609**	**123 155**	**82 612**	**82 612**	**56 221**	**73 921**	**80 277**

EC136 Emalahleni (Ec) - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Out-come	Original Budget	Ad-justed Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote	1									
Vote 1 - Executive and council		5 187	7 694	8 094	–	–	–	7 851	7 769	8 356
Vote 2 - Corporate Services		99	153	153	200	200	200	–	–	0
Vote 3 - Budget and Treasury		161 237	198 366	192 166	198 461	203 706	203 706	207 130	207 490	220 476
Vote 4 - PEDTA		5	25 531	28 586	32 080	10	10	50	52	53
Vote 5 - Community Services and Social Services		18 719	18 862	20 396	20 409	21 988	21 988	30 800	30 410	31 415
Vote 6 - Infrastructure Development and Human Settlement		92 154	75 020	76 856	116 235	155 735	155 735	99 446	122 735	121 674
Total Revenue by Vote	2	**277 401**	**325 625**	**326 251**	**367 385**	**381 638**	**381 638**	**345 277**	**368 456**	**381 974**
Expenditure by Vote ***to be appropriated***	1									
Vote 1 - Executive and council		32 386	35 521	34 368	37 472	38 690	38 690	44 612	44 751	46 167
Vote 2 - Corporate Services		31 553	17 627	31 096	35 551	39 656	39 656	36 865	31 410	31 746
Vote 3 - Budget and Treasury		41 713	60 868	77 839	75 564	84 037	84 037	83 974	92 669	95 047
Vote 4 - PEDTA		9 351	12 582	10 070	7 879	10 135	10 135	12 908	14 501	14 792
Vote 5 - Community Services and Social Services		49 015	55 137	56 374	38 701	51 538	51 538	52 507	53 346	54 958
Vote 6 - Infrastructure Development and Human Settlement		50 399	109 623	101 895	49 062	74 971	74 971	58 189	57 858	58 988
Vote 7 - Engineering Services		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**214 416**	**291 357**	**311 643**	**244 230**	**299 027**	**299 027**	**289 056**	**294 535**	**301 697**
Surplus/(Deficit) for the year	2	**62 985**	**34 268**	**14 609**	**123 155**	**82 612**	**82 612**	**56 221**	**73 921**	**80 277**

EC136 Emalahleni (Ec) - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	15 282	23 123	22 257	26 000	30 500	30 500	30 500	33 245	34 027	35 150
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	11 543	10 369	10 669	12 000	12 100	12 100	12 100	12 705	13 124	13 557
Sale of Goods and Rendering of Services	2	130	172	140	160	310	310	310	882	910	941
Agency services	2	1 622	1 414	1 234	1 500	1 500	1 500	1 500	1 556	1 607	1 660
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	4 845	6 939	8 098	2 120	2 120	2 120	2 120	7 385	7 629	7 873
Interest earned from Current and Non Current Assets	2	8 756	12 830	14 194	15 000	15 000	15 000	15 000	15 555	16 068	16 583
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	5	0	0	-	-	-	-	-	-	-
Rental from Fixed Assets	2	451	399	213	400	1 800	1 800	1 800	1 867	1 928	1 992
Licence and permits	2	531	665	706	1 450	1 500	1 500	1 500	3 556	3 673	3 790
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	7 330	7 572	7 814
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	1 264	21 357	149	1 210	230	230	230	15 289	15 793	16 299
Non-Exchange Revenue											
Property rates	2	(718)	11 895	12 054	14 100	16 100	16 100	16 100	16 696	17 247	17 816
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	306	203	495	3 700	3 700	3 700	3 700	3 837	3 964	4 090
Licences or permits	2	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	154 229	187 682	200 430	167 532	169 435	169 435	169 435	166 752	164 167	176 102
Interest	2	2 840	3 392	3 696	2 000	2 300	2 300	2 300	2 198	2 271	2 346
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	14	-	-	0	2 050	2 050	2 050	2 126	2 196	2 268
Other Gains	2	3 961	(908)	(30)	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**205 062**	**279 530**	**274 305**	**247 172**	**258 646**	**258 646**	**258 646**	**290 977**	**292 176**	**308 281**
Expenditure											
Employee related costs	2	86 251	93 044	105 941	103 547	110 609	110 609	110 609	118 404	119 682	121 640
Remuneration of councillors	2	14 240	14 723	15 473	15 672	15 672	15 672	15 672	17 360	17 836	19 232
Bulk purchases - electricity	2	16 158	20 278	24 224	19 000	23 000	23 000	23 000	20 000	20 660	21 321
Inventory consumed	2,8	709	1 985	2 154	2 208	3 581	3 581	3 581	3 719	3 842	3 965
Debt impairment	2,3	12 760	47 315	15 489	914	914	914	914	13 166	13 601	14 036
Depreciation, amortisation and impairment	2	17 994	20 113	21 776	16 688	16 688	16 688	16 688	17 888	18 478	19 072
Interest, Dividends and Rent on Land	2	181	1 725	4 191	0	-	-	-	-	-	-
Contracted services	2	24 430	43 941	75 554	31 752	74 847	74 847	74 847	48 630	48 900	49 248
Transfers and subsidies	2	1 369	1 177	652	780	880	880	880	850	878	906
Irrecoverable debts written off	2	-	-	87	0	-	-	-	-	-	-
Operational costs	2	33 491	38 351	37 679	52 399	51 566	51 566	51 566	49 039	50 657	52 278
Disposal of Fixed and Intangible Assets	2	426	37	1 929	0	-	-	-	-	-	-
Other Losses	2	-	-	-	-	-	-	-	-	-	-
Total Expenditure		**208 008**	**282 688**	**305 150**	**242 960**	**297 757**	**297 757**	**297 757**	**289 056**	**294 535**	**301 697**
Surplus/(Deficit)		**(2 946)**	**(3 158)**	**(30 845)**	**4 212**	**(39 111)**	**(39 111)**	**(39 111)**	**1 922**	**(2 359)**	**6 584**
Transfers and subsidies - capital (monetary allocations)	6	71 621	46 095	51 946	120 213	102 166	102 166	102 166	54 300	76 280	73 693
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		**68 675**	**42 937**	**21 102**	**124 425**	**63 055**	**63 055**	**63 055**	**56 221**	**73 921**	**80 277**
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		**68 675**	**42 937**	**21 102**	**124 425**	**63 055**	**63 055**	**63 055**	**56 221**	**73 921**	**80 277**
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		**68 675**	**42 937**	**21 102**	**124 425**	**63 055**	**63 055**	**63 055**	**56 221**	**73 921**	**80 277**
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	**68 675**	**42 937**	**21 102**	**124 425**	**63 055**	**63 055**	**63 055**	**56 221**	**73 921**	**80 277**

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure ***to be appropriated***	2										
Vote 2 - Corporate Services		(25)	1 834	–	500	500	500	500	100	517	534
Vote 4 - PEDTA		–	–	(1 736)	1 500	344	344	344	500	517	534
Vote 5 - Community Services and Social Services		49	(11)	58	1 103	800	800	800	2 150	2 479	2 789
Vote 6 - Infrastructure Development and Human Settlement		64 183	51 578	22 093	7 422	5 225	5 225	5 225	38 878	21 881	7 738
Capital multi-year expenditure sub-total	7	**64 204**	**53 401**	**20 415**	**10 525**	**6 869**	**6 869**	**6 869**	**41 628**	**25 393**	**11 594**
Single-year expenditure ***to be appropriated***	2										
Vote 1 - Executive and council		–	–	124	–	–	–	–	–	–	–
Vote 2 - Corporate Services		944	(79)	208	1 000	1 000	1 000	1 000	200	155	160
Vote 3 - Budget and Treasury		99	450	–	0	1 600	1 600	1 600	500	1 653	1 707
Vote 4 - PEDTA		–	–	–	0	1 156	1 156	1 156	500	517	534
Vote 5 - Community Services and Social Services		278	42	–	300	800	800	800	1 200	–	0
Vote 6 - Infrastructure Development and Human Settlement		(22 852)	48 948	69 637	123 986	104 216	104 216	104 216	26 747	38 053	34 335
Capital single-year expenditure sub-total		**(21 532)**	**49 360**	**69 970**	**125 286**	**108 772**	**108 772**	**108 772**	**29 147**	**40 377**	**36 736**
Total Capital Expenditure - Vote		**42 672**	**102 761**	**90 385**	**135 811**	**115 641**	**115 641**	**115 641**	**70 775**	**65 770**	**48 331**
Capital Expenditure - Functional											
Governance and administration		**1 247**	**2 205**	**352**	**1 728**	**1 500**	**1 500**	**1 500**	**500**	**775**	**1 028**
Finance and administration		1 247	2 205	228	1 728	1 500	1 500	1 500	500	775	1 028
Community and public safety		**95**	**159**	**–**	**855**	**800**	**800**	**800**	**2 750**	**1 963**	**2 027**
Community and social services		138	141	–	0	–	–	–	1 200	–	0
Sport and recreation		(43)	18	–	0	–	–	–	–	–	–
Public safety		–	–	–	855	800	800	800	1 550	1 963	2 027
Economic and environmental services		**40 288**	**59 705**	**38 793**	**106 306**	**106 641**	**106 641**	**106 641**	**60 025**	**55 802**	**37 805**

Planning and development		–	7 222	(942)	3 697	37 854	37 854	37 854	32 963	18 033	3 763
Road transport		40 288	52 483	39 735	102 609	68 787	68 787	68 787	27 062	37 769	34 042
Trading services		**1 043**	**40 692**	**51 240**	**26 922**	**6 700**	**6 700**	**6 700**	**7 500**	**7 231**	**7 470**
Energy sources		–	30 911	37 942	26 602	5 900	5 900	5 900	5 100	6 818	7 043
Waste water management		1 043	9 910	13 260	0	–	–	–	–	–	–
Waste management		–	(128)	39	320	800	800	800	2 400	413	427
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	3	**42 672**	**102 761**	**90 385**	**135 811**	**115 641**	**115 641**	**115 641**	**70 775**	**65 770**	**48 331**
Funded by:											
National Government		39 913	50 527	83 719	105 926	85 196	85 196	85 196	39 300	17 000	2 696
Provincial Government		1 470	34 570	3 075	16 970	14 720	14 720	14 720	15 000	32 888	29 000
Transfers recognised - capital	4	**41 383**	**85 096**	**86 794**	**122 896**	**99 916**	**99 916**	**99 916**	**54 300**	**49 888**	**31 696**
Internally generated funds		1 234	8 567	2 160	12 915	15 725	15 725	15 725	16 475	15 882	16 635
Total Capital Funding	7	**42 617**	**93 663**	**88 954**	**135 811**	**115 641**	**115 641**	**115 641**	**70 775**	**65 770**	**48 331**

EC136 Emalahleni (Ec) - Table A6 Budgeted Financial Position

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current assets											
Cash and cash equivalents	1	110 549	133 870	135 229	110 472	43 602	43 602	43 602	142 947	150 573	175 216
Short term Investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	3	22 792	(11 657)	5 133	91 825	70 398	70 398	70 398	28 209	29 037	29 649
Receivables from non-exchange transactions	3	1 708	3 436	8 365	31 743	12 932	12 932	12 932	13 535	21 980	22 153
Current portion of non-current receivables	4	–	–	–	–	–	–	–	–	–	–
Inventory	5	–	–	–	0	–	–	–	–	–	–
VAT Receivable	6	–	–	–	–	–	–	–	(15 000)	–	(0)
Other current assets	7	1 666	2 743	3 464	1 966	7 780	7 780	7 780	5 430	5 430	5 430
Total current assets		**136 715**	**128 392**	**152 191**	**236 007**	**134 712**	**134 712**	**134 712**	**175 120**	**207 021**	**232 448**
Non current assets											
Investments	8	–	–	–	0	–	–	–	–	–	–
Investment property	9	1 608	1 562	1 519	1 222	674	674	674	628	628	628
Property, plant and equipment	10	423 660	505 490	542 260	252 601	684 264	684 264	684 264	537 447	548 970	548 085
Biological assets	11	–	–	–	–	–	–	–	–	–	–
Living resources	12	–	–	–	–	–	–	–	–	–	–
Heritage assets	13	183	183	183	183	183	183	183	183	189	195
Intangible assets	14	402	264	138	953	641	641	641	238	241	245
Trade and other receivables from exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Other non-current assets	16	–	–	–	–	–	–	–	–	–	–
Total non current assets		**425 852**	**507 499**	**544 100**	**254 959**	**685 761**	**685 761**	**685 761**	**538 496**	**550 028**	**549 152**
TOTAL ASSETS		**562 567**	**635 890**	**696 291**	**490 965**	**820 473**	**820 473**	**820 473**	**713 616**	**757 048**	**781 600**
LIABILITIES											
Current liabilities											
Bank overdraft	17	–	–	–	–	–	–	–	–	–	–
Financial liabilities	18	–	–	–	0	–	–	–	68	68	68
Consumer deposits	19	95	98	106	116	106	106	106	106	106	106
Trade and other payables from exchange transactions	20	34 601	29 973	43 708	26 529	154 400	154 400	154 400	133 983	151 920	164 584
Trade and other payables from non-exchange transactions	21	(20 290)	46 134	4 973	(287)	(925)	(925)	(925)	4 959	4 971	4 985
Provision	22	18 641	27 257	747	17 566	3 675	3 675	3 675	475	475	475
VAT Payable	23	–	–	–	–	–	–	–	9 301	9 301	9 301
Other current liabilities	24	–	–	–	–	–	–	–	14 585	14 585	14 585
Total current liabilities		**33 047**	**103 462**	**49 534**	**43 924**	**157 256**	**157 256**	**157 256**	**163 477**	**181 426**	**194 104**
Non current liabilities											
Financial liabilities	25	–	–	–	0	–	–	–	–	–	–
Provision	26	(0)	(0)	28 801	–	28 801	28 801	28 801	28 801	28 801	28 801
Long term portion of trade payables	27	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities	28	–	–	–	–	–	–	–	21 198	21 198	21 198
Total non current liabilities		**(0)**	**(0)**	**28 801**	**0**	**28 801**	**28 801**	**28 801**	**49 999**	**49 999**	**49 999**
TOTAL LIABILITIES		**33 047**	**103 462**	**78 335**	**43 924**	**186 057**	**186 057**	**186 057**	**213 476**	**231 425**	**244 103**
NET ASSETS		**529 520**	**532 428**	**617 956**	**447 042**	**634 416**	**634 416**	**634 416**	**500 141**	**525 624**	**537 497**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	505 291	500 709	545 148	294 597	618 560	618 560	618 560	624 105	624 105	624 105
Reserves and funds	30	–	–	–	–	–	–	–	–	–	–
Other	31	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	32	**505 291**	**500 709**	**545 148**	**294 597**	**618 560**	**618 560**	**618 560**	**624 105**	**624 105**	**624 105**

EC136 Emalahleni (Ec) - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	14 043	28 874	28 874	28 874	12 522	12 935	13 362
Service charges		–	–	–	22 184	87 860	87 860	87 860	35 169	36 090	37 279
Other revenue		–	–	–	8 152	8 152	8 152	8 152	41 985	27 875	28 772
Transfers and Subsidies - Operational	1	–	–	–	162 811	4 236	4 236	4 236	174 082	171 739	183 916
Transfers and Subsidies - Capital	1	–	–	–	61 902	48 842	48 842	48 842	54 300	76 280	73 693
Interest		–	–	–	–	–	–	–	15 555	16 068	16 599
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(114 304)	(110 733)	(203 412)	(211 970)	(249 626)	(249 626)	(249 626)	(257 246)	(262 068)	(267 570)
Finance charges		–	–	(385)	(11)	(11)	(11)	(11)	–	–	(0)
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(114 304)**	**(110 733)**	**(203 797)**	**57 111**	**(71 673)**	**(71 673)**	**(71 673)**	**76 367**	**78 920**	**86 050**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	0	–	–	–	2 126	2 196	2 268
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital		–	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	–	–	(59 757)	(134 037)	(134 037)	(134 037)	(70 775)	(65 770)	(48 331)
Retention (Capital)		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**–**	**–**	**(59 757)**	**(134 037)**	**(134 037)**	**(134 037)**	**(68 649)**	**(63 574)**	**(46 063)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**(114 304)**	**(110 733)**	**(203 797)**	**(2 646)**	**(205 711)**	**(205 711)**	**(205 711)**	**7 718**	**15 345**	**39 988**
Cash/cash equivalents at the year begin:	2	**76 073**	**110 549**	**133 871**	**202**	**135 229**	**135 229**	**135 229**	**135 229**	**135 229**	**135 229**
Cash/cash equivalents at the year end:	2	**(38 230)**	**(184)**	**(69 926)**	**(2 444)**	**(70 482)**	**(70 482)**	**(70 482)**	**142 947**	**150 574**	**175 217**

References

EC136 Emalahleni (Ec) - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	(38 230)	(184)	(69 926)	(2 444)	(70 482)	(70 482)	(70 482)	142 947	150 574	175 217
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	–	–	–	0	–	–	–	–	–	–
Cash and investments available:		**(38 230)**	**(184)**	**(69 926)**	**(2 444)**	**(70 482)**	**(70 482)**	**(70 482)**	**142 947**	**150 574**	**175 217**
Application of cash and investments											
Unspent conditional transfers		(20 290)	(0)	4 973	(287)	(925)	(925)	(925)	4 959	4 971	4 985
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	0	–	–	–	18 054	3 054	3 054
Other working capital requirements	3	34 601	29 973	43 708	(7 234)	94 450	94 450	94 450	118 743	135 929	148 758
Other provisions		18 641	27 257	747	17 566	3 675	3 675	3 675	475	475	475
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**32 952**	**57 230**	**49 427**	**10 045**	**97 200**	**97 200**	**97 200**	**142 230**	**144 428**	**157 271**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**(71 183)**	**(57 414)**	**(119 354)**	**(12 489)**	**(167 682)**	**(167 682)**	**(167 682)**	**716**	**6 146**	**17 945**
Creditors transferred to Debt Relief - Non-Current portion		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**(71 183)**	**(57 414)**	**(119 354)**	**(12 489)**	**(167 682)**	**(167 682)**	**(167 682)**	**716**	**6 146**	**17 945**

References

EC136 Emalahleni (Ec) - Table A10 Basic service delivery measurement

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	4 079	4 487	4 487	4 487	4 936	5 119	5 308
Minimum Service Level and Above sub-total		–	–	4 079	4 487	4 487	4 487	4 936	5 119	5 308
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	3 604	3 964	3 964	3 964	4 361	4 522	4 690
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	3 604	3 964	3 964	3 964	4 361	4 522	4 690
Total number of households	5	–	–	**7 683**	**8 451**	**8 451**	**8 451**	**9 297**	**9 641**	**9 998**
Refuse:										
Removed at least once a week		368	368	368	405	405	405	445	461	479
Minimum Service Level and Above sub-total		368	368	368	405	405	405	445	461	479
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**368**	**368**	**368**	**405**	**405**	**405**	**445**	**461**	**479**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		7 683	7 683	7 683	8 451	8 451	8 451	9 296	9 640	9 997
Refuse (removed at least once a week)		368	368	368	405	405	405	445	461	479
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to **indigent households**)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per **indigent** household per month)		1 115	1 115	1 115	1 227	1 227	1 227	1 349	1 399	1 451
Refuse (removed once a week **for indigent households**)		624	624	624	686	686	686	754	782	811
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided	8	**1 739**	**1 739**	**1 739**	**1 913**	**1 913**	**1 913**	**2 103**	**2 181**	**2 262**
Highest level of free service provided per household										
Property rates (R value threshold)		15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Water (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		168	168	168	173	173	173	179	186	193
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment) (impermissable values per section 17 of MPRA)**		82	82	82	84	84	84	87	90	93
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		15	15	15	15	15	15	15	15	15
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		1	1	1	1	1	1	1	1	1
Refuse **(in excess of one removal a week for indigent households)**		1	1	1	1	1	1	1	1	1
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		**99**	**99**	**99**	**101**	**101**	**101**	**104**	**107**	**110**

RECONCILLIATION OF IDP AND BUDGET

EC136 Emalahleni (Ec) - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	MTDP Service Outcome	IUDF	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
: Build a Capable, Ethical, and Developmental State: Improved service delivery in the local government sphere	40.Improved service delivery in the local government sphere	02. Inclusion and access		–	–	–	–	–	–	3 556	3 673	3 790
Build a Capable, Ethical, and Developmental State: Improved service delivery in the local government sphere	40.Improved service delivery in the local government sphere	04. Governance		–	–	–	–	–	–	157 016	155 383	167 119
To ensure an effective system of municipal governance in line with applicable legislation	09. Responsive accountable effective and efficient local government	02. Inclusion and access		–	(46 303)	–	–	2 044	2 044	–	–	–
To ensure an effective system of municipal governance in line with applicable legislation	09. Responsive accountable effective and efficient local government	04. Governance		(5 187)	(7 694)	(36 655)	192 901	197 015	197 015	–	–	–
To ensure an effective system of municipal governance in line with applicable legislation	40.Improved service delivery in the local government sphere	02. Inclusion and access		–	–	–	–	–	–	2 068	2 284	2 352
To ensure the availability of wellmaintained and repaired buildings amenities and recreational facilities to which the public has full access	09. Responsive accountable effective and efficient local government	02. Inclusion and access		–	–	–	5 150	5 200	5 200	–	–	–
To ensure the availability of wellmaintained and repaired buildings amenities and	13. A comprehensive responsive and sustainable social protection system	04. Governance		(1 404)	(1 576)	(1 854)	1 559	1 688	1 688	–	–	–

recreational facilities to which the public has full access												
To ensure the availability of wellmaintained and repaired buildings amenities and recreational facilities to which the public has full access	31.Improved coverage of social protection	04. Governance		–	–	–	–	–	–	1 668	1 688	1 757
To ensure the availability of wellmaintained and repaired buildings amenities and recreational facilities to which the public has full access	40.Improved service delivery in the local government sphere	02. Inclusion and access		–	–	–	–	–	–	3 837	3 964	4 090
To ensure the availability of wellmaintained and repaired buildings amenities and recreational facilities to which the public has full access	31.Improved coverage of social protection	04. Governance		–	–	–	–	–	–	1 803	1 862	1 924
To ensure the provision of a comprehensive roads infrastructure network	09. Responsive accountable effective and efficient local government	02. Inclusion and access		(43 217)	(45 497)	(52 281)	16 970	16 970	16 970	–	–	–
To ensure the provision of a comprehensive roads infrastructure network	40.Improved service delivery in the local government sphere	02. Inclusion and access		–	–	–	–	–	–	16 327	32 888	29 000
To facilitate access to energy sources supply to all residents of Emalahleni Municipality	09. Responsive accountable effective and efficient local government	02. Inclusion and access		(43 408)	(24 504)	(24 211)	21 497	21 057	21 057	–	–	–
To facilitate access to energy sources supply to all residents of Emalahleni Municipality	40.Improved service delivery in the local government sphere	02. Inclusion and access		–	–	–	–	–	–	7 619	7 870	8 122

To facilitate provision of human settlements by relevant sector department in compliance with standards of building controls of ELM	09. Responsive accountable effective and efficient local government	02. Inclusion and access		–	–	–	400	1 700	1 700	–	–	–
To facilitate provision of human settlements by relevant sector department in compliance with standards of building controls of ELM	40.Improved service delivery in the local government sphere	02. Inclusion and access		–	–	–	–	–	–	1 867	1 928	1 992
To improve community paticipation in the affairs of the municipality	09. Responsive accountable effective and efficient local government	02. Inclusion and access		–	–	–	100	250	250	–	–	–
To improve community paticipation in the affairs of the municipality	40.Improved service delivery in the local government sphere	02. Inclusion and access		–	–	–	–	–	–	700	710	741
To improve compliance and adherence to legislation	09. Responsive accountable effective and efficient local government	04. Governance		–	–	–	3 000	3 000	3 000	–	–	–
To improve compliance and adherence to legislation	13. A comprehensive responsive and sustainable social protection system	02. Inclusion and access		(163 509)	(180 499)	(194 597)	10	10	10	–	–	–
To improve compliance and adherence to legislation	13. A comprehensive responsive and sustainable social protection system	04. Governance		–	–	–	1 992	1 992	1 992	–	–	–
To improve compliance and adherence to legislation	13. A comprehensive responsive and sustainable social protection system	2. Inclusion and access		–	–	–	75 386	82 286	82 286	–	–	–
To improve compliance and adherence to legislation	31.Improved coverage of social protection	02. Inclusion and access		–	–	–	–	–	–	15 052	15 545	16 041

To improve compliance and adherence to legislation	31.Improved coverage of social protection	2. Inclusion and access		–	–	–	–	–	–	84 955	87 443	90 310
To improve compliance and adherence to legislation	40.Improved service delivery in the local government sphere	04. Governance		–	–	–	–	–	–	3 000	3 100	3 100
To improve compliance and adherence to MFMA legislation	09. Responsive accountable effective and efficient local government	04. Governance		(5 292)	(3 792)	30	51 086	51 092	51 092	–	–	–
To improve compliance and adherence to MFMA legislation	40.Improved service delivery in the local government sphere	04. Governance		–	–	–	–	–	–	41 425	45 588	46 961
Waste Management and Environment	13. A comprehensive responsive and sustainable social protection system	02. Inclusion and access		(15 379)	(15 753)	(16 679)	(2 666)	(2 666)	(2 666)	–	–	–
Waste Management and Environment	31.Improved coverage of social protection	02. Inclusion and access		–	–	–	–	–	–	4 385	4 530	4 675
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**(277 401)**	**(325 625)**	**(326 251)**	**367 385**	**381 638**	**381 638**	**345 277**	**368 456**	**381 974**

EC136 Emalahleni (Ec) - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	MTDP Service Outcome	IUDF	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29

: Build a Capable, Ethical, and Developmental State: Improved service delivery in the local government sphere	40.Improved service delivery in the local government sphere	02. Inclusion and access		–	–	–	–	–	–	50	52	53
02. Inclusion and access	KPA 5: Good Governance and Public Participation	13. A comprehensive responsive and sustainable social protection system		14 539	73	–	490	490	490	–	–	–
02. Inclusion and access	KPA 5: Good Governance and Public Participation	31.Improved coverage of social protection		–	–	–	–	–	–	3 089	3 191	3 293
Build a Capable, Ethical, and Developmental State: Improved service delivery in the local government sphere	40.Improved service delivery in the local government sphere	04. Governance		–	–	–	–	–	–	1 987	1 681	1 605
To ensure an effective system of municipal governance in line with applicable legislation	09. Responsive accountable effective and efficient local government	02. Inclusion and access		38	548	4 828	2 972	32 698	32 698	–	–	–
To ensure an effective system of municipal governance in line with applicable legislation	09. Responsive accountable effective and efficient local government	04. Governance		625	1 355	1 325	1 752	2 263	2 263	–	–	–
To ensure an effective system of municipal governance in line	13. A comprehensive responsive and sustainable	02. Inclusion and access		–	–	–	100	100	100	–	–	–

with applicable legislation	social protection system												
To ensure an effective system of municipal governance in line with applicable legislation	31.Improved coverage of social protection	02. Inclusion and access		–	–	–	–	–	–	100	103	107
To ensure an effective system of municipal governance in line with applicable legislation	40.Improved service delivery in the local government sphere	02. Inclusion and access		–	–	–	–	–	–	3 783	4 052	4 186
To ensure an effective system of municipal governance in line with applicable legislation	40.Improved service delivery in the local government sphere	02. Inclusion and access		–	–	–	–	–	–	100	103	107
To ensure the availability of wellmaintained and repaired buildings amenities and recreational facilities to which the public has full access	09. Responsive accountable effective and efficient local government	02. Inclusion and access		300	342	94	970	33 527	33 527	–	–	–
To ensure the availability of wellmaintained and repaired buildings amenities and recreational facilities to which the public has full access	13. A comprehensive responsive and sustainable social protection system	04. Governance		1 698	1 934	2 263	3 104	4 234	4 234	–	–	–
To ensure the availability of wellmaintained and repaired buildings amenities and recreational facilities to	31.Improved coverage of social protection	04. Governance		–	–	–	–	–	–	4 993	4 351	4 584

which the public has full access												
To ensure the availability of wellmaintained and repaired buildings amenities and recreational facilities to which the public has full access	40.Improved service delivery in the local government sphere	02. Inclusion and access	–	–	–	–	–	–	8 330	7 271	6 355
To ensure the provision of a comprehensive roads infrastructure network	09. Responsive accountable effective and efficient local government	02. Inclusion and access	4 174	8 431	2 675	9 139	8 389	8 389	–	–	–
To ensure the provision of a comprehensive roads infrastructure network	40.Improved service delivery in the local government sphere	02. Inclusion and access	–	–	–	–	–	–	9 165	9 134	9 431
To facilitate access to energy sources supply to all residents of Emalahleni Municipality	09. Responsive accountable effective and efficient local government	02. Inclusion and access	(797)	48 550	42 201	3 438	5 003	5 003	–	–	–
To facilitate access to energy sources supply to all residents of Emalahleni Municipality	40.Improved service delivery in the local government sphere	02. Inclusion and access	–	–	–	–	–	–	4 243	2 749	2 796
To facilitate provision of human settlements by relevant sector department in compliance with standards of building controls of ELM	09. Responsive accountable effective and efficient local government	02. Inclusion and access	46	299	138	1 545	2 545	2 545	–	–	–
To facilitate provision of human settlements by relevant sector department in compliance with standards of	40.Improved service delivery in the local government sphere	02. Inclusion and access	–	–	–	–	–	–	2 000	2 099	2 201

building controls of ELM													
To implement the Local Economic Development Plan with particular emphasis on key aspects of tourism development in ELM	12. An efficient effective and development-oriented public service	03. Growth		554	102	156	575	564	564	–	–	–
To implement the Local Economic Development Plan with particular emphasis on key aspects of tourism development in ELM	41.Improved governance and performance of public entities	03. Growth		–	–	–	–	–	–	1 700	1 872	1 940
To improve community paticipation in the affairs of the municipality	13. A comprehensive responsive and sustainable social protection system	02. Inclusion and access		1 006	1 527	669	3 835	1 062	1 062	–	–	–
To improve community paticipation in the affairs of the municipality	31.Improved coverage of social protection	02. Inclusion and access		–	–	–	–	–	–	4 035	4 257	4 380
To improve compliance and adherence to legislation	09. Responsive accountable effective and efficient local government	04. Governance		–	–	–	190	250	250	–	–	–
To improve compliance and adherence to legislation	13. A comprehensive responsive and sustainable social protection system	02. Inclusion and access		187 845	217 998	248 997	204 184	231 393	231 393	–	–	–
To improve compliance and adherence to legislation	13. A comprehensive responsive and sustainable social protection system	04. Governance		467	245	527	0	–	–	–	–	–

To improve compliance and adherence to legislation	31.Improved coverage of social protection	04. Governance		–	–	–	–	–	–	114 834	119 277	121 600
To improve compliance and adherence to legislation	31.Improved coverage of social protection	02. Inclusion and access		–	–	–	–	–	–	102 992	108 953	112 213
To improve compliance and adherence to legislation	40.Improved service delivery in the local government sphere	04. Governance		–	–	–	–	–	–	250	258	267
To improve compliance and adherence to MFMA legislation	09. Responsive accountable effective and efficient local government	04. Governance		1 701	1 991	3 329	3 329	3 000	3 000	–	–	–
To improve compliance and adherence to MFMA legislation	13. A comprehensive responsive and sustainable social protection system	02. Inclusion and access		773	1 918	2 883	3 256	4 724	4 724	–	–	–
To improve compliance and adherence to MFMA legislation	31.Improved coverage of social protection	02. Inclusion and access		–	–	–	–	–	–	3 157	4 036	4 108
To improve compliance and adherence to MFMA legislation	40.Improved service delivery in the local government sphere	04. Governance		–	–	–	–	–	–	3 000	3 099	3 201
To promote and support agricultural development	07. Vibrant equitable sustainable rural communities contributing towards food security for all	01. Spatial integration		553	2 768	519	200	170	170	–	–	–

To promote and support agricultural development	12. An efficient effective and development-oriented public service	02. Inclusion and access		–	140	–	0	–	–	–	–	–
To provide appropriate Human Resources to support all Directorates in the municipality by June 2016	09. Responsive accountable effective and efficient local government	02. Inclusion and access		462	1 496	519	2 000	2 015	2 015	15	15	16
To provide appropriate Human Resources to support all Directorates in the municipality by June 2016	40.Improved service delivery in the local government sphere	02. Inclusion and access		–	–	–	–	–	–	19 183	16 161	17 103
Waste Management and Environment	13. A comprehensive responsive and sustainable social protection system	02. Inclusion and access		252	1 632	480	3 150	3 089	3 089	–	–	–
Waste Management and Environment	31.Improved coverage of social protection	02. Inclusion and access		–	–	–	–	–	–	2 050	1 820	2 152
Allocations to other priorities												
Total Expenditure			1	**214 416**	**291 357**	**311 643**	**244 230**	**335 517**	**335 517**	**289 056**	**294 535**	**301 697**

EC136 Emalahleni (Ec) - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	MTDP Service Outcome	IUDF	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Build a Capable, Ethical, and Developmental State: Improved service delivery in the local government sphere	40.Improved service delivery in the local government sphere	**04. Governance**		–	–	–	–	–	–	550	930	960
Strategic Priority 2: Reduce Poverty and Tackle the High Cost of Living: Reduced poverty and improved livelihoods	30.Reduced poverty and improved livelihoods communities contributing towards food security for all	**01. Spatial integration**		–	–	–	–	–	–	500	517	534
To ensure an effective system of municipal governance in line with applicable legislation	09. Responsive accountable effective and efficient local government	**02. Inclusion and access**		600	8 325	58 492	1 000	15 456	15 456	–	–	–
To ensure an effective system of municipal governance in line with applicable legislation	09. Responsive accountable effective and efficient local government	**04. Governance**		1 017	222	–	855	800	800	–	–	–
To ensure an effective system of municipal governance in line with applicable legislation	40.Improved service delivery in the local government sphere	**02. Inclusion and access**		–	–	–	–	–	–	1 500	2 686	2 774

To ensure an effective system of municipal governance in line with applicable legislation	40.Improved service delivery in the local government sphere	**02. Inclusion and access**		–	–	–	–	–	–	200	155	160
To ensure the availability of wellmaintained and repaired buildings amenities and recreational facilities to which the public has full access	09. Responsive accountable effective and efficient local government	**02. Inclusion and access**		684	1 133	3 573	16 970	16 320	16 320	–	–	–
To ensure the availability of wellmaintained and repaired buildings amenities and recreational facilities to which the public has full access	13. A comprehensive responsive and sustainable social protection system	**04. Governance**		6 914	(8 366)	6 958	5 225	5 225	5 225	–	–	–
To ensure the availability of wellmaintained and repaired buildings amenities and recreational facilities to which the public has full access	31.Improved coverage of social protection	**04. Governance**		–	–	–	–	–	–	5 625	5 811	6 002
To ensure the availability of wellmaintained and repaired buildings amenities and recreational facilities to which the public has full access	40.Improved service delivery in the local government sphere	**02. Inclusion and access**		–	–	–	–	–	–	15 000	32 888	29 000
To ensure the provision of a comprehensive roads infrastructure network	09. Responsive accountable effective and efficient local government	**02. Inclusion and access**		443	40 016	(10 034)	80 414	85 196	85 196	–	–	–

To ensure the provision of a comprehensive roads infrastructure network	40.Improved service delivery in the local government sphere	**02. Inclusion and access**		–	–	–	–	–	–	39 300	17 000	2 696
To facilitate access to energy sources supply to all residents of Emalahleni Municipality	09. Responsive accountable effective and efficient local government	**02. Inclusion and access**		–	37 172	2 887	28 799	3 800	3 800	–	–	–
To facilitate access to energy sources supply to all residents of Emalahleni Municipality	40.Improved service delivery in the local government sphere	**02. Inclusion and access**		–	–	–	–	–	–	4 600	5 165	5 335
To improve compliance and adherence to legislation	07. Vibrant equitable sustainable rural communities contributing towards food security for all	**01. Spatial integration**		–	5 091	(1 736)	1 500	344	344	–	–	–
To improve compliance and adherence to legislation	13. A comprehensive responsive and sustainable social protection system	**02. Inclusion and access**		33 017	19 296	30 207	728	500	500	–	–	–
To improve compliance and adherence to legislation	31.Improved coverage of social protection	**02. Inclusion and access**		–	–	–	–	–	–	300	620	868
Waste Management and Environment	09. Responsive accountable effective and efficient local government	**02. Inclusion and access**		–	–	–	300	800	800	–	–	–
Waste Management and Environment	13. A comprehensive responsive and sustainable social protection system	**02. Inclusion and access**		–	(128)	39	20	–	–	–	–	–
Waste Management and Environment	40.Improved service delivery in the local government sphere	**02. Inclusion**		–	–	–	–	–	–	3 200	–	0

		and access										
Total Capital Expenditure			1	**42 672**	**102 761**	**90 385**	**135 811**	**128 441**	**128 441**	**70 775**	**65 770**	**48 331**

CASHFLOW PROJECTIONS

EC136 Emalahleni (Ec) - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue																
Exchange Revenue																
Service charges - Electricity		2 770	2 770	2 770	2 770	2 770	2 770	2 770	2 770	2 770	2 770	2 770	2 770	33 245	34 027	35 150
Service charges - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management		1 059	1 059	1 059	1 059	1 059	1 059	1 059	1 059	1 059	1 059	1 059	1 059	12 705	13 124	13 557
Sale of Goods and Rendering of Services		73	73	73	73	73	73	73	73	73	73	73	73	882	910	941
Agency services		130	130	130	130	130	130	130	130	130	130	130	130	1 556	1 607	1 660
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		615	615	615	615	615	615	615	615	615	615	615	615	7 385	7 629	7 873
Interest earned from Current and Non Current Assets		1 296	1 296	1 296	1 296	1 296	1 296	1 296	1 296	1 296	1 296	1 296	1 296	15 555	16 068	16 583
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		156	156	156	156	156	156	156	156	156	156	156	156	1 867	1 928	1 992
Licence and permits		296	296	296	296	296	296	296	296	296	296	296	296	3 556	3 673	3 790
Special rating levies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Construction Contract Revenue		611	611	611	611	611	611	611	611	611	611	611	611	7 330	7 572	7 814
Development Charges		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		1 274	1 274	1 274	1 274	1 274	1 274	1 274	1 274	1 274	1 274	1 274	1 274	15 289	15 793	16 299
Non-Exchange Revenue																
Property rates		1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	16 696	17 247	17 816
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		320	320	320	320	320	320	320	320	320	320	320	320	3 837	3 964	4 090
Licences or permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		13 896	13 896	13 896	13 896	13 896	13 896	13 896	13 896	13 896	13 896	13 896	13 896	166 752	164 167	176 102
Interest		183	183	183	183	183	183	183	183	183	183	183	183	2 198	2 271	2 346
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Fixed and Intangible Assets		177	177	177	177	177	177	177	177	177	177	177	177	2 126	2 196	2 268
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**24 248**	**24 248**	**24 248**	**24 248**	**24 248**	**24 248**	**24 248**	**24 248**	**24 248**	**24 248**	**24 248**	**24 248**	**290 977**	**292 176**	**308 281**
Expenditure																
Employee related costs		9 867	9 867	9 867	9 867	9 867	9 867	9 867	9 867	9 867	9 867	9 867	9 867	118 404	119 682	121 640
Remuneration of councillors		1 447	1 447	1 447	1 447	1 447	1 447	1 447	1 447	1 447	1 447	1 447	1 447	17 360	17 836	19 232
Bulk purchases - electricity		1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	20 000	20 660	21 321
Inventory consumed		310	310	310	310	310	310	310	310	310	310	310	310	3 719	3 842	3 965
Debt impairment		1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	13 166	13 601	14 036
Depreciation, amortisation and impairment		1 491	1 491	1 491	1 491	1 491	1 491	1 491	1 491	1 491	1 491	1 491	1 491	17 888	18 478	19 072
Interest, Dividends and Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services		4 052	4 052	4 052	4 052	4 052	4 052	4 052	4 052	4 052	4 052	4 052	4 052	48 630	48 900	49 248
Transfers and subsidies		71	71	71	71	71	71	71	71	71	71	71	71	850	878	906
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		4 087	4 087	4 087	4 087	4 087	4 087	4 087	4 087	4 087	4 087	4 087	4 087	49 039	50 657	52 278
Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**24 088**	**24 088**	**24 088**	**24 088**	**24 088**	**24 088**	**24 088**	**24 088**	**24 088**	**24 088**	**24 088**	**24 088**	**289 056**	**294 535**	**301 697**
Surplus/(Deficit)		**160**	**160**	**160**	**160**	**160**	**160**	**160**	**160**	**160**	**160**	**160**	**160**	**1 922**	**(2 359)**	**6 584**
Transfers and subsidies - capital (monetary allocations)		4 525	4 525	4 525	4 525	4 525	4 525	4 525	4 525	4 525	4 525	4 525	4 525	54 300	76 280	73 693
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**56 221**	**73 921**	**80 277**
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**56 221**	**73 921**	**80 277**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**56 221**	**73 921**	**80 277**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**56 221**	**73 921**	**80 277**

EC136 Emalahleni (Ec) - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional																
Governance and administration		**17 915**	**17 915**	**17 915**	**17 915**	**17 915**	**17 915**	**17 915**	**17 915**	**17 915**	**17 915**	**17 915**	**17 915**	**214 981**	**215 259**	**228 832**
Executive and council		654	654	654	654	654	654	654	654	654	654	654	654	7 851	7 769	8 356
Finance and administration		17 261	17 261	17 261	17 261	17 261	17 261	17 261	17 261	17 261	17 261	17 261	17 261	207 130	207 490	220 476
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**850**	**850**	**850**	**850**	**850**	**850**	**850**	**850**	**850**	**850**	**850**	**850**	**10 204**	**9 135**	**9 446**
Community and social services		409	409	409	409	409	409	409	409	409	409	409	409	4 912	3 668	3 802
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		441	441	441	441	441	441	441	441	441	441	441	441	5 292	5 467	5 644
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**5 202**	**5 202**	**5 202**	**5 202**	**5 202**	**5 202**	**5 202**	**5 202**	**5 202**	**5 202**	**5 202**	**5 202**	**62 427**	**84 809**	**82 501**
Planning and development		3 656	3 656	3 656	3 656	3 656	3 656	3 656	3 656	3 656	3 656	3 656	3 656	43 871	48 248	49 710
Road transport		1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	18 556	36 561	32 790
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**4 805**	**4 805**	**4 805**	**4 805**	**4 805**	**4 805**	**4 805**	**4 805**	**4 805**	**4 805**	**4 805**	**4 805**	**57 665**	**59 253**	**61 196**
Energy sources		3 381	3 381	3 381	3 381	3 381	3 381	3 381	3 381	3 381	3 381	3 381	3 381	40 575	41 599	42 964
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		1 424	1 424	1 424	1 424	1 424	1 424	1 424	1 424	1 424	1 424	1 424	1 424	17 090	17 654	18 232
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Functional		**28 773**	**28 773**	**28 773**	**28 773**	**28 773**	**28 773**	**28 773**	**28 773**	**28 773**	**28 773**	**28 773**	**28 773**	**345 277**	**368 456**	**381 974**
Expenditure - Functional																
Governance and administration		**13 336**	**13 336**	**13 336**	**13 336**	**13 336**	**13 336**	**13 336**	**13 336**	**13 336**	**13 336**	**13 336**	**13 336**	**160 030**	**163 825**	**167 968**
Executive and council		3 358	3 358	3 358	3 358	3 358	3 358	3 358	3 358	3 358	3 358	3 358	3 358	40 296	40 246	41 463
Finance and administration		9 715	9 715	9 715	9 715	9 715	9 715	9 715	9 715	9 715	9 715	9 715	9 715	116 585	120 265	123 034
Internal audit		262	262	262	262	262	262	262	262	262	262	262	262	3 149	3 315	3 471
Community and public safety		**2 495**	**2 495**	**2 495**	**2 495**	**2 495**	**2 495**	**2 495**	**2 495**	**2 495**	**2 495**	**2 495**	**2 495**	**29 937**	**30 082**	**30 497**
Community and social services		1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	1 546	18 548	17 556	18 380
Sport and recreation		357	357	357	357	357	357	357	357	357	357	357	357	4 287	5 424	4 695
Public safety		278	278	278	278	278	278	278	278	278	278	278	278	3 333	3 145	3 267
Housing		314	314	314	314	314	314	314	314	314	314	314	314	3 768	3 957	4 155
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**3 835**	**3 835**	**3 835**	**3 835**	**3 835**	**3 835**	**3 835**	**3 835**	**3 835**	**3 835**	**3 835**	**3 835**	**46 022**	**48 969**	**50 646**
Planning and development		3 388	3 388	3 388	3 388	3 388	3 388	3 388	3 388	3 388	3 388	3 388	3 388	40 652	43 177	44 598
Road transport		448	448	448	448	448	448	448	448	448	448	448	448	5 371	5 792	6 049
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**4 016**	**4 016**	**4 016**	**4 016**	**4 016**	**4 016**	**4 016**	**4 016**	**4 016**	**4 016**	**4 016**	**4 016**	**48 197**	**46 552**	**47 241**
Energy sources		2 991	2 991	2 991	2 991	2 991	2 991	2 991	2 991	2 991	2 991	2 991	2 991	35 887	34 168	34 068
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		314	314	314	314	314	314	314	314	314	314	314	314	3 768	3 957	4 155
Waste management		712	712	712	712	712	712	712	712	712	712	712	712	8 541	8 427	9 018
Other		**406**	**406**	**406**	**406**	**406**	**406**	**406**	**406**	**406**	**406**	**406**	**406**	**4 869**	**5 107**	**5 346**
Total Expenditure - Functional		**24 088**	**24 088**	**24 088**	**24 088**	**24 088**	**24 088**	**24 088**	**24 088**	**24 088**	**24 088**	**24 088**	**24 088**	**289 056**	**294 535**	**301 697**
Surplus/(Deficit) before assoc.		**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**56 221**	**73 921**	**80 277**
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**4 685**	**56 221**	**73 921**	**80 277**

EC136 Emalahleni (Ec) - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital Expenditure - Functional	1															
Governance and administration		**42**	**42**	**42**	**42**	**42**	**42**	**42**	**42**	**42**	**42**	**42**	**42**	**500**	**775**	**1 028**
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		42	42	42	42	42	42	42	42	42	42	42	42	500	775	1 028
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**229**	**229**	**229**	**229**	**229**	**229**	**229**	**229**	**229**	**229**	**229**	**229**	**2 750**	**1 963**	**2 027**
Community and social services		100	100	100	100	100	100	100	100	100	100	100	100	1 200	–	0
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		129	129	129	129	129	129	129	129	129	129	129	129	1 550	1 963	2 027
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**5 002**	**5 002**	**5 002**	**5 002**	**5 002**	**5 002**	**5 002**	**5 002**	**5 002**	**5 002**	**5 002**	**5 002**	**60 025**	**55 802**	**37 805**
Planning and development		2 747	2 747	2 747	2 747	2 747	2 747	2 747	2 747	2 747	2 747	2 747	2 747	32 963	18 033	3 763
Road transport		2 255	2 255	2 255	2 255	2 255	2 255	2 255	2 255	2 255	2 255	2 255	2 255	27 062	37 769	34 042
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**625**	**625**	**625**	**625**	**625**	**625**	**625**	**625**	**625**	**625**	**625**	**625**	**7 500**	**7 231**	**7 470**
Energy sources		425	425	425	425	425	425	425	425	425	425	425	425	5 100	6 818	7 043
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		200	200	200	200	200	200	200	200	200	200	200	200	2 400	413	427
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	2	**5 898**	**5 898**	**5 898**	**5 898**	**5 898**	**5 898**	**5 898**	**5 898**	**5 898**	**5 898**	**5 898**	**5 898**	**70 775**	**65 770**	**48 331**
Funded by:																
National Government		3 275	3 275	3 275	3 275	3 275	3 275	3 275	3 275	3 275	3 275	3 275	3 275	39 300	17 000	2 696
Provincial Government		1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	15 000	32 888	29 000
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		**4 525**	**4 525**	**4 525**	**4 525**	**4 525**	**4 525**	**4 525**	**4 525**	**4 525**	**4 525**	**4 525**	**4 525**	**54 300**	**49 888**	**31 696**
Borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		1 373	1 373	1 373	1 373	1 373	1 373	1 373	1 373	1 373	1 373	1 373	1 373	16 475	15 882	16 635
Total Capital Funding		**5 898**	**5 898**	**5 898**	**5 898**	**5 898**	**5 898**	**5 898**	**5 898**	**5 898**	**5 898**	5 898	5 898	70 775	65 770	48 331

EC136 Emalahleni (Ec) - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash Receipts By Source															
Property rates	1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	12 522	12 935	13 362
Service charges - electricity revenue	2 296	2 296	2 296	2 296	2 296	2 296	2 296	2 296	2 296	2 296	2 296	2 296	27 546	28 216	29 145
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	635	635	635	635	635	635	635	635	635	635	635	635	7 623	7 875	8 134
Rental of facilities and equipment	156	156	156	156	156	156	156	156	156	156	156	156	1 867	1 928	1 992
Interest earned - external investments	1 296	1 296	1 296	1 296	1 296	1 296	1 296	1 296	1 296	1 296	1 296	1 296	15 555	16 068	16 599
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	320	320	320	320	320	320	320	320	320	320	320	320	3 837	3 964	4 090
Licences and permits	296	296	296	296	296	296	296	296	296	296	296	296	3 556	3 673	3 790
Agency services	130	130	130	130	130	130	130	130	130	130	130	130	1 556	1 607	1 660
Transfers and Subsidies - Operational	14 507	14 507	14 507	14 507	14 507	14 507	14 507	14 507	14 507	14 507	14 507	14 507	174 082	171 739	183 916
Other revenue	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	16 170	16 703	17 240
Cash Receipts by Source	**22 026**	**22 026**	**22 026**	**22 026**	**22 026**	**22 026**	**22 026**	**22 026**	**22 026**	**22 026**	**22 026**	**22 026**	**264 313**	**264 708**	**279 928**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	4 525	4 525	4 525	4 525	4 525	4 525	4 525	4 525	4 525	4 525	4 525	4 525	54 300	76 280	73 693
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	177	177	177	177	177	177	177	177	177	177	177	177	2 126	2 196	2 268
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vat Control (receipts)	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	15 000	0	0
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	**27 978**	**27 978**	**27 978**	**27 978**	**27 978**	**27 978**	**27 978**	**27 978**	**27 978**	**27 978**	**27 978**	**27 978**	**335 739**	**343 184**	**355 889**
Cash Payments by Type															
Employee related costs	(9 867)	(9 867)	(9 867)	(9 867)	(9 867)	(9 867)	(9 867)	(9 867)	(9 867)	(9 867)	(9 867)	(9 867)	(118 404)	(119 681)	(121 639)
Remuneration of councillors	(1 447)	(1 447)	(1 447)	(1 447)	(1 447)	(1 447)	(1 447)	(1 447)	(1 447)	(1 447)	(1 447)	(1 447)	(17 360)	(17 836)	(19 232)
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(0)
Bulk purchases - Electricity	(1 667)	(1 667)	(1 667)	(1 667)	(1 667)	(1 667)	(1 667)	(1 667)	(1 667)	(1 667)	(1 667)	(1 667)	(20 000)	(20 660)	(21 321)
Acquisition inventory - water and other inventory	(301)	(301)	(301)	(301)	(301)	(301)	(301)	(301)	(301)	(301)	(301)	(301)	(3 614)	(3 733)	(3 853)
Contracted services	(4 069)	(4 069)	(4 069)	(4 069)	(4 069)	(4 069)	(4 069)	(4 069)	(4 069)	(4 069)	(4 069)	(4 069)	(48 830)	(49 500)	(49 248)
Transfers and subsidies - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	(4 087)	(4 087)	(4 087)	4 087	(4 087)	(4 087)	(4 087)	(4 087)	(4 087)	(4 087)	(4 087)	(4 087)	(49 039)	(50 657)	(52 278)
Cash Payments by Type	**(21 437)**	**(21 437)**	**(21 437)**	**(13 264)**	**(21 437)**	**(21 437)**	**(21 437)**	**(21 437)**	**(21 437)**	**(21 437)**	**(21 437)**	**(21 437)**	**(257 246)**	**(262 068)**	**(267 570)**
Other Cash Flows/Payments by Type															
Capital assets	(5 898)	(5 898)	(5 898)	(5 898)	(5 898)	(5 898)	(5 898)	(5 898)	(5 898)	(5 898)	(5 898)	(5 898)	(70 775)	(65 770)	(48 331)
Retention (Capital)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**(27 335)**	**(27 335)**	**(27 335)**	**(19 162)**	**(27 335)**	**(27 335)**	**(27 335)**	**(27 335)**	**(27 335)**	**(27 335)**	**(27 335)**	**(27 335)**	**(328 021)**	**(327 839)**	**(315 901)**
NET INCREASE/(DECREASE) IN CASH HELD	**643**	**643**	**643**	**8 816**	**643**	**643**	**643**	**643**	**643**	**643**	**643**	**643**	**7 718**	**15 345**	**39 988**
Cash/cash equivalents at the month/year begin:	135 229	11 269	11 269	11 269	11 269	11 269	11 269	11 269	11 269	11 269	11 269	11 269	135 229	135 229	135 229
Cash/cash equivalents at the month/year end:	135 872	11 912	11 912	20 085	11 912	11 912	11 912	11 912	11 912	11 912	11 912	11 912	142 947	150 574	175 217

ANNUAL FINANCIAL STATEMENT PLAN

OVERALL PROGRESS **55%**

Component	Information Required	Responsible Official ELM	Consultant	Target / Submission date	Target Completion date	Percentage Completion	Review Status	Comments
AFS	Changes to Senior Management	Lusanda/ HR	Wilson/ Phiwe	15-Jul-26	17-Jul-26	75%	In progress	Updated as at 31 March 2026
	Changes to Councillors	Lusanda/ HR	Wilson/ Phiwe	15-Jul-26	17-Jul-26	75%	In progress	Updated as at 31 March 2026
Balance Sheet								
Operating lease asset	Lease contracts	Nobhula/ Juwele	Solwazi	15-Jul-26	17-Jul-26	75%	In progress	Updated as at 31 March 2026
	Operating lease asset schedule	Nobhula/ Juwele	Solwazi	15-Jul-26	17-Jul-26	75%	In progress	Updated as at 31 March 2026
Receivables from Exchange transactions	Ageing analsyis as at 31 March 2026	Nobhula/ Juwele	Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Clearing of Control accounts	Nobhula/ Juwele	Solwazi	20-Jul-26	25-Jul-26	25%	In progress	Updated as at 31 September 2025
	Clearing of the service charges receivable accounts that have remained constant over the years.	Nobhula/ Juwele	Solwazi	15-Jul-26	17-Jul-26	25%	In progress	Updated as at 31 September 2025
	Support for the prepayment of R114 419	Nobhula/ Juwele	Solwazi	15-Jul-26	17-Jul-26	0%	Not yet started	Not yet started
	Accrued interest schedule	Ngeva N	Solwazi	15-Jul-26	17-Jul-26	0%	Not yet started	Not yet started
	Receivables notes	Nobhula/ Juwele	Solwazi	15-Jul-26	17-Jul-26	25%	Not yet started	Not yet started
	Signed monthly recons			15-Jul-26	17-Jul-26	75%	In progress	Updated as at 31 March 2026

	Correction of all un-corrected prior year misstatements		Solwazi	20-Jul-26	25-Jul-26	25%	In progress	In progress
Receivables from Non Exchange transactions	Property rates age-ing	Nobhula/ Juwele	Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Impairment calcula-tion (Likely not changing under re-vised GRAP 104)	Nobhula/ Juwele	Solwazi	20-Jul-26	25-Jul-26	25%	In progress	In progress busy with the methodology
	OTP grant schedule	Manakaza/ Ngeva	Solwazi	15-Jul-26	17-Jul-26	75%	In progress	Updated as at 31 March 2026
	Traffic fines register	Nobhula/ Juwele	Solwazi	20-Jul-26	25-Jul-26	25%	In progress	In progress
	Monthly recons (9 of them for July to March)	Nobhula/ Juwele	Solwazi	15-Jul-26	17-Jul-26	75%	In progress	Updated as at 31 March 2026
	Notes	Nobhula/ Juwele	Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Input Vat Accrual VAT Payable/ Output Ac-crual	Vat Reconciliations	Mr Juwele/ Ms Stuurman	Solwazi	20-Jul-26	25-Jul-26	50%	In progress	Updated as at 31 March 2026
	VAT Statement of account	Mr Juwele/ Ms Stuurman	Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	VAT 201s	Mr Juwele/ Ms Stuurman	Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Note	Mr Juwele/ Ms Stuurman	Solwazi	20-Jul-26	25-Jul-26	50%	In progress	Updated as at 31 March 2026
Cash and Cash Equiva-lents	Bank recons for 9 months	Manakaza	Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Bank statements	Manakaza	Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Investment register	Manakaza	Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026

	Interest schedule	Manakaza	Wilson	20-Jul-26	25-Jul-26	50%	In progress	Updated as at 31 March 2026
	Cash and Cash Equivalents note	Manakaza	Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Investments	Investment register	Manakaza	Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Support for the investment deposit/ Withdrawal	Manakaza	Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Note	Manakaza	Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Accounting policy	Manakaza	Wilson	20-Jul-26	25-Jul-26	50%	In progress	Updated as at 31 March 2026
				20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Eskom Deposit	IT3b Confirmations from Eskom	Mr Juwele/ Ms Stuurman	Wilson	20-Jul-26	25-Jul-26	50%	In progress	Updated as at 31 March 2026
	Invoices from Eskom for June 2025/ June 2024	Mr Juwele/ Ms Stuurman	Wilson	20-Jul-26	25-Jul-26	50%	In progress	Updated as at 31 March 2026
	Prior period error paper and note	Mr Juwele/ Ms Stuurman	Wilson	15-Jun-26	19-Jun-26	25%	Not yet started	Not yet started
	Eskom Deposit note	Mr Juwele/ Ms Stuurman	Wilson	20-Jul-26	25-Jul-26	50%	In progress	Updated as at 31 March 2026
Non Current Assets	Asset Registers (Investment, PPE, Intangible and Heritage)	Sawa	Vincent	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Monthly recons	Sawa	Vincent	20-Jul-26	25-Jul-26	50%	In progress	Updated as at 31 March 2026
	Notes	Sawa	Vincent	20-Jul-26	25-Jul-26	50%	In progress	Updated as at 31 March 2026

	WIP recon	Sawa	Vincent	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Payables from Exchange	Ageing	Juwele	Sbu	15-Jul-26	17-Jul-26	75%	In progress	Updated as at 31 March 2026
	Supplier statements	Juwele	Sbu	15-Jul-26	17-Jul-26	75%	In progress	Updated as at 31 March 2026
	Creditors Recons including third parties	Juwele	Sbu	15-Jul-26	17-Jul-26	75%	In progress	Updated as at 31 March 2026
	Retention register and support	Sawa	Sbu	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	COIDA schedule	Juwele	Sbu	15-Jul-26	17-Jul-26	75%	In progress	Updated as at 31 March 2026
	Clearing of control accounts	Juwele	Sbu	15-Jul-26	17-Jul-26	75%	In progress	Updated as at 31 March 2026
	Unallocated deposits	Nobhula	Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Advance payments/		Sbu	15-Jul-26	17-Jul-26	75%	In progress	Updated as at 31 March 2026
	INEP grants schedule	Manakaza	Solwazi	15-Jul-26	17-Jul-26	75%	In progress	Updated as at 31 March 2026
	Notes		Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Consumer deposits	Consumer deposits schedule	Juwele/Nobhula	Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Support for the movements(Deposits and withdrawals)	Juwele/Nobhula	Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Note	Juwele/Nobhula	Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026

Unspent conditional grants	Grants schedule together with the support	Manakaza/ Ngeva	Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Note to the IFS	Manakaza/ Ngeva	Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Monthly recons			20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Correction to prior year mistatements and prior period error note	Manakaza/ Ngeva	Solwazi	15-Jun-26	19-Jun-26	25%	Not yet started	Not yet started
Provisions	Land fill sites valuation- Year end			20-Jul-26	25-Jul-26	0%	Not yet started	Not yet started
Employee benefit obligations	Actuarial valuations - long services and PEMA (year end)	Mr Mbotyi/ Lusanda	Wilson	20-Jul-26	25-Jul-26	0%	Not yet started	Not yet started
	Bonus accrual		Wilson	20-Jul-26	25-Jul-26	0%	Not yet started	Not yet started
	Leave accrual schedule and support for leave taken		Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Overtime schedule	Lusanda	Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Employee listing as at 31 March 2026	Lusanda	Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Payroll Report as at 31 March 2026	Lusanda	Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Note		Wilson	20-Jul-26	25-Jul-26	50%	In progress	Updated as at 31 March 2026
Income statement								
Service charges	Billing reports		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026

	Tariff schedule		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Meter reading reports		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Exception reports		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Service Charges - Agree the revenue per GL to the billing reports		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Perform revenue completeness testing		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Notes to the IFS		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Sale of Goods and rendering of services	Schedules with support for Cemeteries, Clearance certificates and building plans		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
INEP construction revenue	INEP grants schedule with support		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Notes		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Journal to recognise the income		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Rental from fixed assets	Rental contracts		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Schedule and note		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026

Interest from Receivables (both exchange and non exchange)	Interest receivables schedule		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Recon of the schedule to the GL		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Agency services	Agency services contracts		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Agency services schedule and recons		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Note		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Licences and permits	Approved tariff		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Schedule		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
				20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Operational revenue	Schedule agreed to support		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Interest received - investment	Interest schedule		Sbu	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Recon of interest to GL and support		Sbu	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Revenue from non-exchange transactions								
Property rates	Property rates - Reconciling tarrifs used to council approved tariffs		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Property rates - Reconciling valuation		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026

	roll to property rates in the system (to check complete-ness of properties being billed)							
	Property rates - Rec-onciling the billing reports to General Ledger		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Fines and penalties	Traffic fine register and support		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Pound fees sched-ule		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Illegal connections schedule		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Government grants	Grants schedule and support	Manakaza/ Ngeva	Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Recon to GL	Manakaza/ Ngeva	Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Note sot IFS	Manakaza/ Ngeva	Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Expenditure								
Employee related costs	Employee listing	Lusanda	Phiwe	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Payroll recons for the 9 months	Lusanda	Phiwe	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Listing of all ap-pointments and ter-minations and em-ployee files	Mbotyi	Phiwe	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026

Remuneration of councillors	Payrpll report	Lusanda	Phiwe	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Payroll recons	Lusanda	Phiwe	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Depreciation and amortisation	FAR	Sawa	Vincent	20-Jul-26	25-Jul-26	50%	In progress	Updated as at 31 March 2026
Impairment loss	FAR	Sawa	Vincent	20-Jul-26	25-Jul-26	0%	Not yet started	Not yet started
Construction contract costs	INEP schedule and support		Solwazi	20-Jul-26	25-Jul-26	50%	In progress	Updated as at 31 March 2026
Finance costs	Schedule		Sbu	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Lease rentals on operating lease	Schedule	Lusanda	Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Payment vouchers for all leases	Lusanda	Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Commitments workings	Lusanda/ Xinti	Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Lease contracts- for other new leases **besides** the Vehicle and Printers that was provided.	Lusanda/Xinti	Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Debt Impairment	Impairment calculations for property rates	Juwele	Solwazi	20-Jul-26	25-Jul-26	0%	Not yet started	Not yet started
Bad debts written off	Council resolution/ approval		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026

	Listing/ Schedule		Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Bulk purchases	Eskom invoices for the 9 Months	Lusanda	Phiwe	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Bulk purchases schedule	Lusanda	Phiwe	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Contracted Services	Payment vouchers for testing of assertions (Cut off, Classification and accuracy) preferably scanned copies	Lusanda	Phiwe	20-Jul-26	25-Jul-26	0%	Not yet started	Not yet started
Transfers and Subsidies	Payment vouchers for testing of assertions (Cut off, Classification and accuracy) preferably scanned copies. Review of repairs and maintenance accounts for misclassifications	Lusanda	Phiwe	20-Jul-26	25-Jul-26	0%	In progress	Updated as at 31 March 2026
Operational costs	Payment vouchers for testing of assertions (Cut off, Classification and accuracy) preferably scanned copies	Lusanda	Phiwe	20-Jul-26	25-Jul-26	0%	Not yet started	Not yet started
Disclosures								

Irregular expenditure	SCM registers (quotations, tender register and Deviations register	Xinti	Sbu	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Irregular register	Xinti	Sbu	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Prior period error note for the Councillors payment above regulation	Xinti	SBu					Not Applicable
	Internal audit reports on SCM	Xinti	Sbu	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Distribution losses	Schedule and support	Juwele	Solwazi	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Fruitless and wasteful expenditure	Update register (Alco collo=aborate with Phiwe for expenditure testing to identify other interest charges)	Lusanda	Sbu	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Support for the fruitless and wasteful	Lusanda	Sbu	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
Contigencies	Litigation Register	Adv	Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Summons for all new cases	Adv	Wilson	20-Jul-26	25-Jul-26	0%	Not yet started	Not yet started
Commitments	Commitments register and support		Sbu	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026

Related parties	Ensure all related parties are disclosed on the AFS		Wilson	20-Jul-26	25-Jul-26	0%	Not yet started	Not yet started
Related parties	Key management remuneration schedule and Councilors disclosures	Lusanda	Phiwe	20-Jul-26	25-Jul-26	0%	Not yet started	Not yet started
Financial Instruments	Automate the note for financial instruments		Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Financial instrument schedule		Wilson	20-Jul-26	25-Jul-26	0%	Not yet started	Updated as at 31 March 2026
Risk Management	Ensure the risk management note is disclosed in line with GRAP		Wilson	20-Jul-26	25-Jul-26	0%	Not yet started	Not yet started
Prior period note	Prepare a prior period error note working paper for all sections		Wilson					
Budget Variances	Adjustment budget	Xashimba	Wilson	20-Jul-26	25-Jul-26	75%	In progress	Updated as at 31 March 2026
	Reasons for the adjustments	Xashimba	Wilson	20-Jul-26	25-Jul-26	0%	Not yet started	Not yet started
	Explanations for the variances- Collaborate the explanations to ensure they make sense, accurate and sufficient	Xashimba	Wilson	20-Jul-26	25-Jul-26	0%	Not yet started	Not yet started

Cashflow	Cash flow workings	Xashimba	Wilson/Sbu	20-Jul-26	25-Jul-26	50%	In progress	Updated as at 31 March 2026
Submission to Manager Financial Reporting for Review	Audit file and AFS	Xashimba	Wilson	26-Jul-26	29-Jul-26	0%	Not yet started	Not yet started
Submission to CFO for Review	Audit file and AFS	Xashimba	Wilson	29-Jul-26	30-Jul-26	0%	Not yet started	Not yet started
Submission to Internal Audit and Treasury for Review and Recommendations	Audit file and AFS	Xashimba	Wilson	07-Aug-26	15-Aug-26	0%	Not yet started	Not yet started
Submission to Audit Committee for Reviews and Recommendations	Audit file and AFS	Xashimba	Wilson	17-Aug-26	21-Aug-26	0%	Not yet started	Not yet started
Complete the NT disclosure checklist	Review of the AFS			28-Aug-26	28-Aug-26	0%	Not yet started	Not yet started
Submit the disclosure checklist and signed off by the CFO	Review of the AFS			28-Aug-26	29-Aug-26	0%	Not yet started	Not yet started
Submission to Council for Approval	Audit file and AFS			31-Aug-26	31-Aug-26	0%	Not yet started	Not yet started
Submission to AGSA	Audit file and AFS	Xashimba	Wilson	31-Aug-26		0%	Not yet started	Not yet started

CHAPTER 11 - PERFORMANCE MANAGEMENT SYSTEM FRAMEWORK

1. **PREAMBLE**

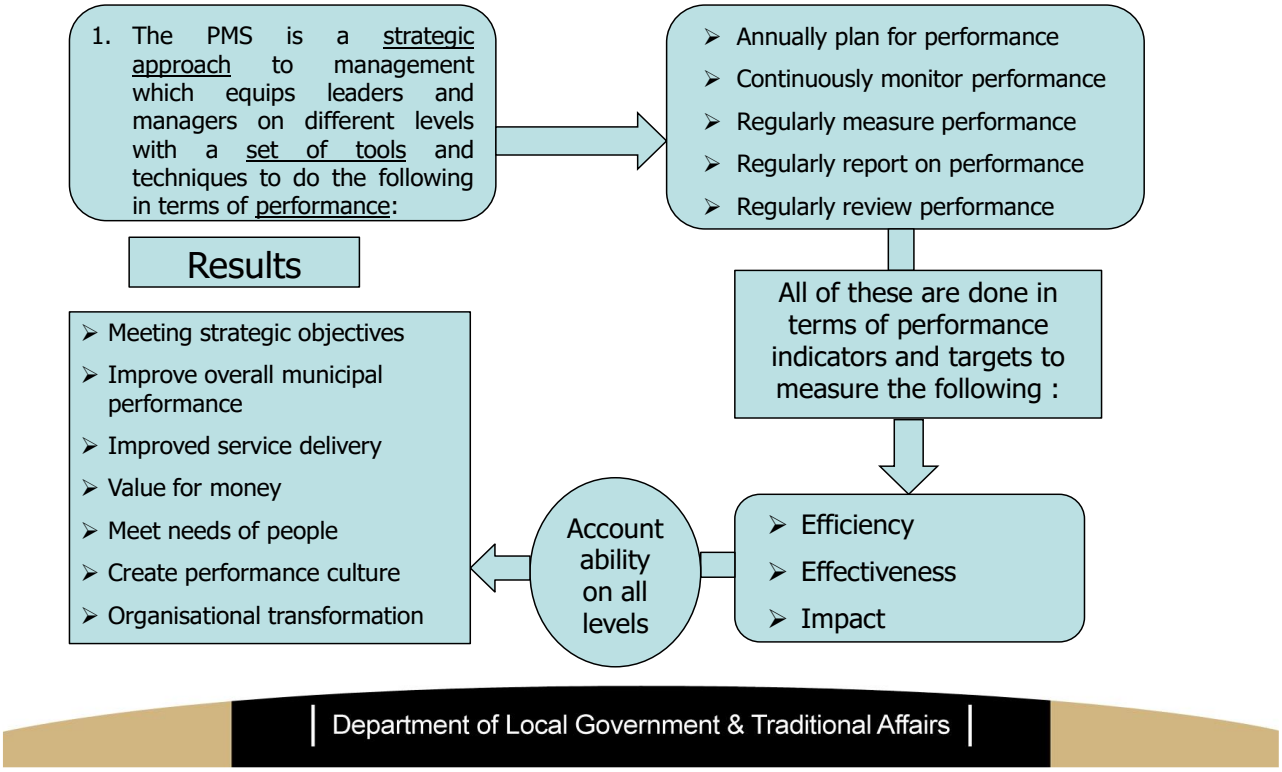
Performance management, aside from having legislative requirements to justify its existence, is also a necessity when it comes to ensuring that performance objectives and targets are met in the manner required, so that the desired service delivery objectives can be met and achieved by all.
The intention 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:

2.1 To ensure the implementation of a Performance Management System within Emalahleni Municipality.
2.2 To ensure that all employees become acutely aware and comfortable with the practical application of the Performance Management System within this Municipality.
2.3 To create the boundaries required will ensure that all employees and the political leadership contribute towards the achievement of goals as well as KPA's and KPI's at both personal and organizational levels.
2.4 To ensure all parties have a clear and thorough understanding of their role and function within this process.

2. What is Performance Management System?



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 be 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 organization and individuals. 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 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. 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	Indicators 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 **(Section 152)**	**Mandates Local Government to:** • Provide democratic and accountable government for local communities. • Ensure the provision of services to communities in 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.
Municipal System Act **Act 32 of 2000 (Chapter 6)**	**A Municipality must:** • Establish a Performance Management System. • Promote a performance culture. • Administer its affairs in an economical, effective, efficient, and accountable manner. **It further outlines the core components of a performance management system as follows:** • Set KPI's as a yardstick for measuring performance. • Set measurable performance targets about each of those development priorities and objectives. • Monitor measure and review performance once per year. • Take steps to improve performance. • 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*. The white paper acknowledges that, "involving communities in developing some municipal key performance indicators increases the accountability of the municipality. Some communities may priorities the amount of time it takes a municipality to answer a query, others will prioritize 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).

BATHOPELE(1998)	The White Paper on Transforming Public Service Delivery (Batho Pele) puts forward eight principles for good public service. Our municipality is bound to uphold these principles: ✓ **Consultation:** 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. ✓ **Service standards:** Communities should know what standard of service to expect. ✓ **Access:** All communities should have equal access to the services to which they are entitled. ✓ **Courtesy:** Communities should be treated with courtesy and consideration. ✓ **Information:** Communities should be given full and accurate information about the public services they are entitled to receive. ✓ **Openness and transparency:** Communities should know how directorates are run, how resources are spent, and who is in charge of particular services. ✓ **Redress:** 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. ✓ **Value-for-money:** Public services should be provided economically and efficiently in order to give communities the best possible value-for-money. 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: • Develop a performance management system • Set *targets*, monitor, and *review performance* based on indicators linked to their IDP • Publish an *annual report* on performance of the councillors, staff, the public and other spheres of government • Incorporate and report on a set of *general indicators* prescribed nationally by the minister responsible for local government • Conduct an *internal audit* on performance. • Have their annual performance report audited by the Auditor-General • *Involve the community* in setting indicators and targets and reviewing municipal performance 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:

9.1 Council (required to adopt this policy).
9.2 The Municipal Manager who facilitates the review and amendment of this policy.
9.3 The Corporate Services Director/Municipal Manager who assumes responsibility for the management and administration of performance management application; and
9.4 The Audit Committee and in their absence the Performance Audit Committee.

10. IMPLEMENTATION CAPACITY

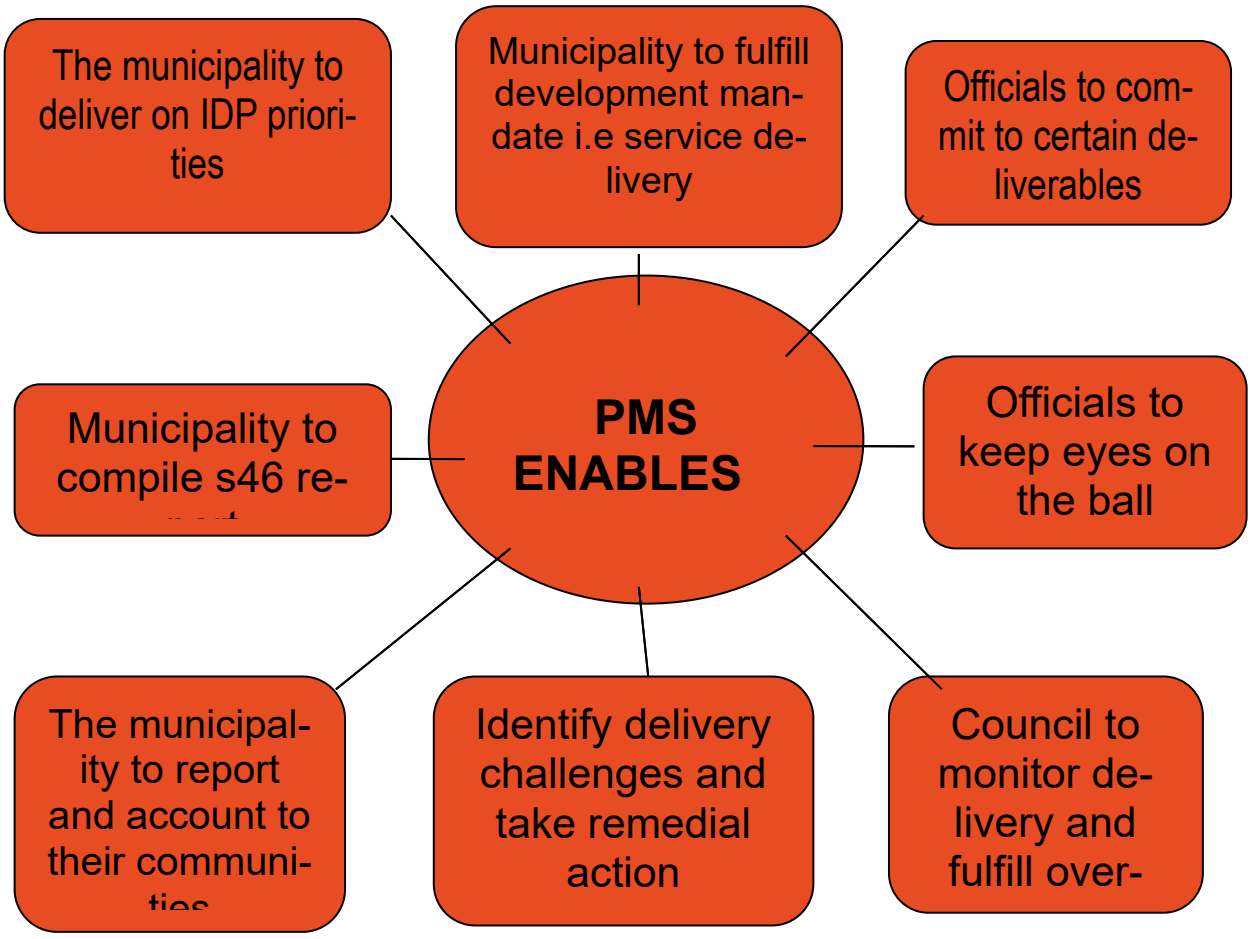
To ensure the successful application of this policy, it is critical that the necessary "buy in" and commitment to this process is obtained from all relevant role-players. Additionally, it is critically important to ensure that all staff are adequately trained, and workshops administer and implement the terms and conditions applicable to this process.

In this regard, the following developments 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 workshop in terms of the process itself to facilitate understanding, commitment and buy in to this process.



OBLIGATIONS TO ENSURE COLLECTIVE PERFORMANCE

COUNCIL	EMPLOYEE
• Enables the environment to facilitate effective performance • Clarifies development objectives and performance expectations (IDP) • Regularly review employee performance and provide feedback on performance – oversight • Works collaboratively with employees to solve problems that may negatively impact on performance • Delegates powers required by employees to enable to meet performance objectives • Make available the necessary resources required to enable employees to perform.	• Understands the strategic intent (development mandate – IDP • Buys into and participates in the Performance Management System • Works collaboratively with the employer to solve problems that may impact on performance • Commits to fulfilling their part in enabling the institution to deliver on mandate • Focus on fulfilling commitment in terms of performance agreement

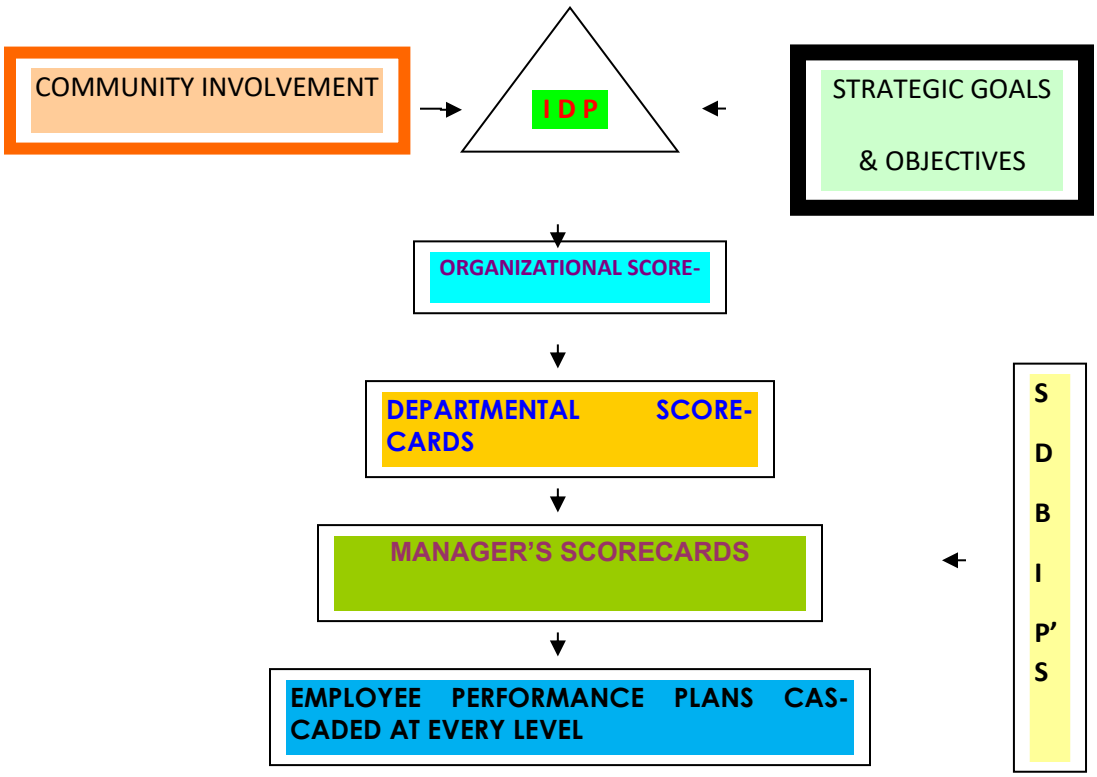
PRACTICAL APPLICATION OF THE PERFORMANCE MANAGEMENT SYSTEM

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) is 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,
- 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 an 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 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 behaviors 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 and Middle Managers)

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 the 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

17. 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.

18. 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 assesses.

18.1 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.

18.2 The following procedure will be undertaken in this process of Performance Measurement and will be facilitated by the Chairperson:

18.2.1 During each evaluation, the Chairperson will lead the process by outlining each area on the populated scorecard.

18.2.2 Each member of the panel will rate the Manager under discussion.

18.2.3 The respective Directors will then be required to give formal documentary evidence to validate performance.

18.2.4 SDBIP's/documentary evidence and evidence portfolios must be used to substantiate performance or to settle disputes as and when required.

18.2.5 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.

18.2.6 SDBIP's must be made available up front, so that easy reference can be made, and evidence obtained

18.2.7 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.

19. 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: ***More than half (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 assessed, 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.

20. Failure to do so (resulting in over- or under-stating performance) can only be detrimental – both to the organization and to the individual.

21. **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.

22. 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

23. 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

24. STAKEHOLDER ANALYSIS AND THEIR ROLES

STAKEHOLDERS	**INVOLVEMENT WITH: IDP, ORGANISATIONAL PM, INDIVIDUAL PM**	**BENEFITS**
COUNCILORS: • Mayor • Executive Committee • Standing / Portfolio Committee • Council	• Facilitate development of long-term Vision, IDP and PMS. • Provide strategic direction and manage development of IDP. Manage the implementation of strategy. • Review and monitor the implementation of IDP. • Adapt PM framework and approve the IDP.	• Optimum and equitable service delivery. • Promotes public awareness and satisfactions. • Facilitates a process of benchmarking and collaboration with other municipalities.

	• Monitor Performance.	• Provides a mechanism for the monitoring, implementation, and review of the IDP.

25. **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 details 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

CHAPTER 13: PROJECTS FROM SECTOR DEPARTMENTS AND STATE OWNED ENTITIES

Emalahleni Local Municipality promotes good governance and consider alignment with the planning and service delivery initiatives made by different organs of state. An integration of plans is done in response to S31(c) where the Member of the Executive Council responsible for Cooperative Governance is required to facilitate the co-ordination and alignment of integrated development plans of different municipalities including those of a district municipality and the local municipalities within its area; and (ii) the integrated development plan of a municipality with the plans, strategies and progmrnmes of national and provincial organs Of state. Below are projects / programs that will be implemented by other organs of state in the Emalahleni municipal area.

CHRIS HANI			
PROJECT NAME	**BUDGET**	**PROGRESS**	**DISCUSSIONS**
Emalahleni LM -MIG -25/26 -26/27 -27/28 -WSIG -25/26 -26/27 -27/28	 -R84 501 939.00 -R105 805 839.00 -R150 000 000.00 -R14580 000.00 -R14 630 000.00 -10 000 000.00	-5 Registered ,1 Not yet registered and 1 in 1 Construction -Business plan approved	

DEDEAT			
PROJECT NAME	**BUDGET**	**PROGRESS**	**DISCUSSIONS**
Consumer awareness at Indwe town	N/A	16 April 2026	
Conduct consumer operations at Indwe	N/A	28 May 2026	
One project funded EES	R1 327 000	this financial year 2026/27	Project to create 60 jobs
Co-operative training and monitoring		Training Monitoring	there is no training that has been held at Emalahleni.
Business Development (company registration)		Registration, amendments, annual returns	Emalahleni LM – 11 enterprises
Workop		• LRED Workshop • Women in business funding workshop (August 2026)	

DEPARTMENT OF EDUCATION			
PROJECT NAME	**BUDGET**	**PROGRESS**	**DISCUSSIONS**

Strategies to improve results	N/A	• Grade 12 camp • Incubating Ngqoko SSS at Tambekile SSS • Quarterly Analysis of results and strategizing for the term • Monthly Circuit Accountability Session	
Employment of Personnel (Principalship)	N/A	The following school are in a process of appointing principals • Gcinibuzwe SSS • Lamplough SPS • Lupapasi SSS • Nokwazi SPS • Ngqoko SSS • Pumlani Technical School • Indwe Meth SPS	
Fencing Phase 5	N/A	• Mkapusi SSS • Bengu Agric • Ntsonkotha SSS • Buffalo Thorns • Boniswa • Cacadu SSS • Thandisizwe • Phumlani THS • Greyspan SPS • Vaalbank SPS	Some schools are in Site inspection assessment completed, completed, assessment commenced ,implementing agent appointed and assessment.
Ablution facilities	N/A	• Phumlani THS • Greyspan SPS • Vaalbank SPS	Implementing agent appointed and assessment
Infra-structucture	N/A	Ngqoko SSS	1.6 Classrooms 2. 1 Staff room 3. I beautiful kitchen 4. Flushing toilets for teachers

DEPARTMENT OF AGRICULTURE			
PROJECT NAME	**BUDGET**	**PROGRESS**	**DISCUSSIONS**
Rodana village	R1 089 000	Planning stage	Supply and delivery of fencing material for 11,8km
Rwantsana Village		Planning stage	1Supply and delivery of fencing material for 0km
Junior Land care	R30 100	Planning stage	Supply and delivery of Production Inputs
Twinbird Poultry	R1 300 000	Planning stage	Poultry structure at 2500 birds capacity
Grain producers	R128 000 00		Production Inputs for 40 ha
Ilima lokulima	R1 172 500	Planning stage	Production inputs (poultry feed, pig feed and vegetable garden inputs

DEPARTMENT OF TRANSPORT			
PROJECT NAME	**BUDGET**	**PROGRESS**	**DISCUSSIONS**
Surfaced Roads	R5 246 103.00		
Gravel Roads	R6 300 000.00		
Flood Damages	R15 000 000.00		

DEPARTMENT OF HUMAN SETTLEMENTS			
PROJECT NAME	**BUDGET**	**PROGRESS**	**DISCUSSIONS**
Dordrecht – Sinako Zwelethemba 289 (91) subs Ward 11&14	R21 304 835	The support infrastructure services not available in some areas. Erven connection points not visible and its affecting house connections.	The matter has been escalated to the district municipality to attend to the matter.
Cacadu ext.3&4 Mixed Dev 800 subs Ward 4 GIC	R57 685 600	Slow but steady progress on site.	The contractor has installed 779 water mains and 801 sewer mains to date internal services to date, which is equivalent to 64% progress. Roads and stormwater phase will resume soon but in segments. Contractor is expected to submit application for extension of contract. Confirmation on the beneficiary community (i.e. Needs Register) is essential at this stage.
Chris Hani Destitute 800 (49) subs All Wards	R8 085 000	Contractor is underperforming and the contract has expired.	The contract has expired. The department is in a process to formalize termination of contract and complete the remaining scope through extension of scope to Chris Hani Destitute 1300 – Emalahleni 200 project.
Zwartwater 1000 subs Ward 4 Mosegedi & Associates	R169 591 628	The project is at practical completion stage	The contractor has constructed 1000 housing units to date, with minor snags on a contingent of housing units that needs attention. Construction period has been extended to March 2027.

Lady Frere R/Land Ph2 715(200) rect ward 4	R34 741 722	Contractor is underperforming and the contract has expired.	The contract has expired. The department is in a process to formalize termination of contract
Chris Hani Destitute 879 (150) subs All Wards Noba Construction	R2 453 818	The project is at pre-construction stage	PSP was introduced to the LM, and they are busy with pre-construction activities at present. Capturing of beneficiaries has started with 141 approvals registered for the project. Site establishment anticipated on the second third quarter of 2026/27 financial year subject to conclusion of pre-construction activities.
Chris Hani Destitute 1300 (200) subs All Wards Balintulo Trading	R31 862 482	Pre-construction stage	Regional Office has introduced both the PSP and the contractor to the LM on 29/04/2026. The beneficiary master list for the project has been submitted. Site establishment anticipated on the third quarter of 2026/27 financial year subject to conclusion of pre-construction activities.

ESKOM			
PROJECT NAME	**BUDGET**	**PROGRESS**	**DISCUSSIONS**
Gcuma Electrical Contractor	N/A	83% of 21,8km	
Nkinkura Contractor	N/A	66% of 9.4km	
Yuren Electrical	N/A	55% of 15km	
Mvusi Electrical	N/A	45% of 17.9km	

DEPARTMENT OF HEALTH			
PROJECT NAME	**BUDGET**	**PROGRESS**	**DISCUSSIONS**
Rodana Clinic	N/A		
New Project Rodana	N/A		
Jojweni Health Post	N/A		

INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW FOR 2026-2027 FINANCIAL YEAR

Special Council Meeting: 28 MAY 2026

Resolution No: SCM 244/05/2026

The Hon Mayor presented the report on the integrated plan (IDP)review for 2026/2027 financial year.

COUNCIL RESOLVED:

a) To approve the report on the reviewed IDP for 2026-2027.
b) To approve the IDP 2026/2027.
c) To note 2026-2027 post approval will be submitted to Chris Hani District Municipality, Department of Cooperative Governance and Traditional Affairs, National and Provincial Treasury for compliance.

Execution	Deadline
DIRECTOR PEDTA	Immediately