



CHDM 2019-2020

IDP REVIEW

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EXECUTIVE MAYOR'S FOREWORD

MESSAGE BY ACTING MUNICIPAL MANAGER

The Integrated development plan is the principal strategic planning instrument which guides and inform all planning budgeting, management and decision-making processes in a municipality.

The Local Government: Municipal Systems Act, No 32,200 (MSA) mandates Municipalities to review integrated Development Plans annually in accordance with an assessment of its performance measurements. Consequently this IDP review for 2019/2020 was compiled in accordance with section34 of the MSA.

This review was enriched by a number of sessions held since then. CHDM institution and all government departments and Para- Stats within the district held various sessions which include IGR, DIMAFO, IDP Rep Forums and Institutional Strategic Session in throughout 2018-2019. Institutional Strategic Session was held for purposes of developing Objectives, Strategies and Programmes that will respond to the situational/ status quo of the region as well as to ensure alignment of all government programmes i.e. SONA, SOPA.

The District Municipality developed and adopted its Draft 2019-2020 IDP Review in March 2019 and IDP/Budget Road shows were then conducted after adoption to all the Local Municipalities within the district.

The final 2019-2020 IDP Review was adopted on the 29th May 2019 and all inputs from communities as gathered from Road shows were taken into consideration and inputted. In an effort to further actualize its institutional vision, the municipality has also maintained the Vision, Mission and 5 Broad Strategic Objectives in response to key issues confronting the municipality.

These objectives are aligned to the 5 National KPAs (5 Year Local Government Strategic Agenda). We have further noticed an improvement in the participation of stakeholders in the IDP Representative Forum. The challenge however still remains in as far as adequate budget to fund all the projects and programmes that have been identified as the resources are very limited. Be that as it may, through this stakeholder partnerships we are doing our best to ensure that our IDP is implementable and can be put through the test in as far as performance management is concerned.

Lastly this 2019/2020 IDP Review in the fourth generation of IDPs seeks to not only operationalize the concept of Back to Basics but to also ensure that our community can hold us accountable in all service delivery matters.

My sincere appreciation to Council, the administration and all external role-players for your valued contribution to this 2019/20 IDP review

Dr. B.J Mthembu

Acting Municipal Manage

BACKGROUND TO THIS DOCUMENT

The CHDM Council has adopted an IDP Framework and IDP Process Plan for the development of this IDP Review -2019-2020 by the 29th August 2018. By law 5 year IDP has to be reviewed annually to accommodate changes as the world changes, meaning by 2017-2022 will also be reviewed up to the year 2022.

The adopted IDP Processes Plan has to be submitted to MEC COGTA and it must be prepared in fulfilment of the Municipality's legal obligation in terms of Section 32 of the Local Government: Municipal Systems Act 32 of 2000.

In addition to the legal requirement for every Municipality to compile an Integrated Development Plan, the Municipal Systems Act 32 of 2000 also requires that:

- the IDP be implemented;
- the Municipality monitors and evaluates its performance with regards to the IDP's implementation;
- The IDP be reviewed annually to effect improvements.

Section 25 of the Municipal Systems Act deals with the adoption of the IDP and states that:

“Each municipal council must adopt a single, inclusive and strategic plan for the development of the municipality which –

- links, integrates and co-ordinates plans and takes into account 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 budget must be based.”

CHDM's Broad Strategic Objectives

In an effort to realise the institutional vision, CHDM has developed 5 Broad Strategic Objective for a period of 5 years and are the ones that were adopted on 2017-2022 IDP and are to continue as such even on the 2019 -2020 IDP Review as aligned to the National KPA. These are a product of various engagements including Departmental sessions, IDP Sessions held during the period. These are a way of responding to key issues confronting the municipality and as said are aligned to the 5 National KPA's (5 year Local Government Strategic Agenda).

Report outline

The report is structured as follows:

Chapter 1: The Planning Process

This section of the IDP will outline the planning process with specific reference to the IDP process, and organisational arrangements. This chapter will provide the reader with an understanding of the process followed by the Chris Hani District Municipality in compiling the Integrated Development Plan for 2019-2020 financial years.

Chapter 2: The Situational Analysis

This section will provide a detailed situational analysis of Chris Hani District Municipality as informed and guided by the latest STATS SA Community Survey conducted in 2016 which in turn has been augmented to cater for projections of Demographics. Projections flowing from Community Survey 2016 were done by Global Insight and ECCSEC.

Chapter 3: Objectives, Strategies and Projects

This section will provide a concise summary of the Municipal Vision, Mission and Values, and a detailed breakdown of objectives, strategies and project programmes flowing from the Broad IDP Objectives as adopted on 2017-2022 IDP. Inputs, discussions and engagements of the strategic sessions will be used to guide this chapter. All planning frameworks will be considered NDP 2030, EC-Vision 2030, EC-SDF, Ruling Parties January 08th statement, SONA AND SOPA up to the SODA.

Chapter 4: Spatial Development Framework Analysis

This section will provide a detailed analysis of the District Spatial Development Framework and further takes care of the Enacted SPLUMA, 2016 Municipal boundaries and Demarcation.

Chapter 5: Sector Plans

This section will provide a list of all CHDM Sector plans for the period 2019-2020 and their status.

Chapter 6: Financial Plan

This section will provide the district municipality's financial strategies, budget for the 2018-2021 and the following two outer years, as well as the 3 Year Financial Plan with all relevant financial policies.

Chapter 7: Performance Management System

This section will provide the legal context of the municipality's performance management system, an overview of the monitoring and evaluation process, a background to the CHDM Performance Management Framework as well as the Balanced Scorecard Model adopted by the district municipality and a process of PMS Cascading to below Section 56/7.

CHAPTER 1:

THE PLANNING PROCESS

The IDP Process

Prior to the commencement of this 2019-2020 IDP Review, CHDM prepared and adopted a District IDP Framework Plan that served as a guide to the overall process throughout the district, as well as the CHDM IDP/Budget Process Plan. The Council resolutions for the adoption of the District IDP Framework Plan and the IDP/Budget Process Plan as well as for 2019-2020 IDP will be attached as Annexures.

□ District IDP Framework Plan

A District Framework Plan was formulated and adopted by Council on 23rd August 2018 to serve as a guide to all of the local municipalities within the CHDM area of jurisdiction, in the preparation of their respective Process Plans. In brief, the District Framework Plan outlines the time frames of scheduled events/activities, structures involved and their respective roles and responsibilities.

□ CHDM IDP/Budget Process Plan

The IDP/Budget Process Plan was also formulated and adopted by CHDM Council on 29th August 2018. The IDP/Budget Process Plan outlines in detail, the way in which the CHDM embarked on its IDP and Budget processes from its commencement in August 2017 to its completion in June 2018. In brief, the Process Plan outlines the time frames of scheduled events, structures involved and their respective roles and responsibilities. On 29th August 2018, the Chris Hani District Municipality adopted a framework plan for the IDP throughout its area of jurisdiction, followed by a Process Plan. These plans were adopted in accordance with the relevant legal prescripts and have dictated the process to be followed for developing the IDP.

Organisational arrangements were put in place as per the Process Plan and all legislative prescripts were adhered to. Of particular note have been the effective and efficient operations of structures such as the Technical IGR Managers Forum, District Mayors Forum (DIMAFO), IDP Representative Forum and the IDP/Budget/PMS Steering Committee. These have executed their mandates in terms of the adopted Process Plan and ensured the achievement of key milestones and deliverables.

During this 2019-2020 IDP review, particular attention will be paid to institutional issues, IDP-budget linkage, the maintenance of CHDMs Vision and Mission as well as Values as endorsed on our Strategic Planning Session and given blessings by our communities as these were presented on various platforms and communities given platform to comment and advice on these.

The delivery of services to the community of Chris Hani pays particular attention on Water and Sanitation. An analysis was conducted in respect of various sector plans attached to the

CHDM's IDP and some were found to be still relevant and required minor update, others required a reviewal, whilst new ones were developed.

Strict compliance with Regulation 3(5) has been ensured through an ongoing process of consultation between the CHDM and all local municipalities through the operations of the said structures.

Organizational Arrangements

□ **CHDM IDP Structures:-** Structures guided the IDP Process within the CHDM:

- IDP/Budget/PMS Steering Committee
- Budget Steering Committee
- IDP/PMS/Budget Representative Forum
- Technical IGR Managers' Forum
- Chief Whips/Speakers Forum
- District Mayors Forum (DIMAFO)

□ **Roles and Responsibilities**

A number of role-players participated in the IDP Process. The role-players together with their respective roles and responsibilities are outlined in the table below.

PERSON/STRUCTURE	ROLES AND RESPONSIBILITIES
Executive Mayor	<ul style="list-style-type: none"> ▪ Manage the drafting of the IDP; ▪ Assign responsibilities in this regard to the Municipal Manager; ▪ Submit the draft Framework Plan and Process Plan to the Council for adoption; ▪ Submit the draft IDP to the Council for adoption and approval; <p>The responsibility for managing the drafting of the IDP was assigned to the Municipal Manager, assisted by the Senior Manager Planning & Development.</p>
Municipal Manager / Senior Manager Planning & Development	<p>The Municipal Manager had the following responsibilities, assigned to the Senior Manager Development Planning:</p> <ul style="list-style-type: none"> ▪ Preparation of Framework Plan; ▪ Preparation of the Process Plan; ▪ Day-to-day management and coordination of the IDP process in terms of time, resources and people, and ensuring: <ul style="list-style-type: none"> ➤ The involvement of all relevant role-players, especially officials; ➤ That the timeframes are being adhered to; ➤ That the planning process is horizontally and vertically aligned and

		<p>complies with national and provincial requirements;</p> <ul style="list-style-type: none"> ➤ That conditions for participation are provided; ➤ That the outcomes are documented; and ➤ Organising the IDP Steering Committee Meetings ➤ Ensuring that IDP Rep Forum Meetings are held;
	District Mayors Forum (DIMAFO)	<p>The DIMAFO is the institutional structure to monitor alignment and integration of the IDP process between CHDM, its local municipalities, sector departments and parastatal bodies.</p> <p>Chairperson:</p> <p>The Executive Mayor of Chris Hani District Municipality</p> <p>Secretariat:</p> <p>The secretariat for this function is provided by the Mayor’s office</p> <p>Members:</p> <p>Chairpersons of the IDP Representative Forums from the:</p> <ul style="list-style-type: none"> ● Six Local Municipalities; ● Chairpersons of the IDP Steering Committees, (Municipal Manager, Strategic Manager/Senior Manager Planning & Development CHDM and LM’s IDP Managers) all eight Local Municipalities. ● All CHDM Directors, Communications Manager ● Representatives from sector departments and parastatals. <p>The DIMAFO is responsible for co-ordinating roles regarding district municipality and local municipalities by:</p> <ul style="list-style-type: none"> ● Ensuring horizontal alignment of the IDPs of the local municipalities in the district area of jurisdiction; ● Ensuring vertical alignment between district and local planning; ● Facilitation of vertical alignment of IDPs with other spheres of government; and ● Preparation of joint strategy workshops with local municipalities, provincial and national role-players. <p>DIMAFO meetings are always preceded by IGR technical committee meetings</p>
	Technical IGR Forum	<p>The Technical IGR Forum is the institutional structure to monitor alignment and integration of the IDP process between CHDM, its local municipalities, sector departments and parastatal bodies.</p>

		<p>Chairperson:</p> <p>The Municipal Manager of Chris Hani District Municipality</p> <p>Secretariat:</p> <p>The secretariat for this function is provided by the Municipal Managers office.</p> <p>Members:</p> <ul style="list-style-type: none"> ● Municipal Managers of local Municipalities; ● Chairpersons of the IDP Steering Committees, (Municipal/IDP Managers) from the six Local Municipalities. ● District Managers within Chris Hani Region from sector departments and parastatals. ● Directors of CHDM, Manager MSU of CHDM and Communications Unit <p>The Technical IGR is responsible for co-ordinating roles regarding district municipality and local municipalities by:</p> <ul style="list-style-type: none"> ● Ensuring horizontal alignment of the IDPs of the local municipalities in the district area of jurisdiction; ● Ensuring vertical alignment between district and local planning; ● Facilitation of vertical alignment of IDPs with other spheres of government; and ● Preparation of joint strategy workshops with local municipalities, provincial and national role-players.
	<p>IDP/Budget/PM S Steering Committee</p>	<p>The IDP Steering Committee comprised of a technical task team of dedicated officials who supported the Municipal Manager to ensure a smooth planning process. The Municipal Manager was responsible for the process but often delegated functions to the officials that formed part of the Steering Committee.</p> <p>Chairperson:</p> <p>Municipal Manager (or Strategic Manager/Director IPED)</p> <p>Secretariat:</p> <p>The secretariat for this function is provided by the Planning Unit of IPED</p> <p>Members:</p> <p>Heads of Departments (HODs)</p>

		<p>CHDM Management at large</p> <p>Project Managers</p> <p>Internal audit</p> <p>Communications Unit</p> <p>The IDP Steering Committee is responsible for the following:</p> <ul style="list-style-type: none"> ▪ Commission research studies; ▪ Consider and comment on: <ul style="list-style-type: none"> ▪ Inputs from subcommittee(s), ▪ Inputs from provincial sector departments and support providers. ▪ Process, summarise and draft outputs; ▪ Make recommendations to the Representative Forum; ▪ Prepare, facilitate and minute meetings ▪ Prepare and submit reports to the IDP Representative Forum
	<p>IDP/PMS/Budget Representative Forum</p>	<p>Chairperson:</p> <p>The Executive Mayor or a nominee</p> <p>Secretariat:</p> <p>The secretariat for this function is provided by the IPED Planning Unit and Mayor’s Office</p> <p>Membership:</p> <p>The Representative Forum comprised of CHDM Councillors and staff and its local municipalities, representatives from sector departments, parastatal bodies, NGOs, business fraternity, traditional leaders, and other interested organized bodies.</p>
	<p>Service Providers</p>	<p>Service providers were not utilised for this IDP, instead the IPED Planning Unit provided support for the following:</p> <ul style="list-style-type: none"> ▪ Methodological/technical support on the development of objectives, strategies, projects and programmes. ▪ Budget alignment and other ad hoc support as required; ▪ Coordination of planning workshops as required.

In addition to the structures reflected in the table above, the following structures/consultations were also involved:

1.2 Schedule of Meetings

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

CHDM ACTION PLAN	
PARTICIPATION STRUCTURES & MEETING DATES	
IDP Advert calling Stakeholders	11 August 2018
IDP Steering Committee (pre-planning and review implementation)	06 September 2018
Mayoral Committee Meeting to look on IDP Process Plan	
Council Approval of Framework Plan & Process Plan	23 August 2018
IDP/Budget/PPMS Steering Committee	06 September 2018
DIMAFO	
IDP/PMS/Budget Representative Forum [district-wide development priorities]	14 September 2018
Technical IGR	08 November 2018
IDP Steering Meeting	20 November 2018
DIMAFO	
IDP Rep Forum	29 November 2018
Mayoral Committee Meeting	06 December 2018
IDP Phase Assessment (Situation Analysis)	06 December 2018
Mid-Year Performance Assessment HOD's	15-17 January 2019
Budget Steering Committee –Adjustment Budget	06 February 2019
Technical IGR	07 February 2019

MPAC	09 February 2019
DIMAFO	13 February 2019
Mayoral Committee	14 February 2019
Council Meeting Adopting Adjustment Budget	21 February 2019
Strategic Planning session (mid-year term review and strategic goals)	22-23 February 2019
IDP Steering Committee Meeting	02 March 2019
MPAC	09 March 2019
Budget Steering Committee	13 March 2019
Mayoral Committee Meeting	14 March 2019
IDP Rep Forum	14 March 2019
Council approval of the draft IDP & Budget	27 March 2019
Draft IDP and Draft Budget published. Advertise for public comments (21days)	02 April 2019
IDP/ Budget road shows (public presentation hearings at LMs)	14 -15 May 2019
IDP/Budget Steering Committee to incorporate inputs into the IDP Roadshows	20 May 2019
Mayoral Committee	22 May 2019
Technical IGR/IDP Alignment session	16 May 2019
DIMAFO	31 May 2019
IDP Rep Forum	23 May 2019
Council Meeting (Final Adoption of IDP & Budget)	24 May 2019

2019-2020 DRAFT IDP and BUDGET ROADSHOWS

The outline of the Public Participation Process with specific reference to transparency and community involvement during the 2019- 2020 IDP development process.

Date	Time	Municipality	Town/Venue
FROM THE 14-15 MAY 2019	10:00	Emalahleni	Cacadu Town Hall
	10:00	Intsika Yethu	Cofimvaba Town Hall
	10:00	Engcobo	Deberha Community Hall
	10:00	Sakhisizwe	Cala Town Hall
	10:00	Inxuba Yethemba	Middleburg Hall
	10:00	Enoch Mgijima	Thobi Kula Sports Centre

1.4 **Relevant Documents**

The following documentation should be read with the IDP:

- Municipal Systems Act and relevant regulations
- IDP Guide Pack, with specific reference to Guide 3 and Guide 6

- District IDP Framework Plan
- CHDM IDP/Budget Process Plan
- CHDM IDP (2017 - 2022)
- Various sector plans and programmes
- Category B IDP's (2017 - 2022)
- Performance Management Framework (2014)
- Eastern Cape Vision 2030
- National Development Plan 2030

1.5 Alignment with National and Provincial Programs

The following National programs informed the IDP Process:

- State of the Nation Address (SONA)
- National Development Planning 2030
- State of Local Government in South Africa
 - Municipal Demarcation Board Reports 2015
- COGTA : Local Government Turnaround Strategy (LGTAS)
- COGTA : Operation Clean Audit 2014
- Powers & Functions :
 - Municipal Demarcation Board
 - Local Government MEC
- ANC Manifesto (2009, 2011, 2014-2016; 2019)
- King III & IV Report, Code on Good Governance for South Africa

CHDM has adopted that 2017/2022 as period of service delivery and year of the Thuma Mina as adopted by National Cabinet. CHDM acknowledged that though we work 'Harder', we don't work 'Smarter'. CHDM further concur with the Masiphathisane as pronounced by the Premier of the Eastern Cape Province with the War Room Approach.

The National Development 2030 mentions that South Africa can eliminate poverty and reduce inequality by 2030 and this will require change, hard work, leadership and unity. Its goal is to improve the life chances of all South Africans, but particularly those young people who presently live in poverty. The plan asks for a major change in how we as government in general we go about our lives.

In the past, we expected government to do things for us. What South Africa needs is for all of us to be active citizens and to work together – government, business, communities – so that people have what they need to live the lives they would like. On compiling 2019-2020 IDP Review the NDP 2030 will be taken into consideration and aligned to a great extent.

The following table below depicts how CHDMs 5 key performance areas are aligned with the national and provincial programs:

Key Performance Areas	Manifesto 2019	10 National Priorities	8 Provincial Priorities	12 Outcomes	
Good Governance and Public Participation	5. Fight against crime and corruption	Intensifying the fight against crime and corruption	Intensify the fight against crime and corruption	7. Vibrant, rural communities towards food security	
		Build cohesive, caring and sustainable communities	Building cohesive and sustainable communities	9. Responsive and effective Government	
		Pursuing African advancement and enhanced international co-operation		12. An advanced service and inclusive cities	
		Building a developmental state including improvement of public services and strengthening democratic institutions		11. Create a better Africa	
Municipal Financial Viability and Management	5. Fight against crime and corruption	Intensifying the fight against crime and corruption	Intensify the fight against crime and corruption	9. Responsive and effective Government	
Municipal Transformation and Institutional Development	5. Fight against crime and corruption	Strengthen skills and human resource base	Strengthen education, skills and human resource base	1. Quality basic education	
		2. Education/Skills		Pursuing African advancement and enhanced international co-operation	5. Skilled and supported labour force
		Building a developmental state including improvement of public services and strengthening democratic institutions			3. All people employed and decent work 9. Responsive and effective Government

				12. An developme service and inclusive cit
Basic Service Delivery and Infrastructure Investment	3. Health	Improve health profile of the nation	Improve the health profile of the province	6. An eff responsive network
		Comprehensive rural development strategy linked to land and agrarian reform & food security	Rural development, land and agrarian transformation, and food security	2. A long South Afric
		Massive programme to build economic and social infrastructure	Massive programme to build social and economic and infrastructure	8. Sustaina and improv life
		Sustainable resource management and use	Building a developmental state	10. Prot environmen resources
Local Economic Development	1. Creation of decent work and sustainable livelihoods/Jobs	Speeding up economic growth & transforming economy to create decent work and sustainable livelihoods	Speeding up growth & transforming the economy to create decent work and sustainable livelihoods	4. Decent inclusive ec
	4. Rural development, food security and land reform	Comprehensive rural development strategy linked to land and agrarian reform & food security	Rural development, land and agrarian transformation, and food security	6. An eff responsive network
			Massive programme to build social and economic and infrastructure	7. Vibrant, rural com towards fo
		Building cohesive and sustainable communities		8. Sustaina and improv life

			Building a developmental state	10. Prot environme resources
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1. BACKGROUND

The Integrated Development Plan (IDP) for Chris Hani District Municipality (CHDM) provides a framework for developing the local economy based on the opportunities present in the region. This document will serve as the demographic and socio-economic profile of the IDP and will focus on identifying opportunities within the district to accelerate job creation and ensure sustained improvement in local quality of life. This will be achieved through the identification of key strengths, weaknesses, challenges and opportunities.

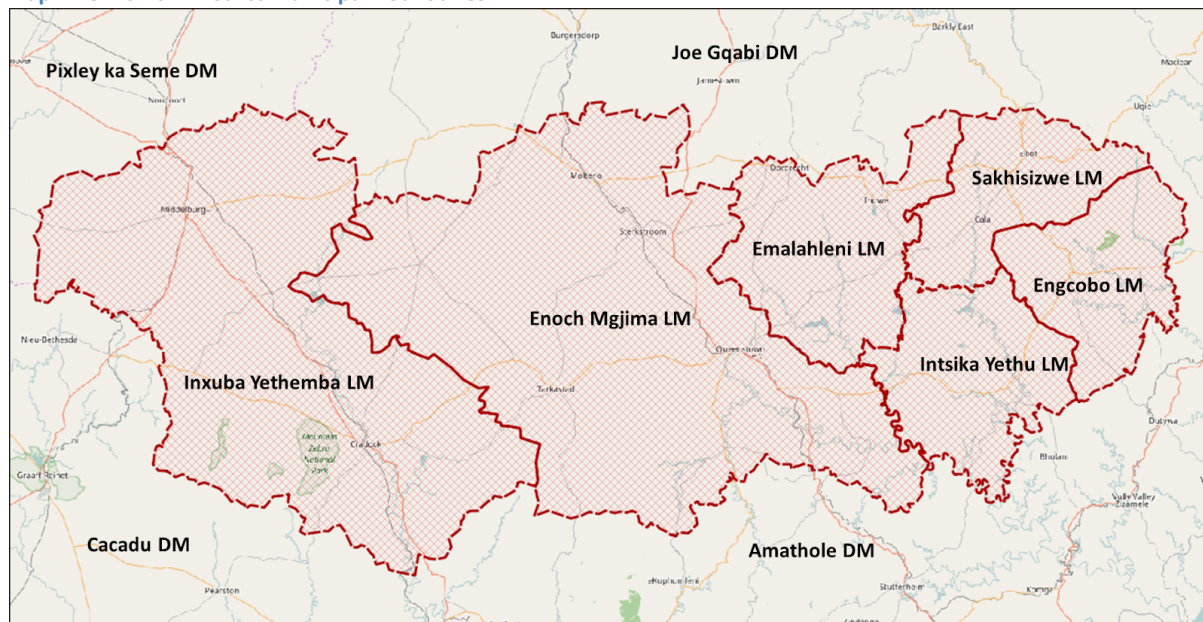
Section 3: Development Profile

1. SPATIAL OVERVIEW

Chris Hani District Municipality is situated on the northern region of the Eastern Cape Province and covers a surface area of 36,756 Km². Only 35.2% of the district population live in areas classified as urban, while 63.8% live in predominantly rural areas. The district also shares borders with five other districts, namely, Pixley ka Seme DM, Joe Gqabi DM, Sarah Baartman DM, Amathole DM and O.R. Tambo DM.

After the 2016 Local Government Election (3 August 2016), the number of local municipalities decreased from eight to six with the merger of Tsolwana LM, Inkwanca LM and Lukanji LM into a newly established municipality, Enoch Mgijima LM, which also hosts the district municipal headquarters and council chambers in Komani.

Map 1. Chris Hani District Municipal Boundaries



Source: IHS Markit GIS & Municipal Demarcation Board, 2016

The following list presents the six LMs of the district with their urban nodes:

- **Inxuba Yethemba LM:** Cradock and Middleburg.
- **Enoch Mgijima LM:** Komani, Whittlesea, Tarkastad, and Hofmeyer.
- **Emalahleni LM:** Cacadu, Dordrecht and Indwe.

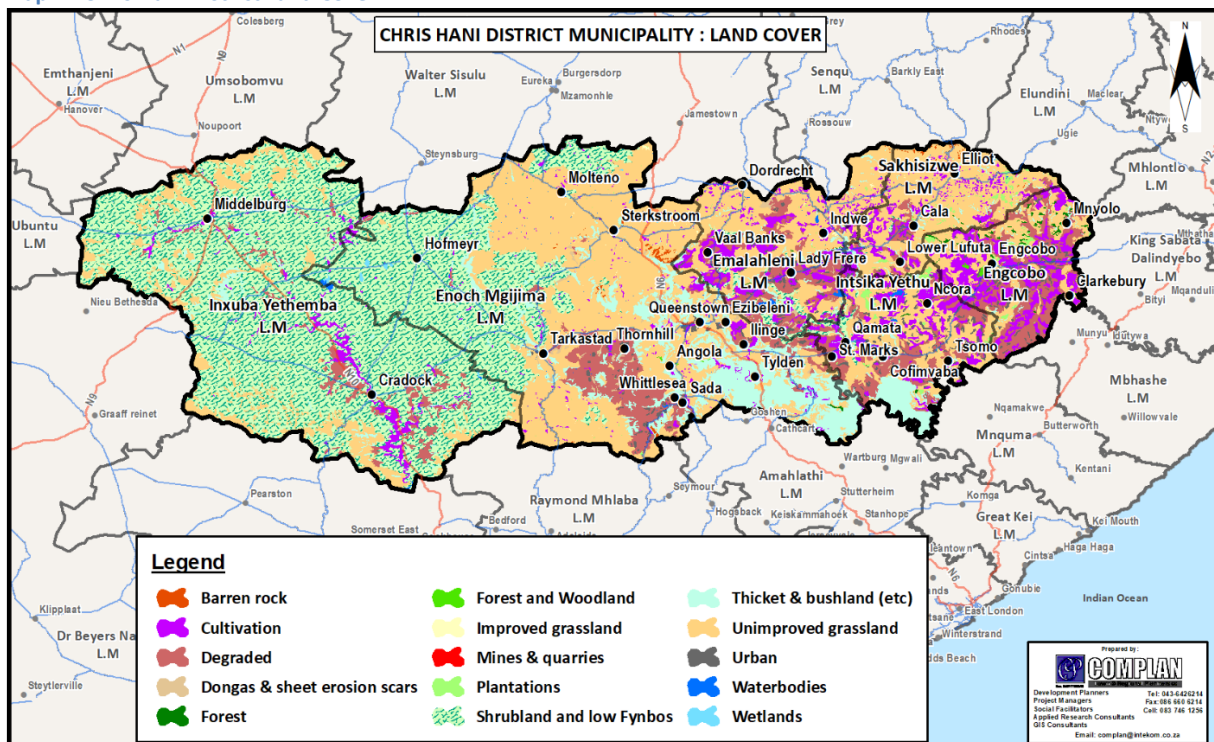
- **Intsika Yethu LM:** Cofimvaba and Tsomo.
- **Sakhisizwe LM:** Cala and Ekhowa.
- **Engcobo LM:** Engcobo.

The Chris Hani District is comprised of three historically distinct areas, the result of which is seen in the spatial development of the district. The former Ciskei – made up of Hewu and Glen Grey magisterial districts – and the former Transkei – which includes primarily the districts of Ngcobo, Cala, Cofimvaba, Tsomo and Lady Frere magisterial districts – are characterised by significant underdevelopment and a high level of poverty.

The balance of the Chris Hani District Municipality area is made up of former RSA magisterial districts. The settlement and land use patterns in the two former homeland areas are distinctively different. Settlement in the former Ciskei and Transkei is predominantly of the dispersed “traditional” rural village settlement type, where subsistence-farming practices (pastoral and dry land cultivation) are the dominant forms of land use activity apart from the residential function of these areas. In contrast, settlement and land use in the former RSA component of the district is largely characterised by nodal urban development (small service towns) and commercial farms.

Largely, the spatial pattern of the Study Area is characterised by a “mismatch” of separate rural and urban areas, which are nevertheless functionally interrelated and dependent on a core area like Queenstown. It is important to note that the spatially fragmented settlement pattern of the Study Area is the result of different political historical factors, as well as administrative and ideological based development initiatives implemented in the area over the last century.

Map 2. Chris Hani District Land Cover



1.1 SETTLEMENT CHARACTERISTICS

The district municipality is predominantly rural in character with a number of urban settlements. They are as follows: Cradock, Middleburg, Komani, Whittlesea, Tarkastad, Molteno, Hofmeyr, Cacadu (Lady Frere), Dordrecht, Indwe, Cofimvaba, Tsomo, Cala, Khowa and Engcobo. Komani is an economic hub, due to its strategic position in the Chris Hani District Municipality. Komani has signs of more compactness compare to other small urban areas in the district municipality. The settlement patterns that occur within district municipality are in the form of rural sprawl and low-density urban sprawl in small towns in municipality.

This reflects the existent texture of the already existing urban centers together with the rural villages. These above-mentioned patterns are not sustainable or effective and has given rise to settlements that range from low density agrarian communities to relatively high density urban settlements. The layout of these rural villages is informal and are based firstly on family units and secondly on community units.

Map 3. Chris Hani District Settlements

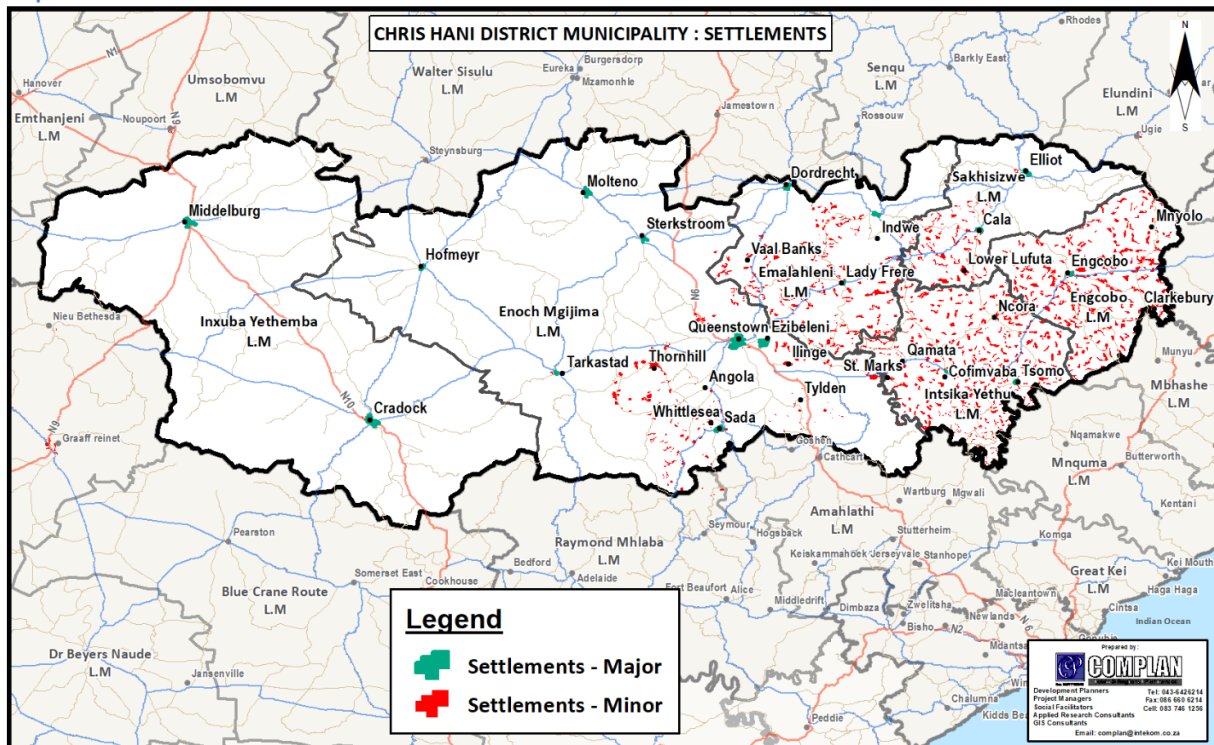


TABLE 1. SETTLEMENT NODES

Type	Location	Local Municipality	Function of Settlement and associated typical land uses
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District Centre	Queenstown	Enoch Mgijima	<ul style="list-style-type: none"> ● District-level Administrative centre ● Major district service centre for commercial and social goods and services ● Centre of educational excellence ● Industrial centre for value adding processes and local based manufacturing ● Residential development ● covering full range of economic bands (High income – Low-income)
Sub-District Centres	Cradock	Inxuba Yethemba	<ul style="list-style-type: none"> ● Municipal-scale Administrative Centre ● Municipal-scale service centre for commercial and social goods and services ● Residential development covering limited range of economic bands (Middle income– Low-income) ● Potential for value-adding agro-industrial processes ● Potential for event-related tourism events
	Ngcobobo	Engcobobo	
	Cofimvaba	Intsika Yethu	
	Lady Frere	Emalahleni	
	Cala	Sakhisizwe	
Local Centres	Middelburg	Inxuba Yethemba	<ul style="list-style-type: none"> ● Municipal-scale Administrative Centre ● Local-scale Service Centre for commercial and social goods and services ● Residential development covering limited range of economic bands (Middle income– Low-income) ● Potential for value-adding agro-industrial processes
	Tarkastad	Enoch Mgijima	
	Hofmeyer	Enoch Mgijima	
	Molteno	Enoch Mgijima	
	Elliot	Sakhisizwe	
	Dordrecht	Emalahleni	
Sub-Local Centres	Sterkstroom	Enoch Mgijima	<ul style="list-style-type: none"> ● Minor Administrative Functions ● Minor service centre for social goods and services ● Focused support of local economic initiatives –agriculture-based
	Sada/Whittlesea	Enoch Mgijima	
	Indwe Vaal Banks	Emalahleni	
	Tsomo	Intsika Yethu	
	Ilinge	Enoch Mgijima	
	Thornhill	Enoch Mgijima	
	Lower Lufuta	Sakhisizwe	
	Clarkebury	Engcobobo	
	Mnyolo,	Engcobobo	
	Ncora	Intsika Yethu	
Qamata	Intsika Yethu		

	St Marks	Intsika Yethu	
Rural Settlements	Rural settlements across the district	All Local Municipalities	<ul style="list-style-type: none"> • Primarily residential and livelihood subsistence function • Some provision of limited social goods and services

2. DEMOGRAPHICS

In this section, an overview is provided of the demography of the Chris Hani District Municipality and all its neighbouring regions, the Eastern Cape Province and South Africa as a whole. This section will also provide population distributions across race, age and gender as well as an indication of population densities and various household dynamics.

2.1 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.

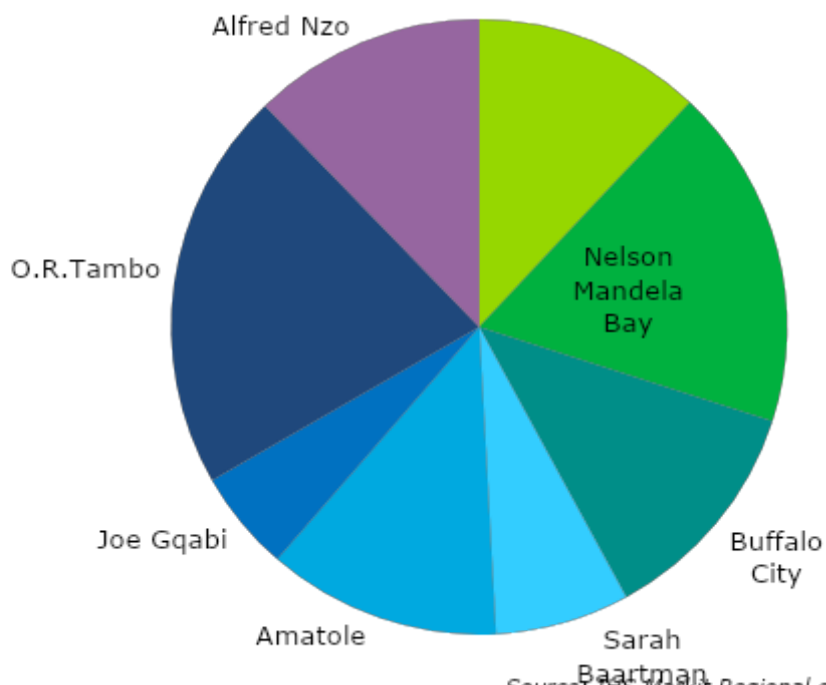
TABLE 2. TOTAL POPULATION - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2007-2017
[NUMBERS PERCENTAGE]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2007	801,000	6,470,000	48,400,000	12.4%	1.65%
2008	803,000	6,500,000	49,100,000	12.4%	1.63%
2009	806,000	6,540,000	49,800,000	12.3%	1.62%
2010	810,000	6,600,000	50,700,000	12.3%	1.60%
2011	813,000	6,650,000	51,500,000	12.2%	1.58%
2012	816,000	6,710,000	52,400,000	12.2%	1.56%
2013	821,000	6,780,000	53,200,000	12.1%	1.54%
2014	827,000	6,850,000	54,100,000	12.1%	1.53%
2015	834,000	6,930,000	54,900,000	12.0%	1.52%
2016	842,000	7,010,000	55,700,000	12.0%	1.51%
2017	849,000	7,080,000	56,500,000	12.0%	1.50%
Average Annual growth					
2007-2017	0.58%	0.91%	1.56%		

Source: IHS Markit Regional eXplorer version 1479

With 849 000 people, the Chris Hani District Municipality housed 1.5% of South Africa's total population in 2017. Between 2007 and 2017 the population growth averaged 0.58% per annum which is more than half than the growth rate of South Africa as a whole (1.56%). Compared to Eastern Cape's average annual growth rate (0.91%), the growth rate in Chris Hani's population at 0.58% was close to half than that of the province.

CHART 1. TOTAL POPULATION - CHRIS HANI AND THE REST OF EASTERN CAPE, 2017 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1479

When compared to other regions, the Chris Hani District Municipality accounts for a total population of 849,000, or 12.0% of the total population in the Eastern Cape Province, with the O.R.Tambo being the most populous region in the Eastern Cape Province for 2017. Chris Hani decreased in importance from ranking fourth in 2007 to sixth in 2017. In terms of its share the Chris Hani District Municipality was slightly smaller in 2017 (12.0%) compared to what it was in 2007 (12.4%). When looking at the average annual growth rate, it is noted that Chris Hani ranked seventh (relative to its peers in terms of growth) with an average annual growth rate of 0.6% between 2007 and 2017.

TABLE 3. TOTAL POPULATION - LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY, 2007, 2012 AND 2017 [NUMBERS PERCENTAGE]

	2007	2012	2017	Average Annual growth
Inxuba Yethemba	63,500	66,300	70,300	1.03%
Intsika Yethu	153,000	152,000	154,000	0.09%
Emalahleni	119,000	122,000	126,000	0.59%
Engcobo	157,000	157,000	162,000	0.28%
Sakhisizwe	63,400	63,200	65,200	0.29%
Enoch Mgijima	246,000	256,000	272,000	1.02%
Chris Hani	801,407	816,266	849,231	0.58%

Source: IHS Markit Regional eXplorer version 1479

The Inxuba Yethemba Local Municipality increased the most, in terms of population, with an average annual growth rate of 1.03%, the Enoch Mgijima Local Municipality had the second highest growth in terms of its population, with an average annual growth rate of 1.02%. The Intsika Yethu Local Municipality had the lowest average annual growth rate of 0.09% relative to the other within the Chris Hani District Municipality.

2.2 POPULATION BY POPULATION GROUP, GENDER AND AGE

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

TABLE 4. POPULATION BY GENDER - CHRIS HANI AND THE REST OF EASTERN CAPE PROVINCE, 2017 [NUMBER].

	Male	Female	Total
Chris Hani	410,000	439,000	849,000
Nelson Mandela Bay	616,000	657,000	1,270,000
Buffalo City	413,000	445,000	859,000
Sarah Baartman	248,000	252,000	500,000
Amatole	415,000	452,000	867,000
Joe Gqabi	181,000	196,000	377,000
O.R.Tambo	699,000	794,000	1,490,000
Alfred Nzo	402,000	465,000	867,000
Eastern Cape	3,380,000	3,700,000	7,080,000

Source: IHS Markit Regional eXplorer version 1479

Chris Hani District Municipality's male/female split in population was 93.5 males per 100 females in 2017. The Chris Hani District Municipality appears to be a fairly stable population with the share of female population (51.69%) being very similar to the national average of (51.05%). In total there were 439 000 (51.69%) females and 410 000 (48.31%) males. This is different from the Eastern Cape Province as a whole where the female population counted 3.7 million which constitutes 52.23% of the total population of 7.08 million.

TABLE 5. POPULATION BY POPULATION GROUP, GENDER AND AGE - CHRIS HANI DISTRICT MUNICIPALITY, 2017 [NUMBER].

	African		White		Coloured		Asian	
	Female	Male	Female	Male	Female	Male	Female	Male
00-04	45,300	46,900	416	416	1,710	1,680	112	90
05-09	46,200	48,300	410	486	1,660	1,610	74	73
10-14	39,700	42,300	523	415	1,700	1,620	54	71
15-19	33,300	37,500	422	395	1,350	1,500	64	49
20-24	32,500	35,900	372	370	1,430	1,500	63	148
25-29	33,500	37,800	532	547	1,490	1,360	80	263
30-34	29,200	31,100	524	495	1,250	1,050	96	203
35-39	24,800	24,700	521	508	1,140	1,080	66	145
40-44	17,700	14,300	529	554	1,100	998	68	134
45-49	16,200	9,600	592	547	885	997	53	69

50-54	17,800	9,810	666	642	832	802	29	57
55-59	19,500	11,000	613	614	823	687	43	26
60-64	16,700	10,400	553	480	702	601	45	39
65-69	13,400	9,410	459	464	549	410	12	21
70-74	11,700	7,770	321	343	374	249	11	12
75+	15,200	8,240	505	349	391	205	26	17
Total	413,000	385,000	7,960	7,630	17,400	16,400	896	1,420

Source: IHS Markit Regional eExplorer version 1479

In 2017, the Chris Hani District Municipality's population consisted of 93.92% African (798 000), 1.84% White (15 600), 3.97% Coloured (33 700) and 0.27% Asian (2 310) people.

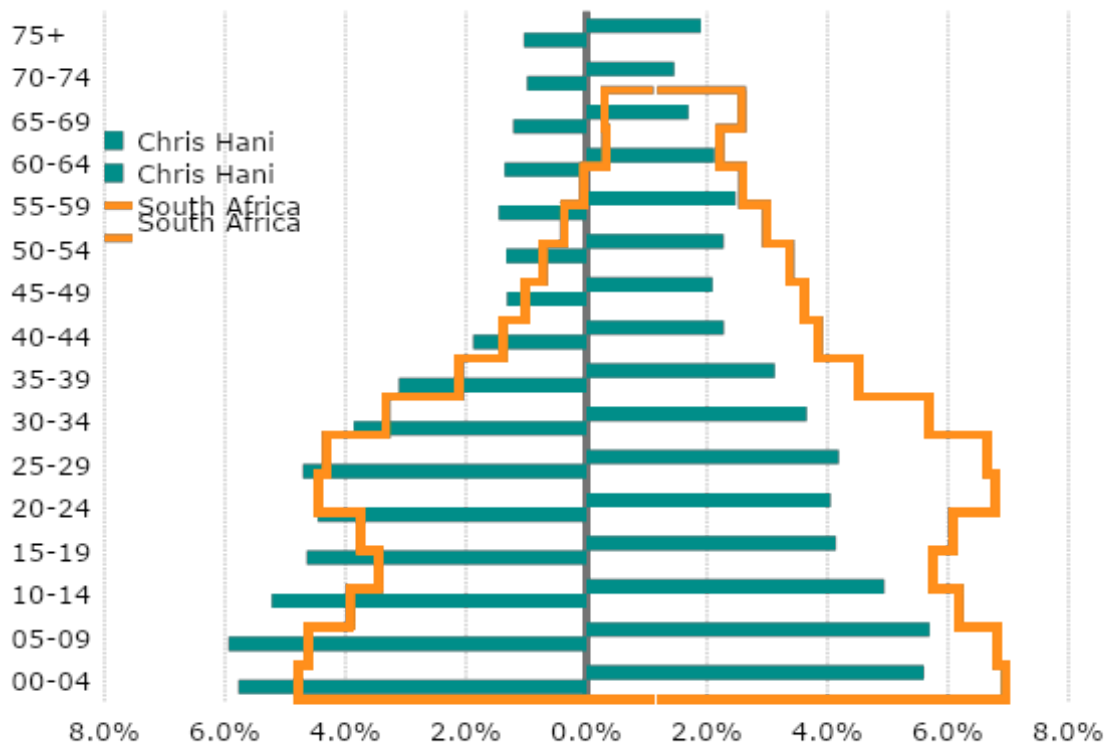
The largest share of population is within the babies and kids (0-14 years) age category with a total number of 282 000 or 33.2% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with a total share of 26.8%, followed by the teenagers and youth (15-24 years) age category with 147 000 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 70 400 people, as reflected in the population pyramids below.

2.2.1 POPULATION PYRAMIDS

Definition1: 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 93.9% of the Chris Hani District Municipality's total population, the overall population pyramid for the region will mostly reflect that of the African population group. The chart below compares Chris Hani's population structure of 2017 to that of South Africa.

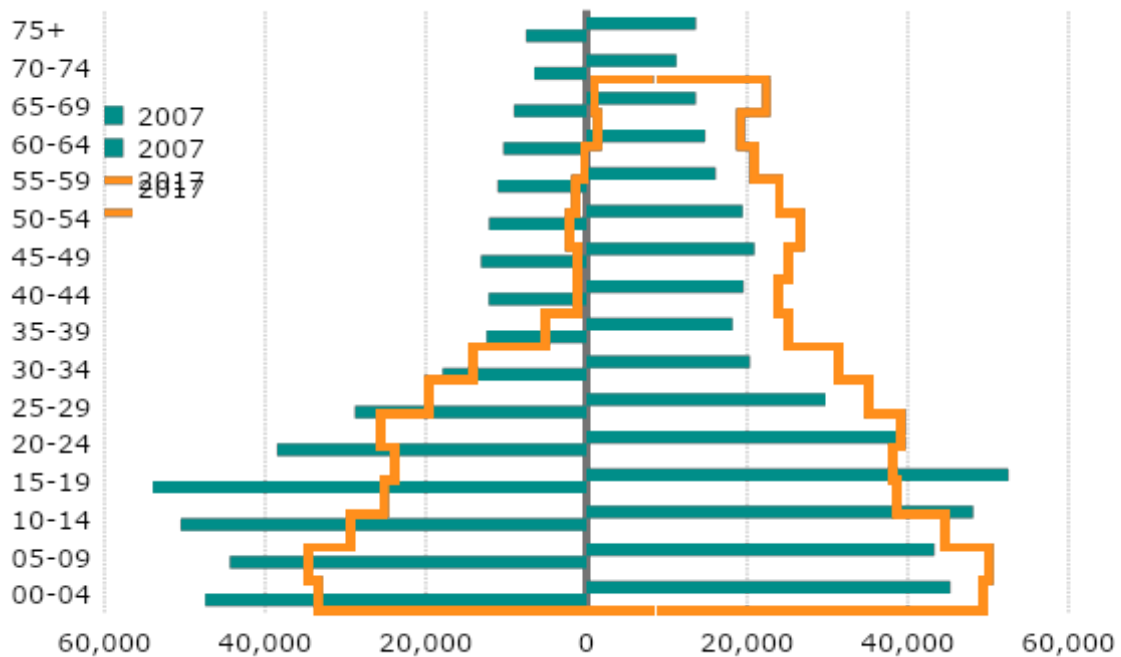
CHART 2. POPULATION PYRAMID - CHRIS HANI DISTRICT MUNICIPALITY VS. SOUTH AFRICA, 2017 [PERCENTAGE]



By comparing the population pyramid of the Chris Hani District 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 (24.9%) - in Chris Hani, compared to the national picture (28.0%).
- The area seems to be a migrant sending area, with many people leaving the area to find work in the bigger cities.
- Fertility in Chris Hani 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 (33.2%) in Chris Hani compared to South Africa (29.1%). Demand for expenditure on schooling as percentage of total budget within Chris Hani District Municipality will therefore be higher than that of South Africa.

CHART 3. POPULATION PYRAMID - CHRIS HANI DISTRICT MUNICIPALITY, 2007 vs. 2017 [PERCENTAGE]



When comparing the 2007 population pyramid with the 2017 pyramid for the Chris Hani District Municipality, some interesting differences are visible:

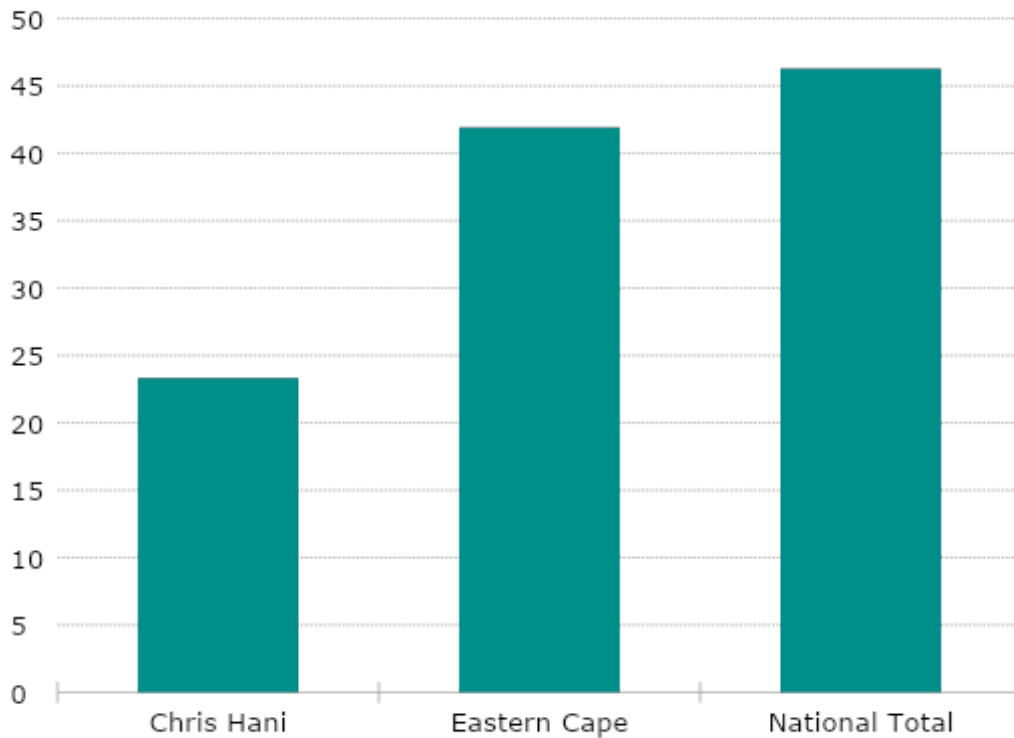
- In 2007, there were a significant smaller share of young working age people - aged 20 to 34 (21.7%) - compared to 2017 (24.9%).
- Fertility in 2007 was slightly lower compared to that of 2017.
- The share of children between the ages of 0 to 14 years is significantly larger in 2007 (34.8%) compared to 2017 (33.2%).
- Life expectancy is increasing.

In 2017, the female population for the 20 to 34 years age group amounted to 11.1% of the total female population while the male population group for the same age amounted to 10.6% of the total male population. In 2007 the male working age population at 13.0% still exceeds that of the female population working age population at 11.9%.

2.3 POPULATION DENSITY

Definition2: Population density measures the concentration of people in a region. To calculate this, the population of a region is divided by the area size of that region. The output is presented as the number of people per square kilometre.

CHART 4. POPULATION DENSITY - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2017 [NUMBER OF PEOPLE PER KM]



Source: IHS Markit Regional eXplorer version 1479

In 2017, with an average of 23.3 people per square kilometre, Chris Hani District Municipality had a lower population density than Eastern Cape (41.9 people per square kilometre). Compared to South Africa (46.3 per square kilometre) it can be seen that there are less people living per square kilometre in Chris Hani District Municipality than in South Africa.

CHART 5. POPULATION DENSITY - CHRIS HANI AND THE REST OF EASTERN CAPE, 2007-2017 [NUMBER OF PEOPLE PER KM]

	Chris Hani	Nelson Mandela Bay	Buffalo City	Sarah Baartman	Amatole	Joe Gqabi	O.R.Tambo	Alfred Nzo
2007	22.01	560.10	279.68	7.29	41.96	13.64	111.01	74.04
2008	22.04	567.03	281.33	7.39	41.58	13.63	111.70	74.33
2009	22.13	575.35	283.76	7.52	41.30	13.67	112.65	74.80
2010	22.24	584.52	286.76	7.65	41.09	13.74	113.76	75.37
2011	22.33	593.87	289.92	7.78	40.91	13.84	114.93	76.02
2012	22.42	603.33	293.21	7.91	40.74	13.95	116.03	76.63
2013	22.56	613.05	296.86	8.05	40.68	14.09	117.29	77.37
2014	22.72	622.78	300.69	8.19	40.69	14.24	118.65	78.18
2015	22.91	632.28	304.55	8.32	40.77	14.40	120.06	79.04
2016	23.11	641.45	308.38	8.45	40.90	14.56	121.50	79.92
2017	23.33	650.41	312.21	8.58	41.07	14.73	122.92	80.79

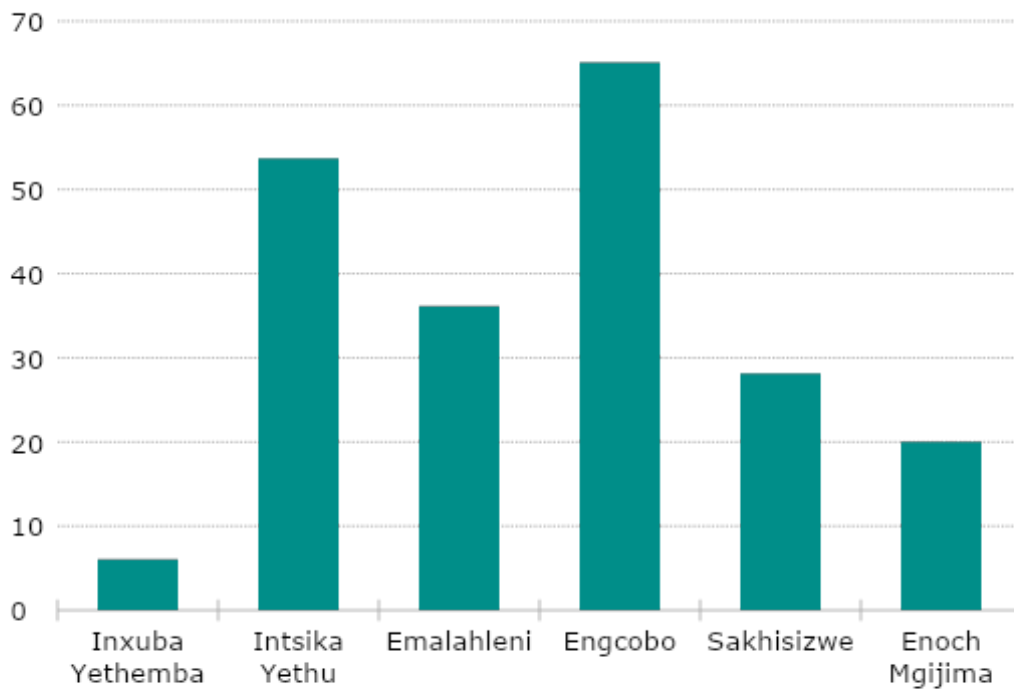
Average Annual growth								
2007-2017	0.58%	1.51%	1.11%	1.65%	-0.21%	0.77%	1.02%	0.88%

Source: IHS Markit Regional eXplorer version 1479

In 2017, Chris Hani District Municipality had a population density of 23.3 per square kilometre and it ranked highest amongst its peers. The region with the highest population density per square kilometre was the Nelson Mandela Bay with a total population density of 650 per square kilometre per annum. In terms of growth, Chris Hani District Municipality had an average annual growth in its population density of 0.58% per square kilometre per annum. The region with the highest growth rate in the population density per square kilometre was Sarah Baartman with an average annual growth rate of 1.65% per square kilometre. In 2017, the region with the lowest population density within Eastern Cape Province was Sarah Baartman with 8.58 people per square kilometre. The region with the lowest average annual growth rate was the Amatole with an average annual growth rate of -0.21% people per square kilometre over the period under discussion.

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

CHART 6. POPULATION DENSITY - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO, SAKHISIZWE AND ENOCH MGIJIMA LOCAL MUNICIPALITIES, 2017 [PERCENTAGE]



•

In terms of the population density for each of the regions within the Chris Hani District Municipality, Engcobo Local Municipality had the highest density, with 65.1 people per square kilometre. The lowest population density can be observed in the Inxuba Yethemba Local Municipality with a total of 6.03 people per square kilometre.

2.4 NUMBER OF HOUSEHOLDS BY POPULATION GROUP

Definition3: 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 2017, the Chris Hani District Municipality comprised of 230 000 households. This equates to an average annual growth rate of 1.46% in the number of households from 2007 to 2017. With an average annual growth rate of 0.58% in the total population, the average household size in the Chris Hani District Municipality is by implication decreasing. This is confirmed by the data where the average household size in 2007 decreased from approximately 4 individuals per household to 3.7 persons per household in 2017.

TABLE 6. NUMBER OF HOUSEHOLDS - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2007-2017 [NUMBER PERCENTAGE]

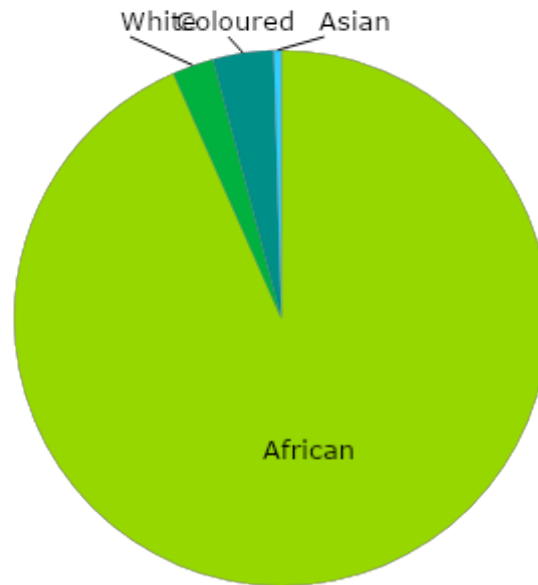
	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2007	198,000	1,600,000	13,100,000	12.4%	1.51%
2008	203,000	1,630,000	13,400,000	12.5%	1.52%
2009	210,000	1,670,000	13,700,000	12.5%	1.53%
2010	211,000	1,680,000	13,900,000	12.5%	1.52%
2011	213,000	1,700,000	14,200,000	12.5%	1.50%
2012	214,000	1,710,000	14,500,000	12.5%	1.48%
2013	216,000	1,730,000	14,700,000	12.5%	1.46%
2014	216,000	1,740,000	15,000,000	12.4%	1.44%
2015	220,000	1,770,000	15,400,000	12.4%	1.43%
2016	225,000	1,810,000	15,700,000	12.4%	1.43%
2017	229,000	1,860,000	16,100,000	12.4%	1.43%
Average Annual growth					
2007-2017	1.46%	1.52%	2.02%		

Source: IHS Markit Regional eXplorer version 1479

Relative to the province, the Chris Hani District Municipality had a lower average annual growth rate of 1.46% from 2007 to 2017. In contrast, the South Africa had a total of 16.1 million households, with a growth rate of 2.02%, thus growing at a higher rate than the Chris Hani.

The composition of the households by population group consists of 93.4% which is ascribed to the African population group with the largest number of households by population group. The Coloured population group had a total composition of 3.7% (ranking second). The White population group had a total composition of 2.5% of the total households. The smallest population group by households is the Asian population group with only 0.4% in 2017.

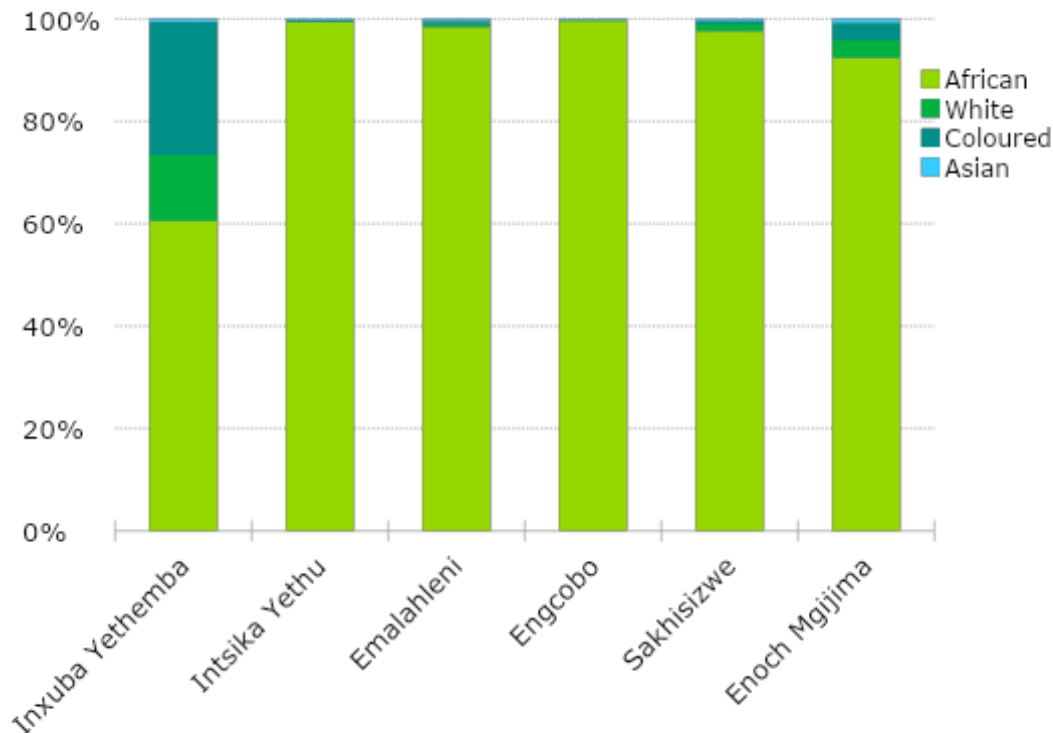
CHART 7. NUMBER OF HOUSEHOLDS BY POPULATION GROUP - CHRIS HANI DISTRICT MUNICIPALITY, 2017 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1479

The growth in the number of African headed households was on average 1.52% per annum between 2007 and 2017, which translates in the number of households increasing by 30 000 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2007 and 2017 at 12.42%. The average annual growth rate in the number of households for all the other population groups has increased with 1.43%.

TABLE 7. NUMBER OF HOUSEHOLDS BY POPULATION GROUP - LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY, 2017 [PERCENTAGE]



2.5 NUMBER OF HOUSEHOLDS BY INCOME CATEGORY

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

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

TABLE 8. HOUSEHOLDS BY INCOME CATEGORY - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2017 [NUMBER PERCENTAGE]

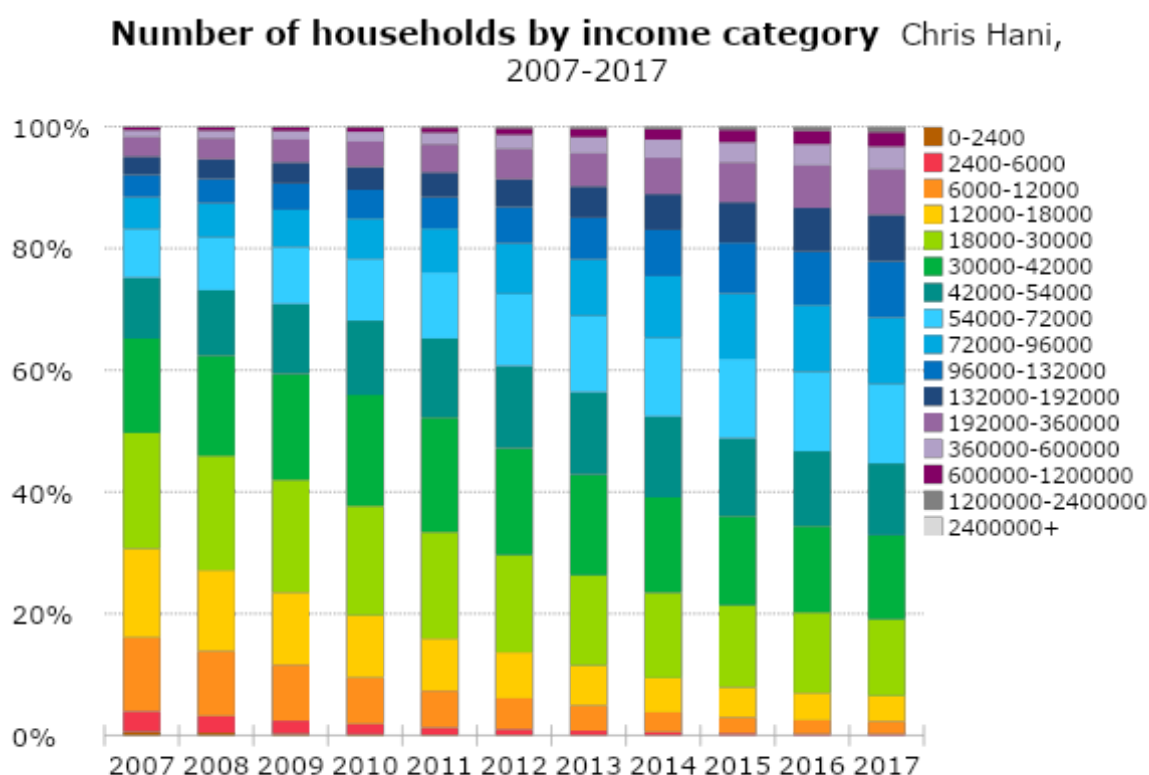
	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
0-2400	29	226	1,650	12.6%	1.73%
2400-6000	516	4,330	32,500	11.9%	1.59%
6000-12000	4,800	40,400	315,000	11.9%	1.52%
12000-18000	9,580	79,600	626,000	12.0%	1.53%
18000-30000	28,900	233,000	1,730,000	12.4%	1.67%
30000-42000	31,700	242,000	1,750,000	13.1%	1.82%

42000-54000	27,200	207,000	1,550,000	13.2%	1.76%
54000-72000	29,900	223,000	1,670,000	13.4%	1.79%
72000-96000	25,300	188,000	1,520,000	13.4%	1.66%
96000-132000	21,200	162,000	1,430,000	13.1%	1.48%
132000-192000	17,500	142,000	1,370,000	12.3%	1.28%
192000-360000	17,200	159,000	1,760,000	10.8%	0.98%
360000-600000	8,580	90,900	1,160,000	9.4%	0.74%
600000-1200000	5,490	61,900	840,000	8.9%	0.65%
1200000-2400000	1,800	19,300	266,000	9.3%	0.68%
2400000+	258	2,830	42,000	9.1%	0.61%
Total	230,000	1,860,000	16,100,000	12.4%	1.43%

Source: IHS Markit Regional Explorer version 1479

It was estimated that in 2017 19.06% of all the households in the Chris Hani District Municipality, were living on R30,000 or less per annum. In comparison with 2007's 49.69%, the number is about half. The 30000-42000 income category has the highest number of households with a total number of 31 700, followed by the 54000-72000 income category with 29 900 households. Only 28 households fall within the 0-2400 income category.

CHART 8. HOUSEHOLDS BY INCOME BRACKET
- CHRIS HANI DISTRICT MUNICIPALITY,
2007-2017 [PERCENTAGE]



For the period 2007 to 2017 the number of households earning more than R30,000 per annum has increased from 50.31% to 80.94%. The number of households with income equal to or lower than R6,000 per year has decreased by a significant amount.

2.6 ANNUAL TOTAL PERSONAL INCOME

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 several economic trends. It is also a good marker of growth as well as consumer tendencies.

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

Definition4: 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.

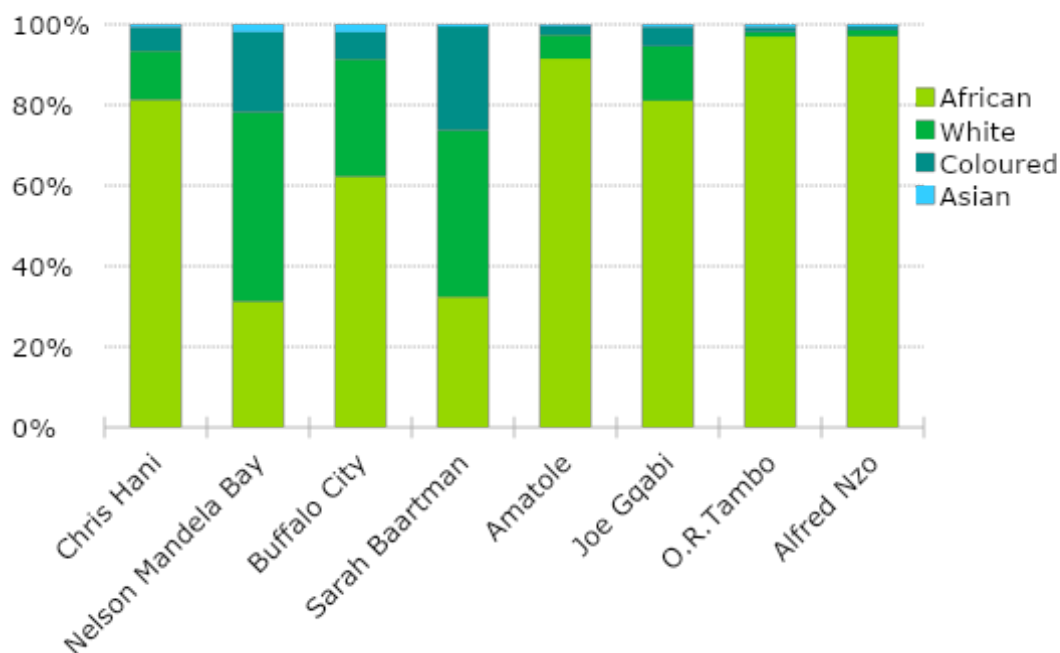
TABLE 9. ANNUAL TOTAL PERSONAL INCOME - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL [CURRENT PRICES, R BILLIONS]

	Chris Hani	Eastern Cape	National Total
2007	11.6	120.6	1,432.2
2008	12.9	133.8	1,587.9
2009	14.0	143.0	1,695.1
2010	15.0	153.9	1,843.3
2011	16.4	168.0	2,033.0
2012	18.4	187.7	2,226.5
2013	20.4	204.8	2,412.1
2014	22.4	219.9	2,590.6
2015	24.8	238.8	2,778.6
2016	27.3	258.8	3,009.7
2017	30.6	285.6	3,238.9
Average Annual growth			
2007-2017	10.22%	9.00%	8.50%

Source: IHS Markit Regional eXplorer version 1479

Chris Hani District Municipality recorded an average annual growth rate of 10.22% (from R 11.6 billion to R 30.6 billion) from 2007 to 2017, which is more than both Eastern Cape's (9.00%) as well as South Africa's (8.50%) average annual growth rates.

TABLE 10. ANNUAL TOTAL PERSONAL INCOME BY POPULATION GROUP - CHRIS HANI AND THE REST OF EASTERN CAPE [CURRENT PRICES, R BILLIONS]



The total personal income of Chris Hani District Municipality amounted to approximately R 30.6 billion in 2017. The African population group earned R 24.9 billion, or 81.31% of total personal income, while the White population group earned R 3.7 billion, or 12.10% of the total personal income. The Coloured and the Asian population groups only had a share of 5.91% and 0.69% of total personal income respectively.

TABLE 11. ANNUAL TOTAL PERSONAL INCOME - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGOBO, SAKHISIZWE AND ENOCH MGIJIMA LOCAL MUNICIPALITIES [CURRENT PRICES, R BILLIONS]

	Inxuba Yethemba	Intsika Yethu	Emalahleni	Engcobo	Sakhisizwe	Enoch Mgijima
2007	1.66	1.69	1.25	1.64	0.92	4.40
2008	1.85	1.89	1.42	1.83	1.01	4.94
2009	1.98	2.03	1.54	1.98	1.08	5.35
2010	2.14	2.17	1.66	2.12	1.15	5.80
2011	2.33	2.34	1.80	2.30	1.24	6.37
2012	2.63	2.61	2.01	2.58	1.39	7.17
2013	2.94	2.88	2.24	2.85	1.52	7.92
2014	3.24	3.18	2.48	3.13	1.67	8.67
2015	3.55	3.54	2.76	3.47	1.84	9.59
2016	3.88	3.93	3.09	3.84	2.02	10.59
2017	4.40	4.49	3.53	4.36	2.30	11.52
Average Annual growth						
2007-2017	10.21%	10.28%	10.89%	10.29%	9.61%	10.10%

Source: IHS Markit Regional Explorer version 1479

When looking at the annual total personal income for the regions within Eastern Cape Province the Enoch Mgijima Local Municipality had the highest total personal income with R 11.5 billion which

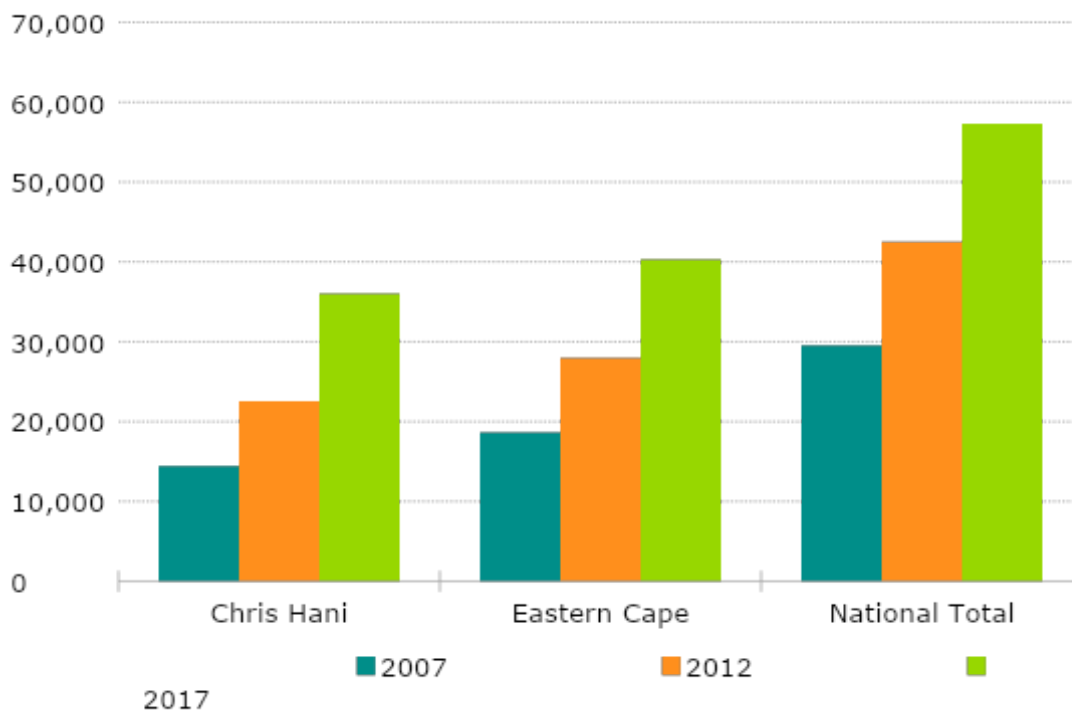
increased from R 4.4 billion recorded in 2007. The Sakhisizwe Local Municipality had the lowest total personal income of R 2.3 billion in 2017, this increased from R 918 million in 2007.

2.7 ANNUAL PER CAPITA INCOME

Definition5: Per capita income refers to the income per person. Thus, it takes the total personal income per annum and divides it equally among the population.

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

CHART 9. PER CAPITA INCOME - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2017 [RAND, CURRENT PRICES]



The per capita income in Chris Hani District Municipality is R 36,000 and is lower than both the National Total (R 57,300) and of the Eastern Cape Province (R 40,300) per capita income.

CHART 10. PER CAPITA INCOME BY POPULATION GROUP - CHRIS HANI AND THE REST OF EASTERN CAPE PROVINCE, 2017 [RAND, CURRENT PRICES]

	African	White	Coloured	Asian
Chris Hani	31,200	236,000	53,700	94,400
Nelson Mandela Bay	29,700	226,000	52,100	120,000
Buffalo City	40,900	252,000	67,000	138,000
Sarah Baartman	31,800	230,000	42,900	85,800

Amatole	30,200	217,000	46,600	80,700
Joe Gqabi	32,500	243,000	54,800	N/A
O.R.Tambo	25,500	168,000	64,200	81,200
Alfred Nzo	22,500	153,000	50,800	71,100

Source: IHS Markit Regional eXplorer version 1479

Nelson Mandela Bay Metropolitan Municipality has the highest per capita income with a total of R 60,400. Buffalo City Metropolitan Municipality had the second highest per capita income at R 57,100, whereas Alfred Nzo District Municipality had the lowest per capita income at R 23,000. In Chris Hani District Municipality, the White population group has the highest per capita income, with R 236,000, relative to the other population groups. The population group with the second highest per capita income within Chris Hani District Municipality is the Asian population group (R 94,400), where the Coloured and the African population groups had a per capita income of R 53,700 and R 31,200 respectively.

3. ACCESS TO BASIC HOUSEHOLD SERVICES

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 Chris Hani District Municipality between 2017 and 2007.

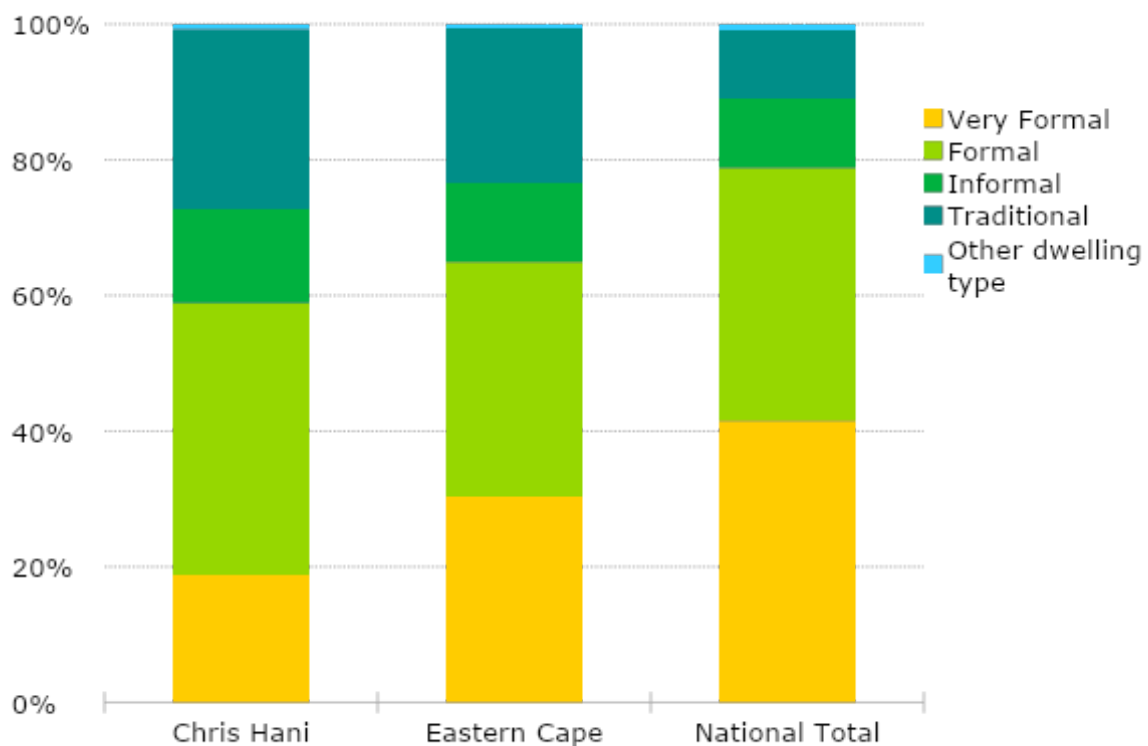
3.1 HOUSEHOLD BY DWELLING TYPE

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

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

- **Formal dwellings** - structures built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere etc, but without running water or without a flush toilet within the dwelling.
- **Informal dwellings** - shacks or shanties in informal settlements, serviced stands, or proclaimed townships, as well as shacks in the backyards of other dwelling types.
- **Traditional dwellings** - structures made of clay, mud, reeds, or other locally available material.
- **Other dwelling units** - tents, ships, caravans, etc.

CHART 11. HOUSEHOLDS BY DWELLING UNIT TYPE - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2017 [PERCENTAGE]



Chris Hani District Municipality had a total number of 43 200 (18.80% of total households) very formal dwelling units, a total of 92 200 (40.08% of total households) formal dwelling units and a total number of 31 900 (13.85% of total households) informal dwelling units.

TABLE 12. HOUSEHOLDS BY DWELLING UNIT TYPE - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO, SAKHISIZWE AND ENOCH MGIJIMA LOCAL MUNICIPALITIES, 2017 [NUMBER]

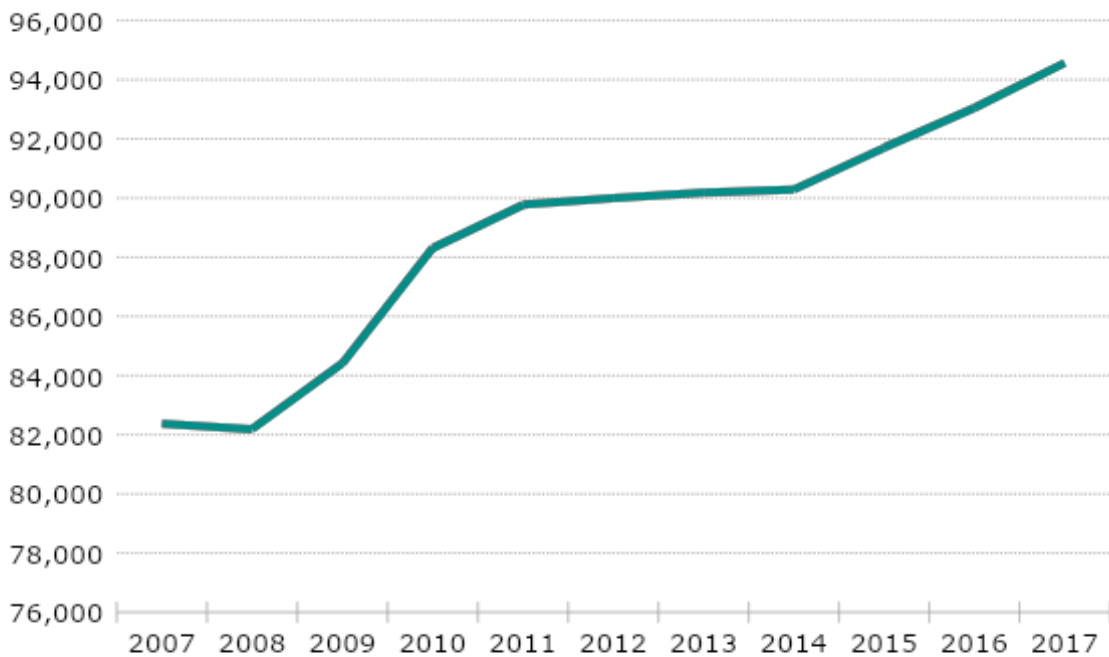
	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Inxuba Yethemba	13,000	6,930	145	114	135	20,400
Intsika Yethu	426	11,700	9,970	21,000	306	43,400
Emalahleni	1,480	13,600	6,620	11,800	493	34,000

Engcobo	238	10,200	10,800	18,000	555	39,900
Sakhisizwe	2,230	9,810	2,130	3,160	102	17,400
Enoch Mgijima	25,800	39,800	2,150	6,880	162	74,900
Total Chris Hani	43,244	92,179	31,860	60,950	1,754	229,987

Source: IHS Markit Regional eXplorer version 1479

The region within the Chris Hani District Municipality with the highest number of very formal dwelling units is the Enoch Mgijima Local Municipality with 25 800 or a share of 59.72% of the total very formal dwelling units within Chris Hani District Municipality. The region with the lowest number of very formal dwelling units is the Engcobo Local Municipality with a total of 238 or a share of 0.55% of the total very formal dwelling units within Chris Hani District Municipality.

CHART 12. FORMAL DWELLING BACKLOG - NUMBER OF HOUSEHOLDS NOT LIVING IN A FORMAL DWELLING - CHRIS HANI DISTRICT MUNICIPALITY, 2007-2017 [NUMBER OF HOUSEHOLDS]



Source: IHS Markit Regional eXplorer version 1479

When looking at the formal dwelling unit backlog (number of households not living in a formal dwelling) over time, it can be seen that in 2007 the number of households not living in a formal dwelling were 82 400 within Chris Hani District Municipality. From 2007 this number increased annually at 1.39% to 94 600 in 2017.

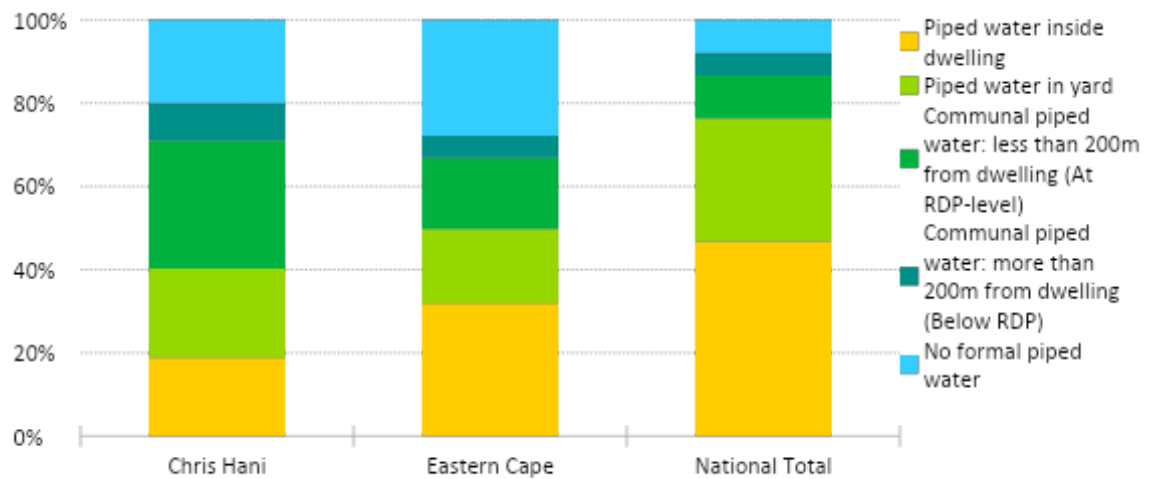
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The total number of households within Chris Hani District Municipality increased at an average annual rate of 1.46% from 2007 to 2017, which is higher than the annual increase of 2.02% in the number of households in South Africa.

3.2 HOUSEHOLDS BY ACCESS TO WATER

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

CHART 13. HOUSEHOLDS BY TYPE OF WATER ACCESS - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2017 [PERCENTAGE]



Chris Hani District Municipality had a total number of 43 400 (or 18.88%) households with piped water inside the dwelling, a total of 49 300 (21.44%) households had piped water inside the yard and a total number of 46 000 (19.98%) households had no formal piped water.

Map 4. Chris Hani District DWAF Water Schemes

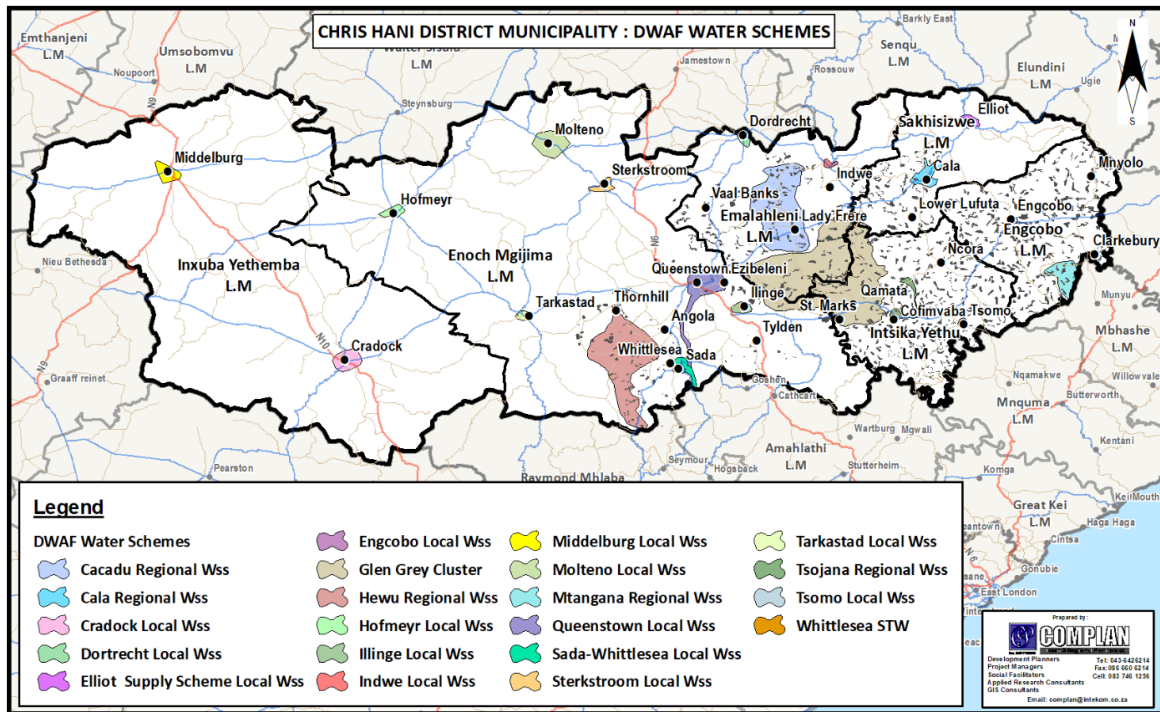


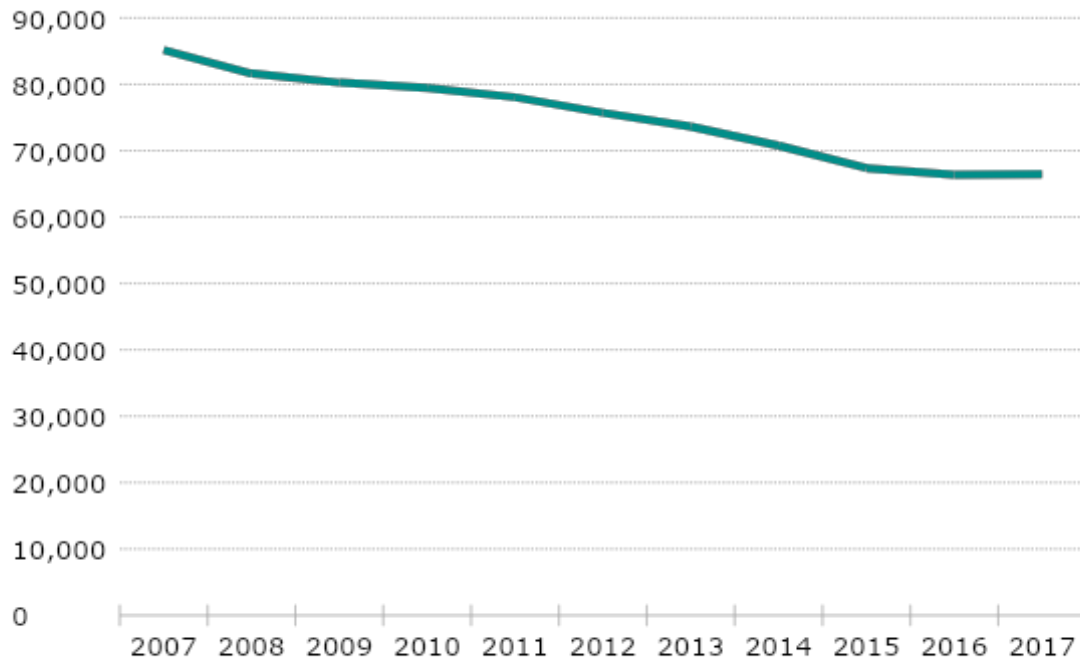
TABLE 13. HOUSEHOLDS BY TYPE OF WATER ACCESS - CHRIS HANI DISTRICT MUNICIPALITY, 2017
[NUMBER]

	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
Inxuba Yethemba	11,900	7,570	259	19	596	20,400
Intsika Yethu	2,310	2,630	19,700	5,250	13,600	43,400
Emalahleni	1,590	7,360	16,100	4,600	4,380	34,000
Engcobo	2,250	1,260	11,200	4,160	21,000	39,900
Sakhisizwe	2,680	5,230	5,640	1,720	2,170	17,400
Enoch Mgijima	22,700	25,300	18,000	4,720	4,240	74,900
Total Chris Hani	43,415	49,302	70,840	20,466	45,963	229,987

Source: IHS Markit Regional Explorer version 1479

The regions within Chris Hani District Municipality with the highest number of households with piped water inside the dwelling is Enoch Mgijima Local Municipality with 22 600 or a share of 52.18% of the households with piped water inside the dwelling within Chris Hani District Municipality. The region with the lowest number of households with piped water inside the dwelling is Emalahleni Local Municipality with a total of 1 590 or a share of 3.67% of the total households with piped water inside the dwelling within Chris Hani District Municipality.

CHART 14. WATER BACKLOG - CHRIS HANI DISTRICT MUNICIPALITY, 2007-2017 [NUMBER OF HOUSEHOLDS BELOW RDP-LEVEL]



Source: IHS Markit Regional Explorer version 1470

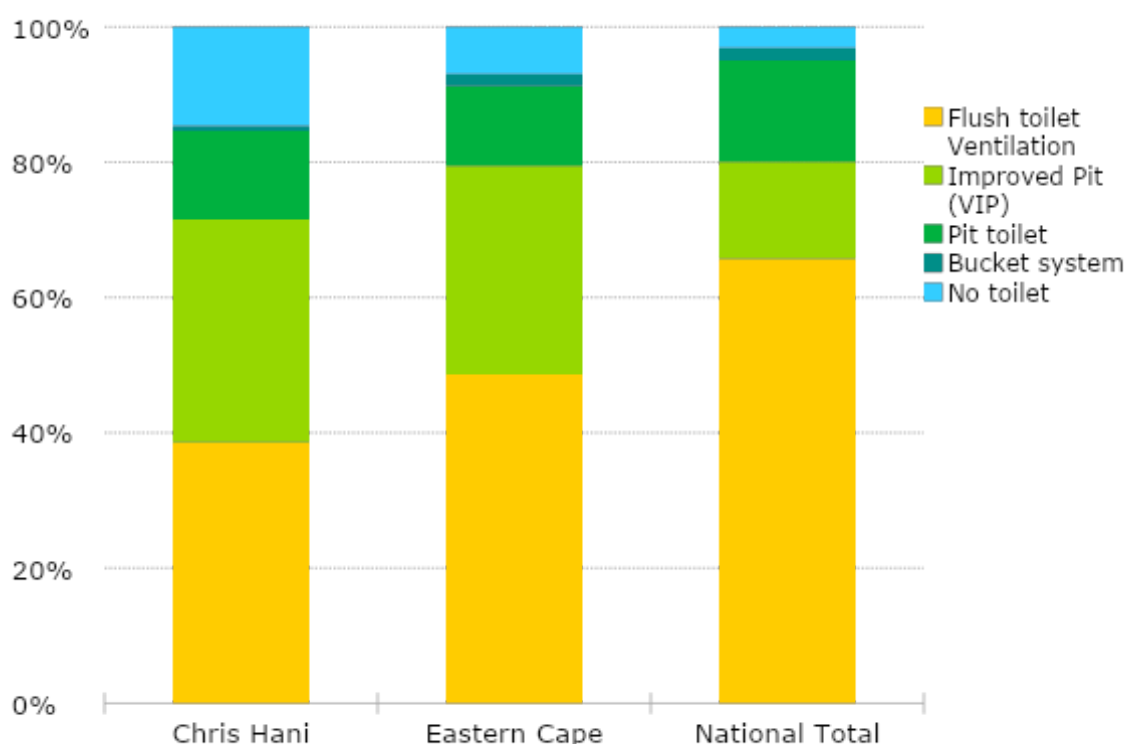
When looking at the water backlog (number of households below RDP-level) over time, in 2007 the number of households below the RDP-level were 85 200 within Chris Hani District Municipality, this decreased annually at -2.45% per annum to 66 400 in 2017.

3.3 HOUSEHOLD BY TYPE OF SANITATION

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

- **No toilet** - No access to any of the toilet systems explained below.
- **Bucket system** - A top structure with a seat over a bucket. The bucket is periodically removed and the contents disposed of. (Note: this system is widely used but poses health risks to the collectors. Most authorities are actively attempting to discontinue the use of these buckets in their local regions).
- **Pit toilet** - A top structure over a pit.
- **Ventilation improved pit** - A pit toilet but with a fly screen and vented by a pipe. Depending on soil conditions, the pit may be lined.
- **Flush toilet** - Waste is flushed into an enclosed tank, thus preventing the waste to flow into the surrounding environment. The tanks need to be emptied or the contents pumped elsewhere.

CHART 15. HOUSEHOLDS BY TYPE OF SANITATION - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2017 [PERCENTAGE]



Chris Hani District Municipality had a total number of 88 700 flush toilets (38.58% of total households), 75 700 Ventilation Improved Pit (VIP) (32.92% of total households) and 30 200 (13.15% of total household's pit toilets).

TABLE 14. HOUSEHOLDS BY TYPE OF SANITATION - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO, SAKHISIZWE AND ENOCH MGIJIMA LOCAL MUNICIPALITIES, 2017 [NUMBER]

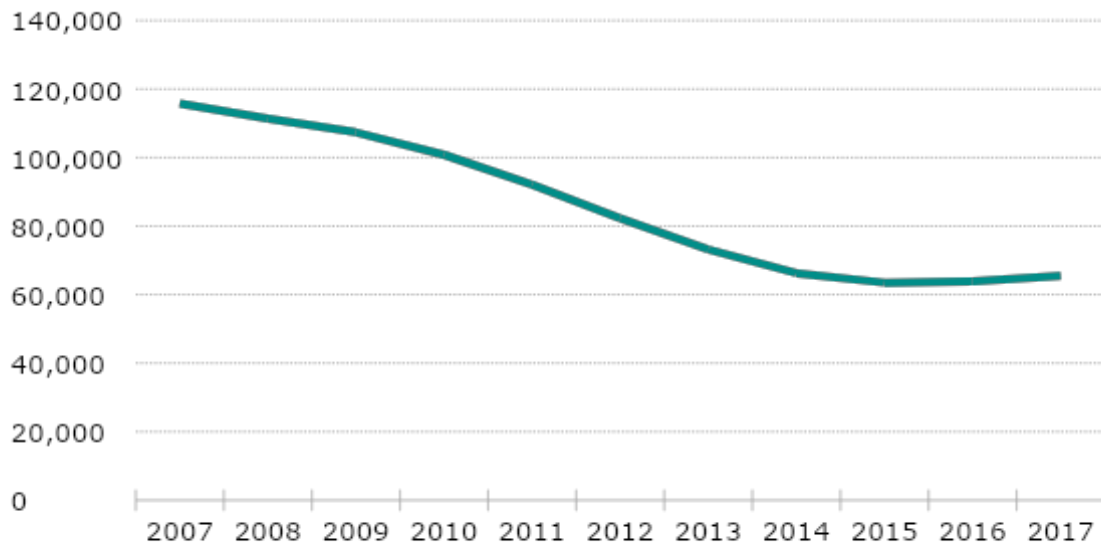
	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Inxuba Yethemba	18,300	122	231	59	1,620	20,400
Intsika Yethu	3,140	17,600	11,200	84	11,400	43,400
Emalahleni	8,480	13,800	5,990	148	5,540	34,000
Engcobo	4,160	20,600	6,420	101	8,640	39,900
Sakhisizwe	5,890	5,760	2,800	251	2,720	17,400
Enoch Mgijima	48,700	17,800	3,630	949	3,750	74,900
Total Chris Hani	88,739	75,705	30,232	1,592	33,719	229,987

Source: IHS Markit Regional eXplorer version 1479

The region within Chris Hani with the highest number of flush toilets is Enoch Mgijima Local Municipality with 48 700 or a share of 54.90% 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 3 140 or a share of 3.54% of the total flush toilets within Chris Hani District Municipality.

CHART 16. SANITATION BACKLOG - CHRIS HANI DISTRICT MUNICIPALITY, 2007-2017 [NUMBER OF HOUSEHOLDS WITHOUT HYGIENIC TOILETS]

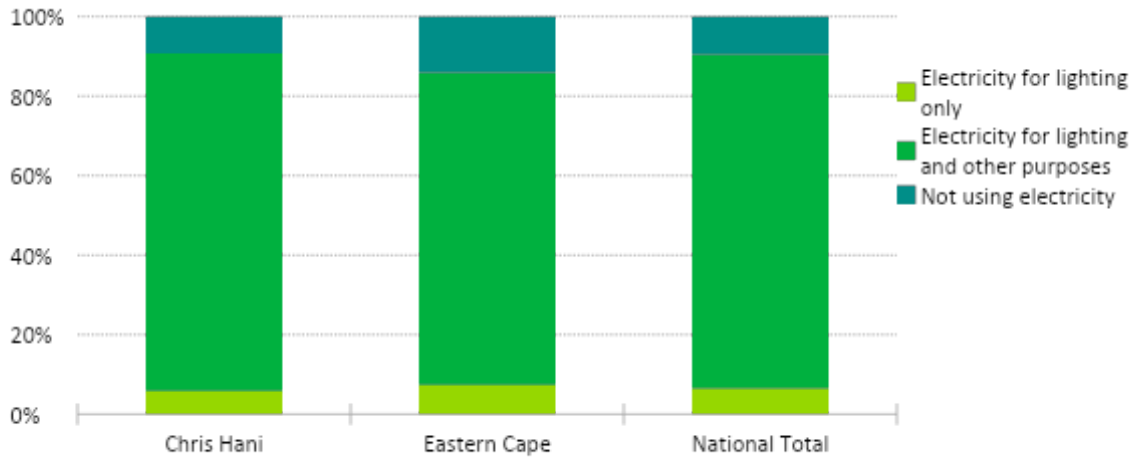


When looking at the sanitation backlog (number of households without hygienic toilets) over time, it can be seen that in 2007 the number of Households without any hygienic toilets in Chris Hani District Municipality was 116 000, this decreased annually at a rate of -5.53% to 65 500 in 2017.

3.4 HOUSEHOLDS BY TYPE OF ELECTRICITY

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

CHART 17. HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2017 [PERCENTAGE]



Chris Hani District Municipality had a total number of 13 500 (5.85%) households with electricity for lighting only, a total of 195 000 (84.84%) households had electricity for lighting and other purposes and a total number of 21 400 (9.31%) households did not use electricity.

Map 5. Chris Hani District Electricity Network

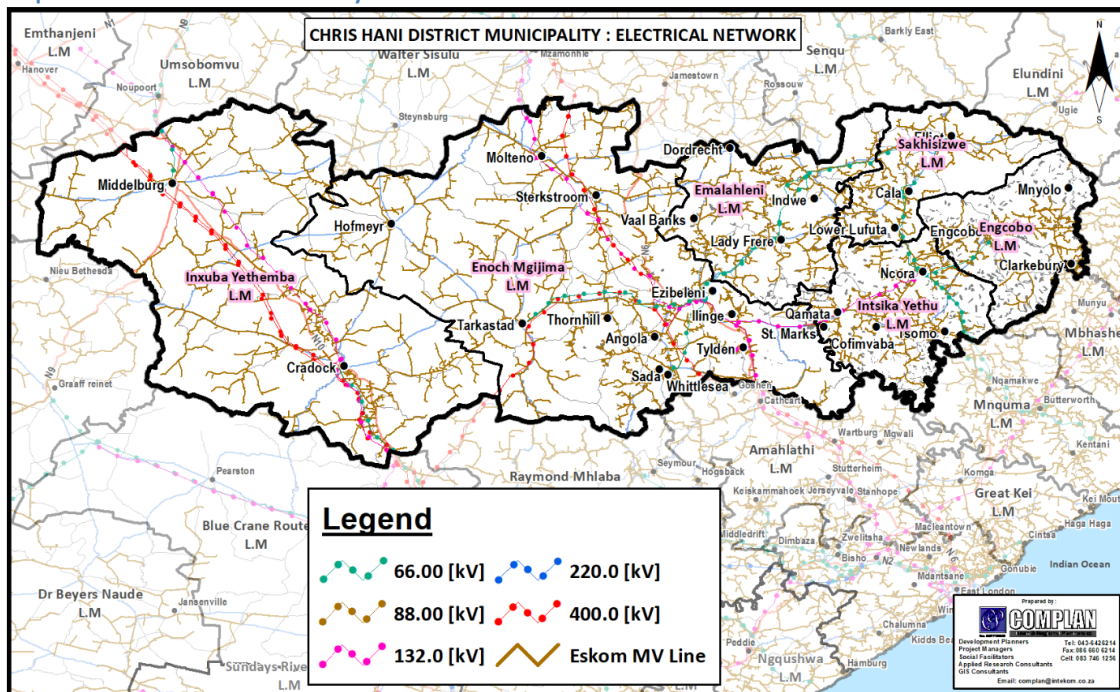


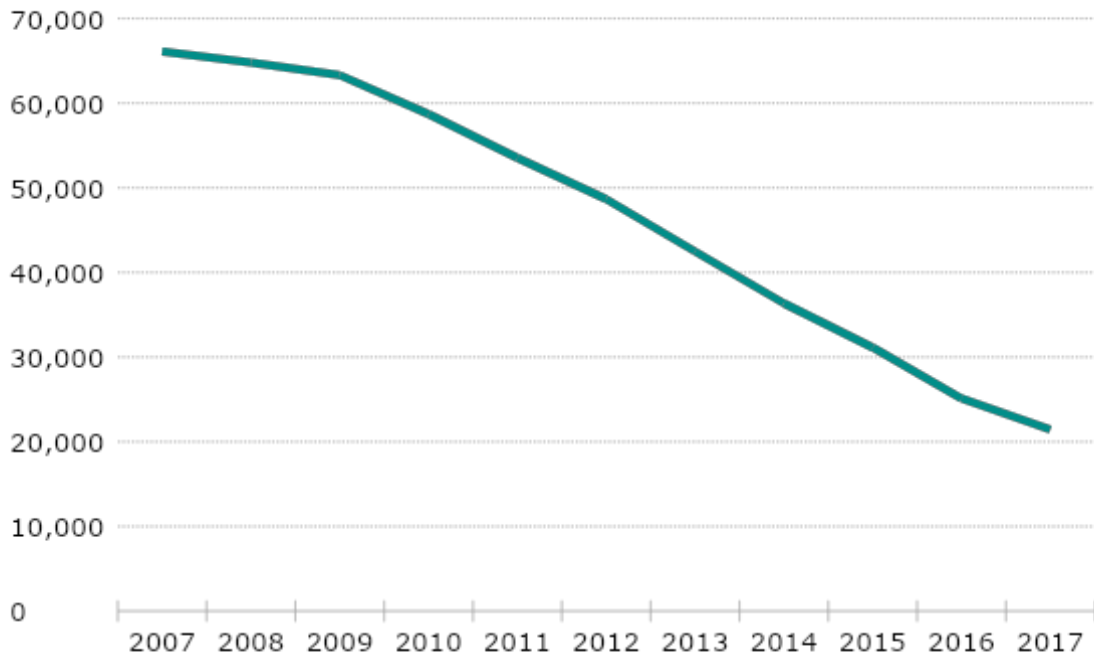
TABLE 15. HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGOBO, SAKHISIZWE AND ENOCH MGIJIMA LOCAL MUNICIPALITIES, 2017 [NUMBER]

	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Inxuba Yethemba	223	19,700	480	20,400
Intsika Yethu	3,800	33,600	6,040	43,400
Emalahleni	1,520	29,900	2,610	34,000
Engcobo	5,350	28,000	6,590	39,900
Sakhisizwe	904	15,400	1,160	17,400
Enoch Mgijima	1,660	68,700	4,540	74,900
Total Chris Hani	13,457	195,113	21,417	229,987

Source: IHS Markit Regional eExplorer version 1479

The region within Chris Hani with the highest number of households with electricity for lighting and other purposes is Enoch Mgijima Local Municipality with 68 700 or a share of 35.19% 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 15 400 or a share of 7.87% of the total households with electricity for lighting and other purposes within Chris Hani District Municipality.

CHART 18. ELECTRICITY CONNECTION - CHRIS HANI DISTRICT MUNICIPALITY, 2007-2017
[NUMBER OF HOUSEHOLDS WITH NO ELECTRICAL CONNECTION]



Source: IHS Markit Regional eXplorer version 1479

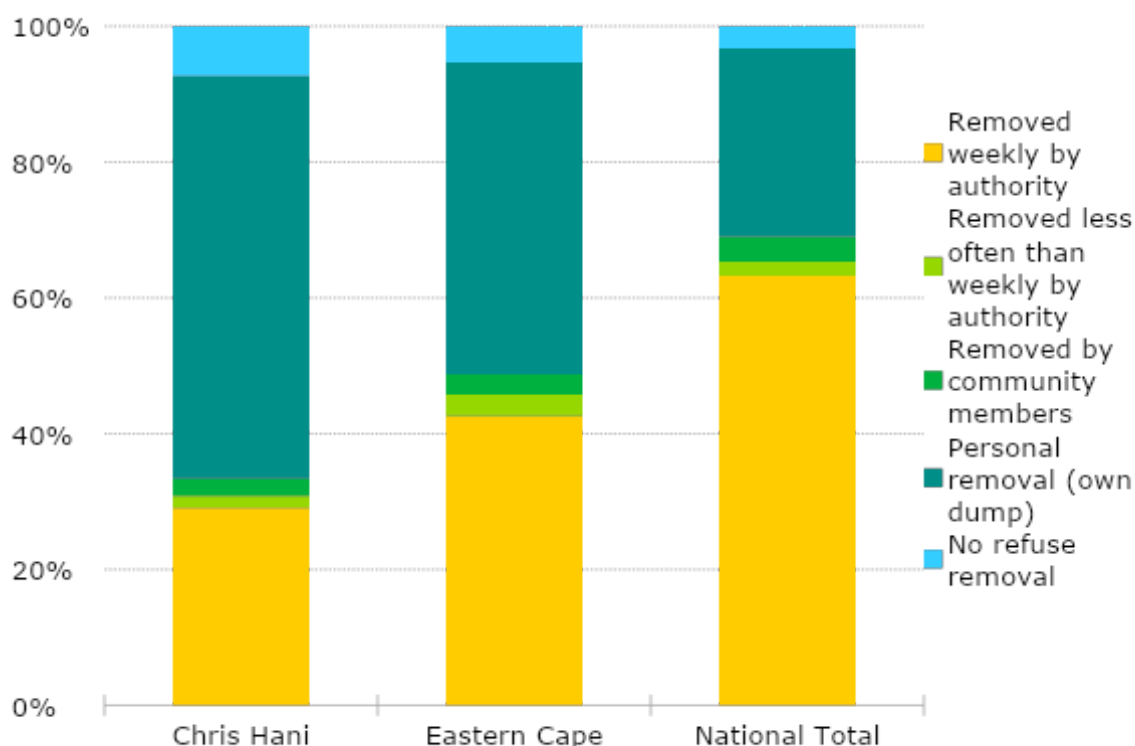
When looking at the number of households with no electrical connection over time, it can be seen that in 2007 the households without an electrical connection in Chris Hani District Municipality was 66 100, this decreased annually at -10.66% per annum to 21 400 in 2017.

3.5 HOUSEHOLDS BY REFUSE DISPOSAL

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

- Removed weekly by authority
- Removed less often than weekly by authority
- Removed by community members
- Personal removal / (own dump)
- No refuse removal

CHART 19. HOUSEHOLDS BY REFUSE DISPOSAL
- CHRIS HANI, EASTERN CAPE AND NATIONAL
TOTAL, 2017 [PERCENTAGE]



Chris Hani District Municipality had a total number of 67 000 (29.12%) households which had their refuse removed weekly by the authority, a total of 4 050 (1.76%) households had their refuse removed less often than weekly by the authority and a total number of 136 000 (59.25%) households which had to remove their refuse personally (own dump).

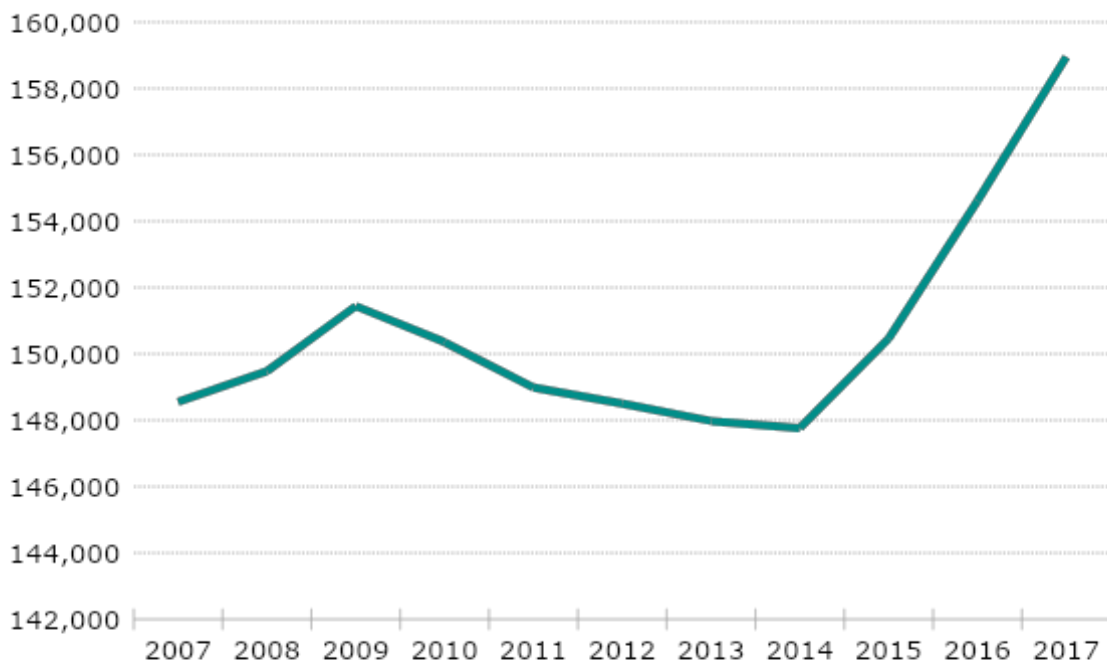
TABLE 16. HOUSEHOLDS BY REFUSE DISPOSAL - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOCO, SAKHISIZWE AND ENOCH MGJIJIMA LOCAL MUNICIPALITIES, 2017 [NUMBER]

	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Inxuba Yethemba	16,400	1,620	298	1,890	172	20,400
Intsika Yethu	1,530	248	1,390	35,700	4,600	43,400
Emalahleni	4,390	149	695	26,500	2,210	34,000
Engcobo	1,070	570	714	32,100	5,480	39,900
Sakhisizwe	1,960	232	963	11,900	2,400	17,400
Enoch Mgjijima	41,600	1,240	1,760	28,200	2,010	74,900
Total Chris Hani	66,980	4,050	5,821	136,264	16,872	229,987

Source: IHS Markit Regional Explorer version 1479

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 41 600 or a share of 62.15% 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 1 070 or a share of 1.59% of the total households where the refuse is removed weekly by the authority within the district municipality.

CHART 20. REFUSE REMOVAL - CHRIS HANI DISTRICT MUNICIPALITY, 2007-2017 [NUMBER OF HOUSEHOLDS WITH NO FORMAL REFUSE REMOVAL]



Source: IHS Markit Regional eXplorer version 1479

When looking at the number of households with no formal refuse removal, in 2007 the households with no formal refuse removal in Chris Hani District Municipality was 148 000, this increased annually at 0.68% per annum to 159 000 in 2017.

The total number of households within Chris Hani District Municipality increased at an average annual rate of 1.46% from 2007 to 2017, which is higher than the annual increase of 2.02% in the number of households in South Africa.

3.6 HOUSEHOLDS BY OTHER INFRASTRUCTURE

There are several municipal cemeteries in the district that satisfy the existing service demand but there is urgent need to expand current capacity and ensure that all communities have access to adequate burial facilities. Cemeteries also need to be secured in order to ensure preservation of heritage and prevent vandalism of graves and tombstones. Almost all the rural settlements in the

district have cemeteries of various sizes, shapes and capacities. These rural cemeteries are informally managed by the local communities. They are also located in places the communities find fit, meaning that no proper geo-technical investigations have been carried out to ascertain their suitability in terms of underground water contamination. The table below shows the number of cemeteries in the district municipality.

TABLE 17. CHDM CEMETERIES

Municipality	No of cemeteries	Remarks
Intsika Yethu	146	There are a total of 146 unlicensed/ unregistered cemeteries distributed within the wards of the municipal area which need some improvement and re-organization to ensure effective delivery. It should be acknowledged that most of these cemeteries have not undergone geo-technical investigation to avoid the likelihood to underground water contamination.
Enoch Mgijima	12	All the cemeteries under the municipal jurisdiction are almost full thus availability of space for new cemeteries and related services are fast becoming a problem. Upgrading of the graveyards will be done on an ongoing basis. All new township developments should make provision for cemeteries and be included in the EIA process to prevent duplication of processes.
Engcobo	1	It is currently being fence. A new site will be required in the future (2 to 3 yrs.)
Sakhisizwe	4	There is no ward that has no cemetery at all at the moment; the only challenge is that existing facilities fall short of required expectations in terms of quality of service. Ward 4&5 cemeteries are properly maintained while 1 & 2 are not because communities do not pay for services. For example some cemeteries are not properly fenced and this cases stray animals to roam and destroy valuable assets. Others are located in areas that have geological challenges resulting in prevalent dampness and potential risk to underground water by contamination.
Emalahleni	9	The Municipality has nine (9) cemeteries; there are two in operation in Indwe, one in Dordrecht and two in Lady Frere. Each Cemetery has an existing cemetery Register. Dordrecht currently offers sale of site and grave digging services. Indwe and Lady Frere are only offering sale of site. Cemetery layout plan has been developed for Dordrecht and is to be submitted to Council for adoption. Roads and storm water channelling constructed.
Inxuba Yethemba	2	Managed by the municipality and found in Cradock and Middleburg

There are a number of sport facilities within the district. The table below shows number of sport facilities which are in the district. Many sport clubs and codes have a proud tradition and have been going for many years within the district. However, there is a significant lack of sports and recreational facilities within the District, especially in the former homeland areas.

TABLE 18. CHDM SPORT FACILITIES

Municipality	No of sport facilities	Remarks
Intsika Yethu		
Enoch Mgijima	19	Majority of sport facilities require maintenance
Engcobo	2	Engcobo and Nkondlo sport fields are in good working condition.
Sakhisizwe	10	The main challenge is that existing facilities are poorly planned and do not respond appropriately to the needs of target user communities.
Emalahleni	5	Require maintenance
Inxuba Yethemba	4	Require upgrading and maintenance. They are as follows: Kwanonzame, Midros Lingelihle, Lusaka, Michausdal

There are 23 libraries in the district. There is a significant lack of libraries within the District, resulting in school children and other learners being unable to access information they require for their studies. It is noted, however, that some progress is being made in this regard. Intsika Yethu Municipality with DSRAC has also built the library in Cofimvaba Town for the purposes of assisting learners with information. Secondly Through the liberation Heritage programme another library has been built at Sabalele Village with the collaboration of Chris Hani District Municipality and DSRAC, the library is packed with books to assist the learners around the area of Sabalele.

TABLE 19. CHDM LIBRARIES

Municipality	No of library	Remarks
Enoch Mgijima	10	The libraries are faced with over population and limited resources. There is still a need to intensify the extension of the library services to the rural communities that are still experiencing limited access to information. The municipality endeavours to continuously upgrade and improve the standard of the libraries to match the increasing technological development that requires and challenges the libraries to be abreast with the latest and updated innovation in ICT (Information Communication Technology). It is envisaged that the municipal libraries will in future have adequate computers to offer effective self-help computer services to the community at large.
Intsika Yethu	2	The library facilities are located in Cofimvaba and Tsomo. The functioning of Libraries is supported by DSRAC at an amount of R250 000.
Engcobo	0	There is no library in the municipality.
Sakhisizwe	3	There are three main libraries located in Elliot and Cala and a modular library in Askeaton to service greater Sakhisizwe areas. The new Elliot library project is underway and we are in negotiation with DSRAC for its speedy delivery and operation.
Emalahleni	6	Insufficient budget for maintenance of libraries and they are Bengu Modular Library, Mhlanga Library, Tsembeyi Modular Library, Lady Frere Library, Indwe Public Library and Dordrecht Public Library
Inxuba Yethemba	2	The libraries are found in Cradock and Middleburg

4.

HEALTH

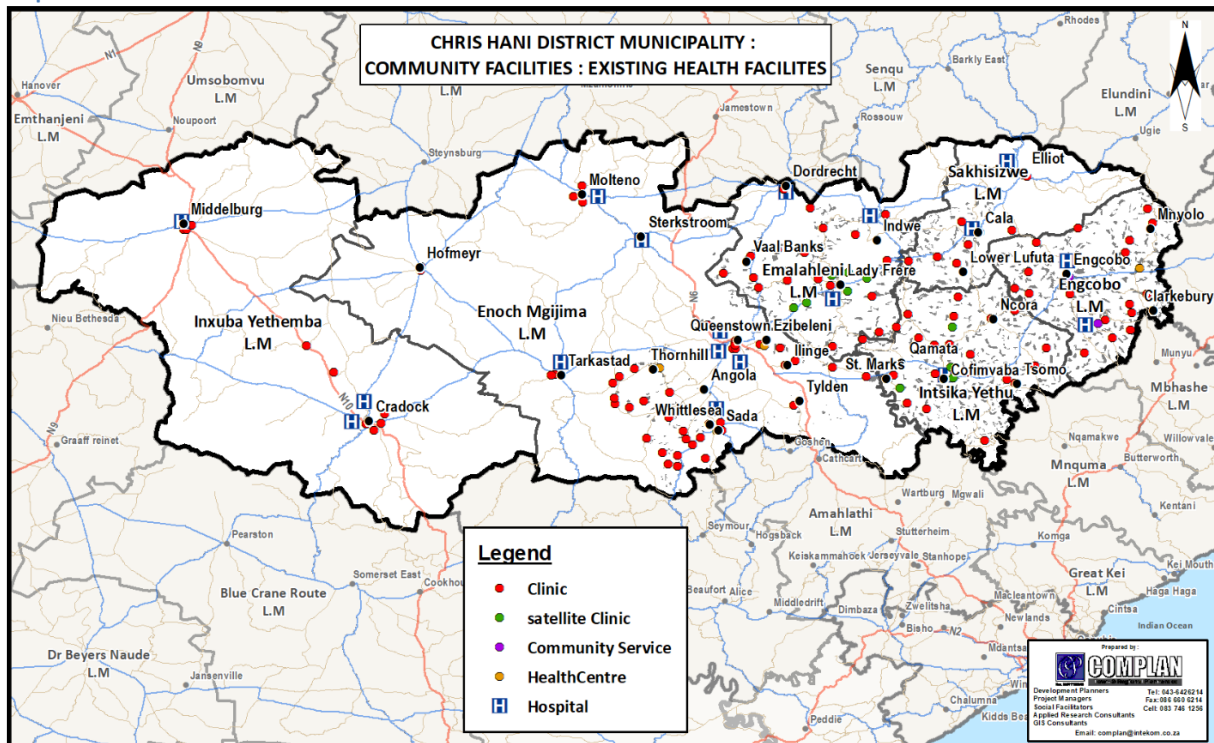
This section aims to present information on primary health care infrastructure available in Chris Hani DM. There are currently 141 clinics and 10 hospitals within the district municipality. Some of the health facilities within the district require maintenance and upgrading. There are also challenges which faced by health facilities in the district. They are as follows:

- Poor infrastructure i.e. shortage of water supply, poor road network to access the facilities, lack of telecommunication network due mountainous topography
- Shortage of nurses and doctors

TABLE 20. CHDM HEALTH FACILITIES

Municipality	No of health facilities			Remarks
	Clinics	Hospitals	Mobile centres	
Intsika Yethu	37	1	4	The main challenge is to improve the quality of specialist doctors and reliable supply of medication.
Inxuba Yethemba	9	1		The health facilities in Inxuba Yethemba have fair conditions.
Sakhisizwe	14	2	2	Sakhisizwe Sub-District consists of 14 clinics, 2 mobiles, and 2 District hospitals (Elliot and Cala).
Enoch Mgijima	49	3		Some clinics require health professionals such as nurses, doctors
Emalahleni	32	3		
Chris Hani DM	141	10	6	

Map 6. Chris Hani District Health Facilities



4.1 HIV+ AND AIDS ESTIMATES

HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV

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

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

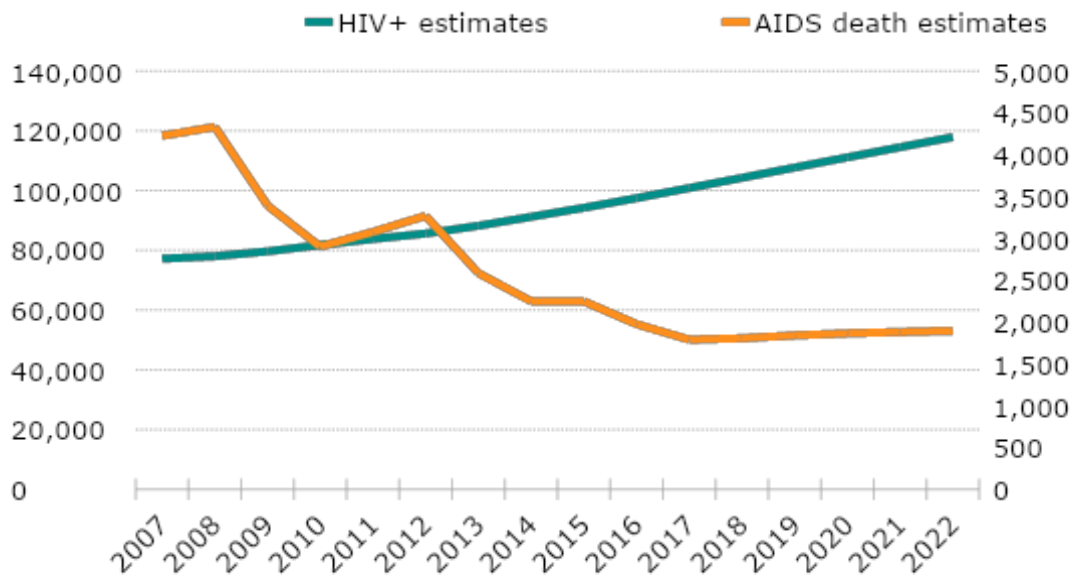
TABLE 21. NUMBER OF HIV+ PEOPLE - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2007-2017 [NUMBER AND PERCENTAGE]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2007	77,200	626,000	5,370,000	12.3%	1.44%
2008	78,000	631,000	5,400,000	12.4%	1.44%
2009	79,600	643,000	5,480,000	12.4%	1.45%
2010	81,800	660,000	5,590,000	12.4%	1.46%
2011	83,800	676,000	5,680,000	12.4%	1.47%
2012	85,600	691,000	5,760,000	12.4%	1.49%
2013	88,200	712,000	5,880,000	12.4%	1.50%
2014	91,200	736,000	6,010,000	12.4%	1.52%
2015	94,200	760,000	6,130,000	12.4%	1.54%
2016	97,500	786,000	6,280,000	12.4%	1.55%
2017	101,000	812,000	6,430,000	12.4%	1.57%

Source: IHS Markit Regional eXplorer version 1479

In 2017, 101 000 people in the Chris Hani District Municipality were infected with HIV. This reflects an increase at an average annual rate of 2.71% since 2007, and in 2017 represented 11.88% of the district municipality's total population. The Eastern Cape Province had an average annual growth rate of 2.64% from 2007 to 2017 in the number of people infected with HIV, which is lower than that of the Chris Hani District Municipality. When looking at the South Africa as a whole it can be seen that the number of people that are infected increased from 2007 to 2017 with an average annual growth rate of 1.83%.

CHART 21. AIDS PROFILE AND FORECAST - CHRIS HANI DISTRICT MUNICIPALITY, 2007-2022 [NUMBERS]



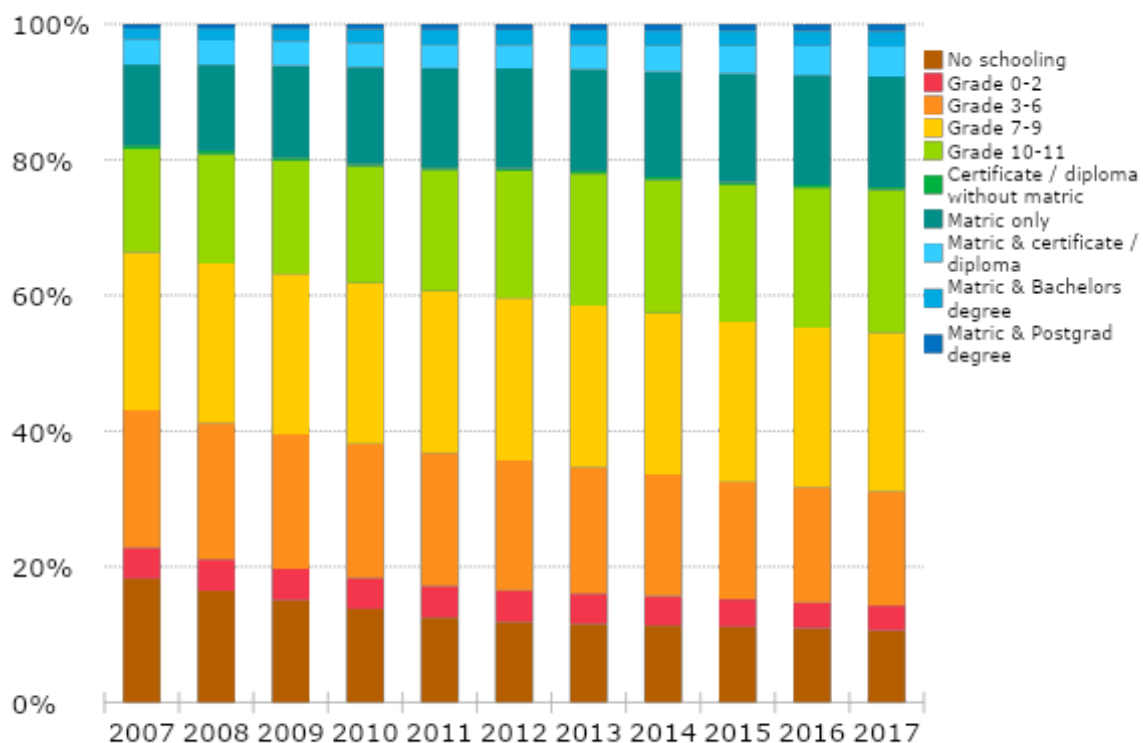
Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 4220 in 2007 and 1790 for 2017. This number denotes an decrease from 2007 to 2017 with a high average annual rate of -8.24% (or -2440 people). For the year 2017, they represented 0.21% of the total population of the entire district municipality.

5. 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).

CHART 22. HIGHEST LEVEL OF EDUCATION: AGE 15+ - CHRIS HANI DISTRICT MUNICIPALITY, 2007-2017 [PERCENTAGE]



Within Chris Hani District Municipality, the number of people without any schooling decreased from 2007 to 2017 with an average annual rate of -3.70%, while the number of people within the 'matric only' category, increased from 49,600 to 80,300. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 3.60%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 4.84%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

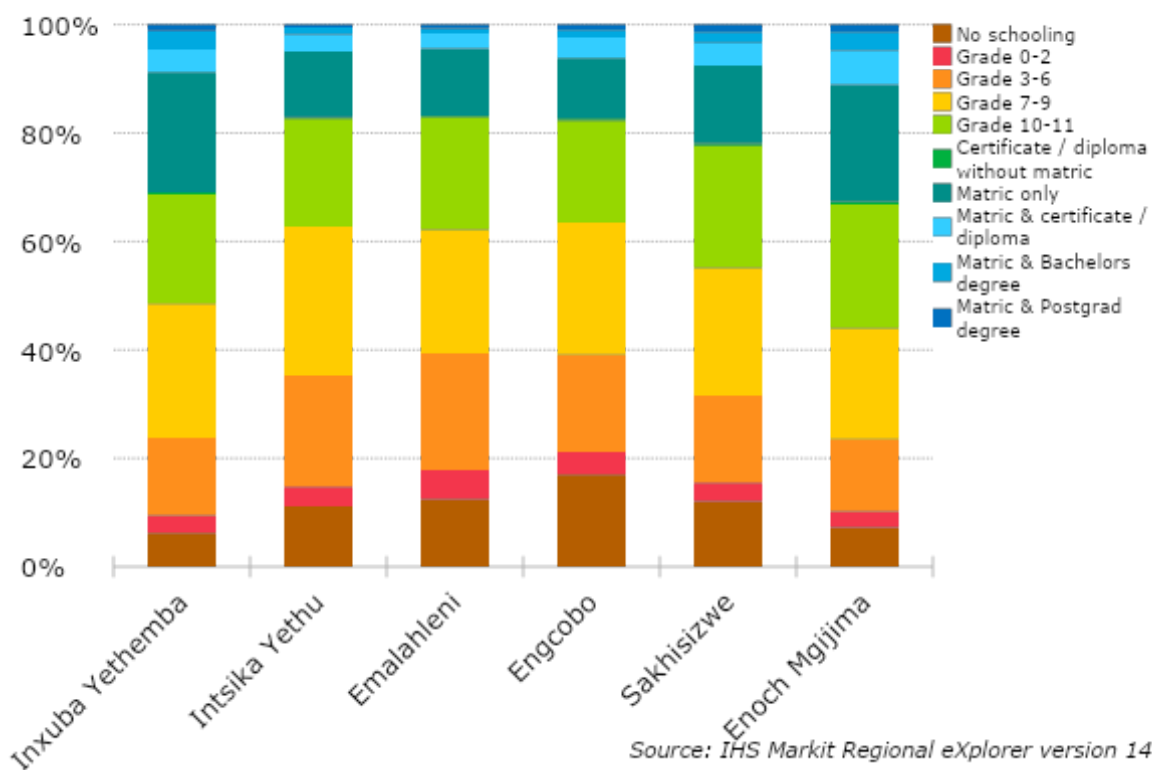
TABLE 22. HIGHEST LEVEL OF EDUCATION: AGE 15+ - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2017 [NUMBERS]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
No schooling	52,200	313,000	2,270,000	16.7%	2.3%
Grade 0-2	18,300	120,000	684,000	15.3%	2.7%
Grade 3-6	82,900	557,000	3,110,000	14.9%	2.7%
Grade 7-9	115,000	940,000	6,030,000	12.2%	1.9%
Grade 10-11	104,000	990,000	8,390,000	10.5%	1.2%
Certificate / diploma without matric	2,010	15,200	191,000	13.2%	1.1%
Matric only	80,300	862,000	10,400,000	9.3%	0.8%
Matric certificate / diploma	21,900	209,000	2,160,000	10.4%	1.0%
Matric Bachelors degree	11,100	126,000	1,530,000	8.8%	0.7%
Matric Postgrad degree	5,070	54,300	749,000	9.3%	0.7%

Source: IHS Markit Regional eXplorer version 1479

The number of people without any schooling in Chris Hani District Municipality accounts for 16.69% of the number of people without schooling in the province and a total share of 2.30% of the national. In 2017, the number of people in Chris Hani District Municipality with a matric only was 80,300 which is a share of 9.32% of the province's total number of people that has obtained a matric. The number of people with a matric and a Postgrad degree constitutes 8.80% of the province and 0.73% of the national.

TABLE 23. HIGHEST LEVEL OF EDUCATION: AGE 15+, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO, SAKHISIZWE AND ENOCH MGJIJIMA LOCAL MUNICIPALITIES 2017 [PERCENTAGE]



Definition6: For 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.

TABLE 24. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - CHRIS HANI DISTRICT MUNICIPALITY, 2007-2017 [NUMBER PERCENTAGE]

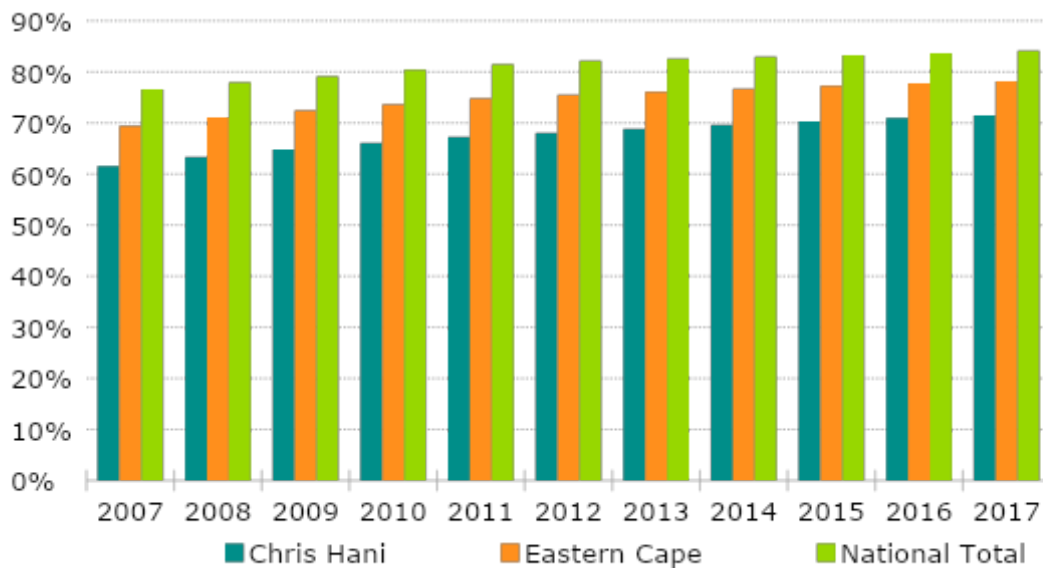
	Illiterate	Literate	%
2007	201,036	322,355	61.6%
2008	193,627	334,000	63.3%
2009	187,491	344,946	64.8%
2010	182,281	354,419	66.0%
2011	176,736	363,002	67.3%
2012	172,964	368,807	68.1%
2013	169,891	375,364	68.8%
2014	167,228	382,583	69.6%
2015	164,585	390,401	70.3%
2016	162,512	398,419	71.0%

2017	161,771	405,235	71.5%
Average Annual growth			
2007-2017	-2.15%	2.31%	1.50%

Source: IHS Markit Regional eXplorer version 1479

A total of 405 000 individuals in Chris Hani District Municipality were considered functionally literate in 2017, while 162 000 people were illiterate. Expressed as a rate, this amounts to 71.47% of the population, which is an increase of 0.099 percentage points since 2007 (61.59%). The number of illiterate individuals decreased on average by -2.15% annually from 2007 to 2017, with the number of functional literate people increasing at 2.31% annually.

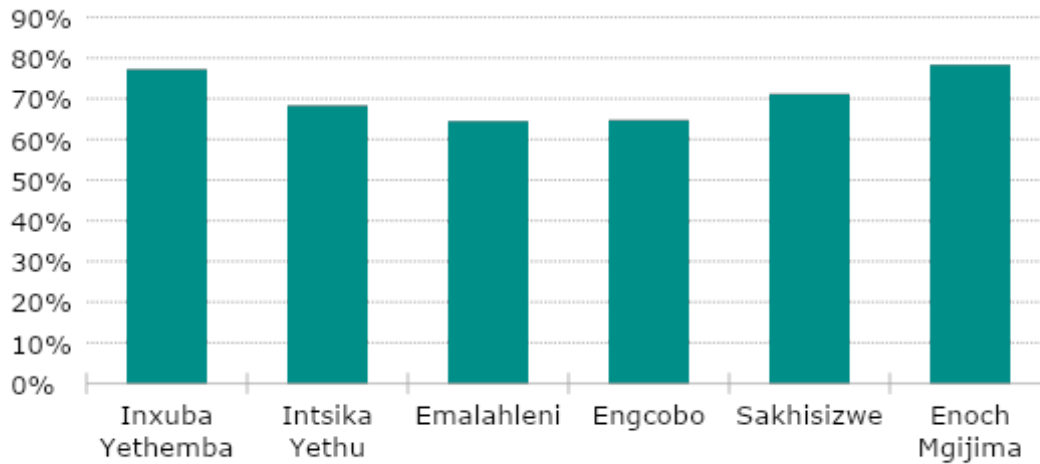
CHART 23. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2007-2017 [PERCENTAGE]



Chris Hani District Municipality's functional literacy rate of 71.47% in 2017 is lower than that of Eastern Cape at 78.13%. When comparing to National Total as whole, which has a functional literacy rate of 84.14%, the functional literacy rate is higher than that of the Chris Hani District Municipality.

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

CHART 24. LITERACY RATE - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO, SAKHISIZWE AND ENOCH MGJIMA LOCAL MUNICIPALITIES, 2017 [PERCENTAGE]



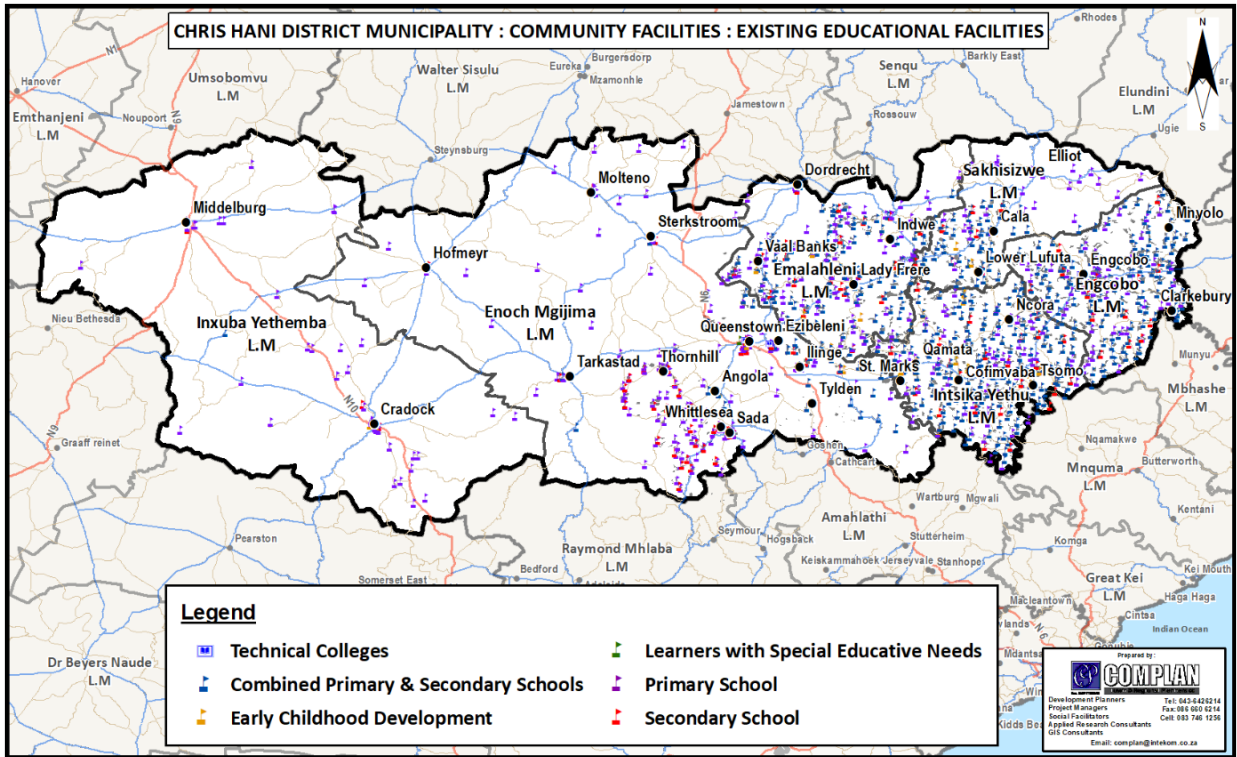
Source: IHS Markit Regional eXplorer version 1479

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 78.3%. The lowest literacy rate can be observed in the Emalahleni Local Municipality with a total of 64.5%.

Academic institutions in the district include a satellite campus of the Walter Sisulu University which is based in Queenstown and Whittlesea. There is TVET College (Ikhala TVET College) in Queenstown and Ezibeleni. The municipality is also endowed with a number of good primary and secondary schools as well as pre-primary schools.

Municipality	No of education facilities					Total
	Pre-school	Primary	Combined schools	Secondary	Tertiary	
Inxuba Yethemba	28	16		7	1	52
Enoch Mgijima		133	41	44	2	218
Emalahleni	8					173
Sakhisizwe		19	45	6	0	70
Engcobo		55	90	25	0	170
Intsika Yethu	16	58	154	8		254
Chris Hani DM	52	281	330	90	3	937

Map 7. Chris Hani District Education Facilities



6. DEVELOPMENT

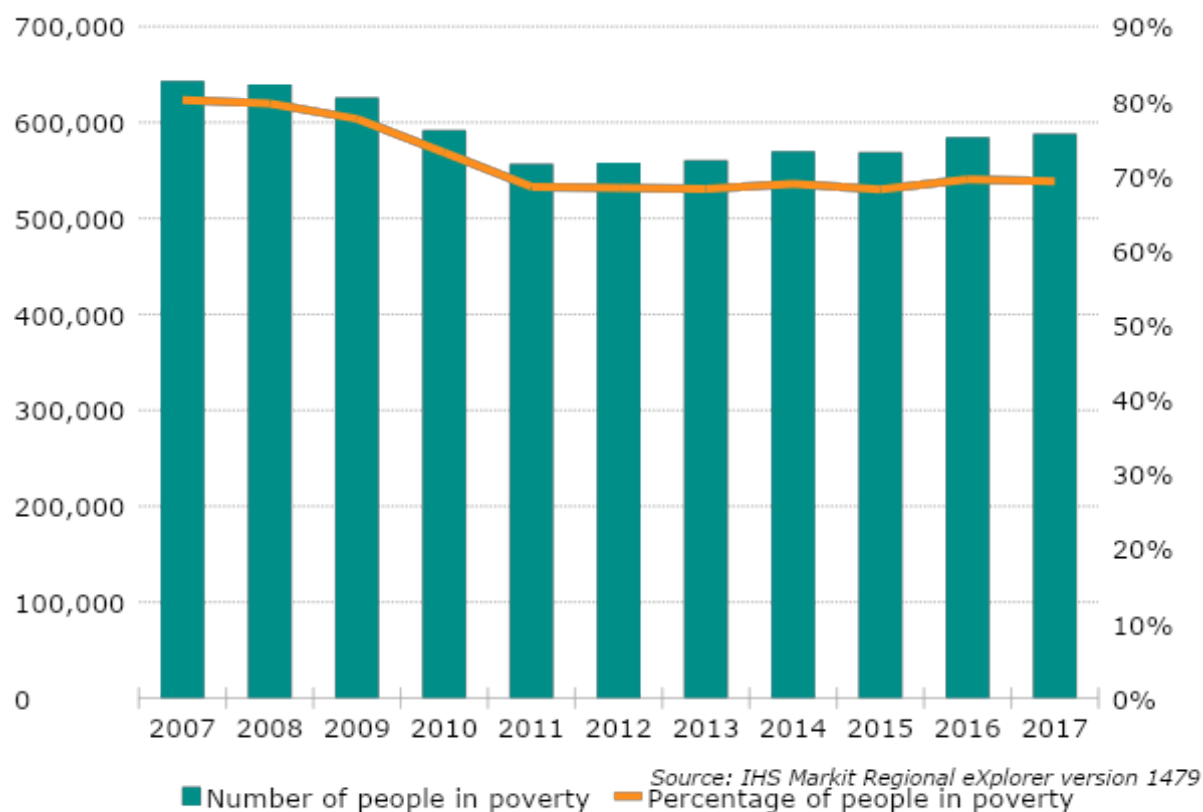
Indicators of development, like the Human Development Index (HDI), Gini Coefficient (income inequality), poverty and the poverty gap, and education, are used to estimate the level of development of a given region in South Africa relative to the rest of the country.

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.

6.1 POVERTY

Definition7: The upper poverty line is defined by StatsSA as the level of consumption at which individuals can purchase both sufficient food and non-food items without sacrificing one for the other. This variable measures the number of individuals living below that particular level of consumption for the given area and is balanced directly to the official upper poverty rate as measured by StatsSA.

CHART 25. NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - CHRIS HANI DISTRICT MUNICIPALITY, 2007-2017 [NUMBER PERCENTAGE]



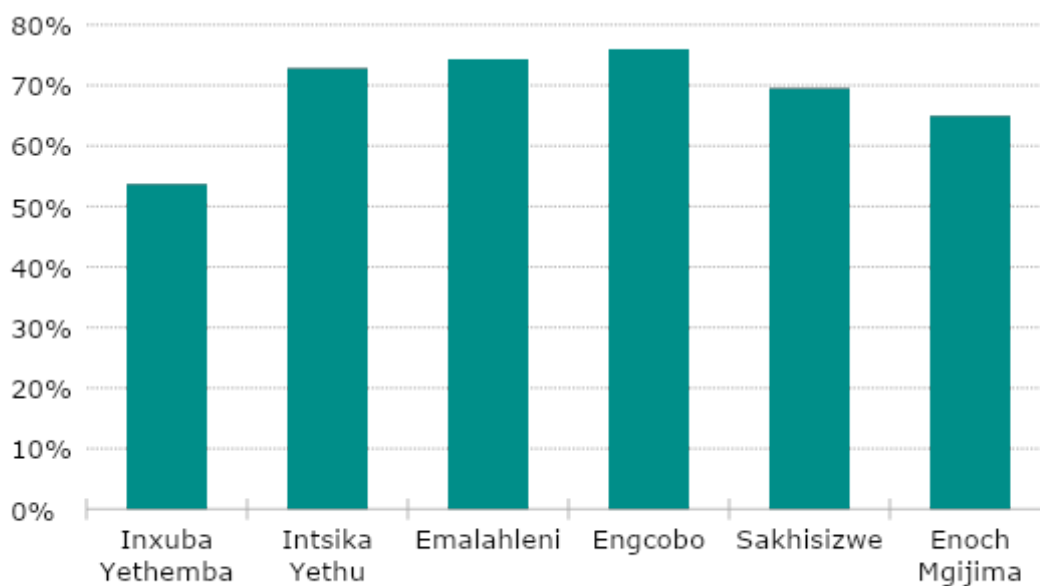
In 2017, there were 588 000 people living in poverty, using the upper poverty line definition, across Chris Hani District Municipality - this is 8.55% lower than the 643 000 in 2007. The percentage of people living in poverty has decreased from 80.17% in 2007 to 69.27% in 2017, which indicates a decrease of 10.9 percentage points.

TABLE 25. PERCENTAGE OF PEOPLE LIVING IN POVERTY BY POPULATION GROUP - CHRIS HANI, 2007-2017 [PERCENTAGE]

	African	White	Coloured	Asian
2007	82.6%	1.9%	64.9%	12.5%
2008	82.2%	2.0%	62.2%	14.8%
2009	80.2%	2.0%	57.2%	14.5%
2010	75.7%	1.4%	51.9%	12.1%
2011	71.0%	0.9%	47.4%	8.9%
2012	70.8%	0.9%	47.6%	9.0%
2013	70.6%	1.2%	47.4%	9.0%
2014	71.3%	1.9%	48.4%	8.8%
2015	70.5%	2.8%	48.0%	8.4%
2016	71.8%	3.4%	49.2%	10.8%
2017	71.6%	3.6%	48.2%	12.4%

In 2017, the population group with the highest percentage of people living in poverty was the White population group with a total of 1.9% people living in poverty, using the upper poverty line definition. The proportion of the White population group, living in poverty, decreased by -1.69 percentage points, as can be seen by the change from 1.86% in 2007 to 3.56% in 2017. In 2017 71.61% of the African population group lived in poverty, as compared to the 82.62% in 2007. The Coloured and the Asian population group saw a decrease in the percentage of people living in poverty, with a decrease of 16.7 and 0.0905 percentage points respectively.

TABLE 26. PERCENTAGE OF PEOPLE LIVING IN POVERTY - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGOBO, SAKHISIZWE AND ENOCH MGIJIMA LOCAL MUNICIPALITIES, 2017 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1479

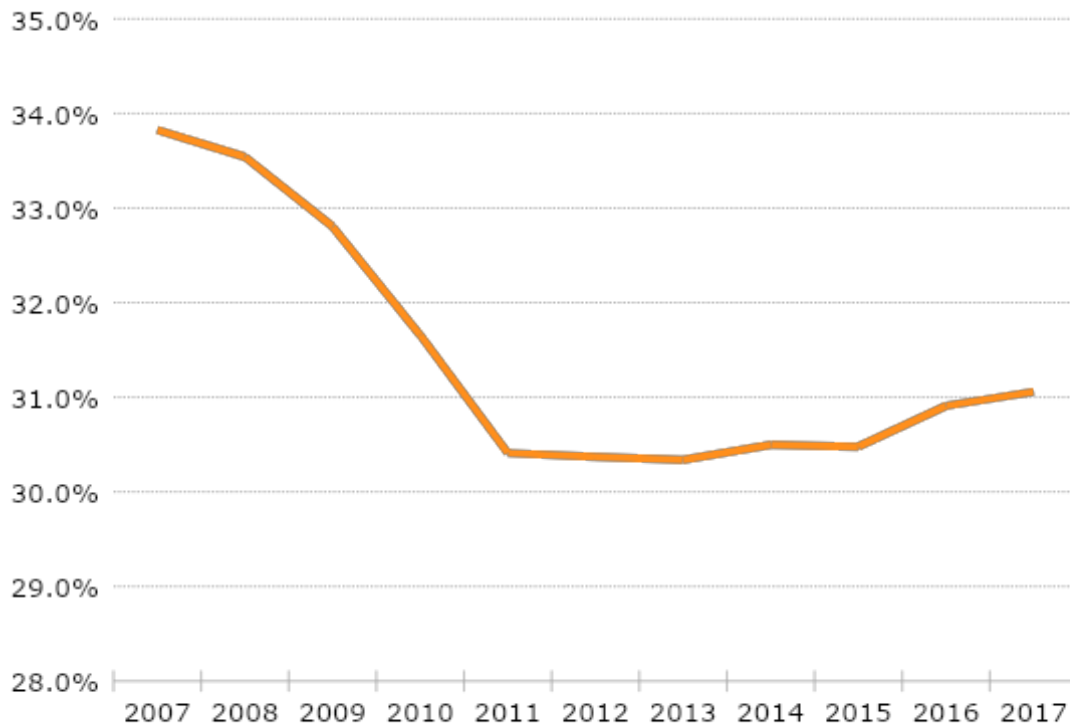
In terms of the percentage of people living in poverty for each of the regions within the Chris Hani District Municipality, Engcobo Local Municipality has the highest percentage of people living in poverty, using the upper poverty line definition, with a total of 76.0%. The lowest percentage of people living in poverty can be observed in the Inxuba Yethemba Local Municipality with a total of 53.7% living in poverty, using the upper poverty line definition.

6.2 POVERTY GAP RATE

Definition8: The poverty gap is used as an indicator to measure the depth of poverty. The gap measures the average distance of the population from the poverty line and is expressed as a percentage of the upper bound poverty line, as defined by StatsSA. The Poverty Gap deals with a major shortcoming of the poverty rate, which does not give any indication of the depth, of poverty. The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other.

It is estimated that the poverty gap rate in Chris Hani District Municipality amounted to 31.1% in 2017 - the rate needed to bring all poor households up to the poverty line and out of poverty.

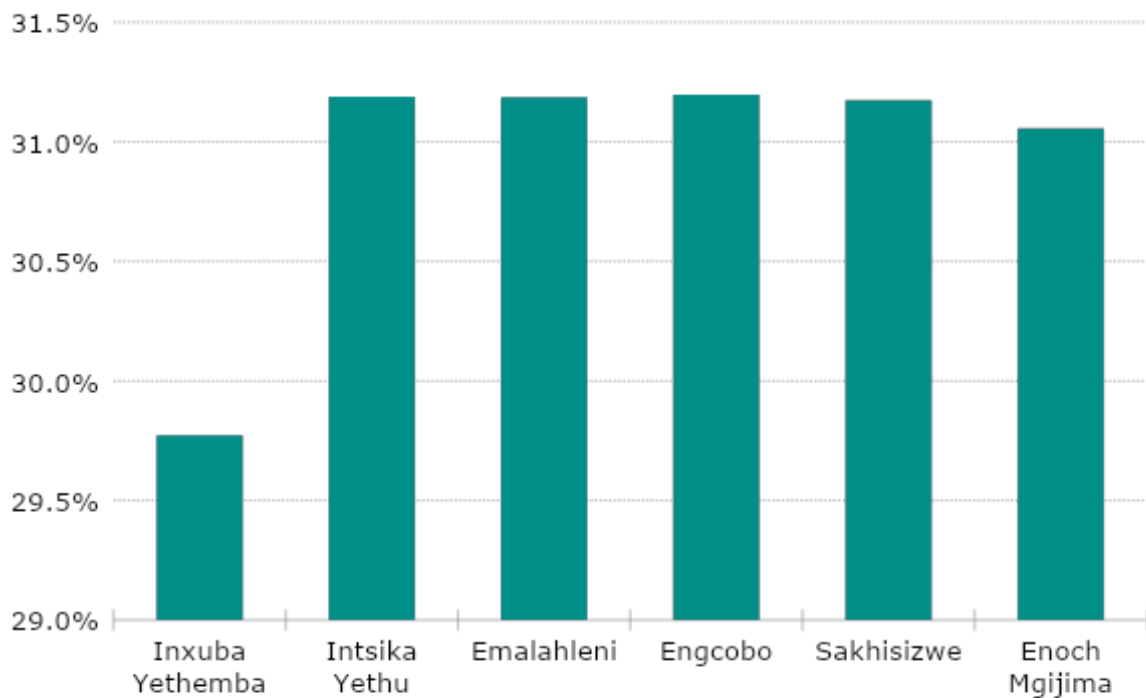
TABLE 27. POVERTY GAP RATE BY POPULATION GROUP - CHRIS HANI DISTRICT MUNICIPALITY, 2007-2017 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1479

In 2017, the poverty gap rate was 31.1% and in 2007 the poverty gap rate was 33.8%, it can be seen that the poverty gap rate decreased from 2007 to 2017, which means that there were improvements in terms of the depth of the poverty within Chris Hani District Municipality.

TABLE 28. POVERTY GAP RATE - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGOBO, SAKHISIZWE AND ENOCH MGIJIMA LOCAL MUNICIPALITIES,2017 [PERCENTAGE]



Source: IHS Markit Regional Explorer version 1479

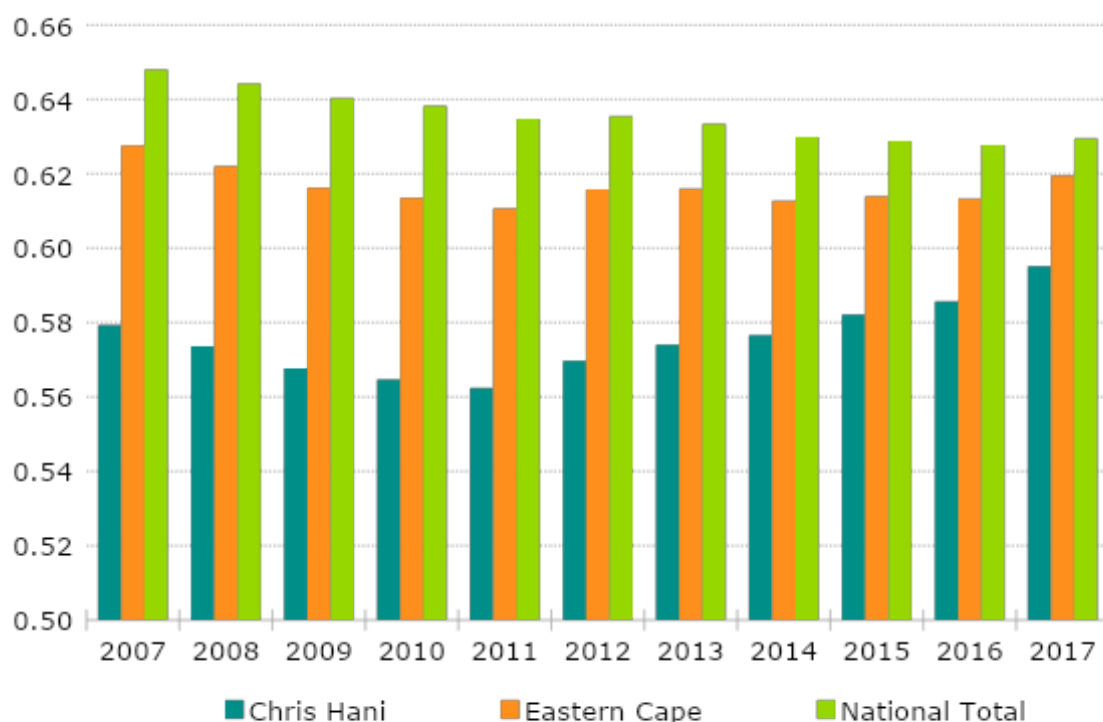
In terms of the poverty gap rate for each of the regions within the Chris Hani District Municipality, Engcobo Local Municipality had the highest poverty gap rate, with a rand value of 31.2%. The lowest poverty gap rate can be observed in the Inxuba Yethemba Local Municipality with a total of 29.8%.

6.3 GINI COEFFICIENT

Definition9: The Gini coefficient is a summary statistic of income inequality. It varies from 0 to 1.

If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no variance between the high and low-income earners within the population. In contrast, if the Gini coefficient equals 1, income is completely inequitable, i.e. one individual in the population is earning all the income and the rest has no income. Generally, this coefficient lies in the range between 0.25 and 0.70.

CHART 26. GINI COEFFICIENT - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2007-2017 [NUMBER]



Source: IHS Markit Regional eXplorer version 1479

In 2017, the Gini coefficient in Chris Hani District Municipality was at 0.595, which reflects an increase in the number over the ten-year period from 2007 to 2017. The Eastern Cape Province and South Africa, both had a more unequal spread of income amongst their residents (at 0.619 and 0.629 respectively) when compared to Chris Hani District Municipality.

TABLE 29. GINI COEFFICIENT BY POPULATION GROUP - CHRIS HANI, 2007, 2017 [NUMBER]

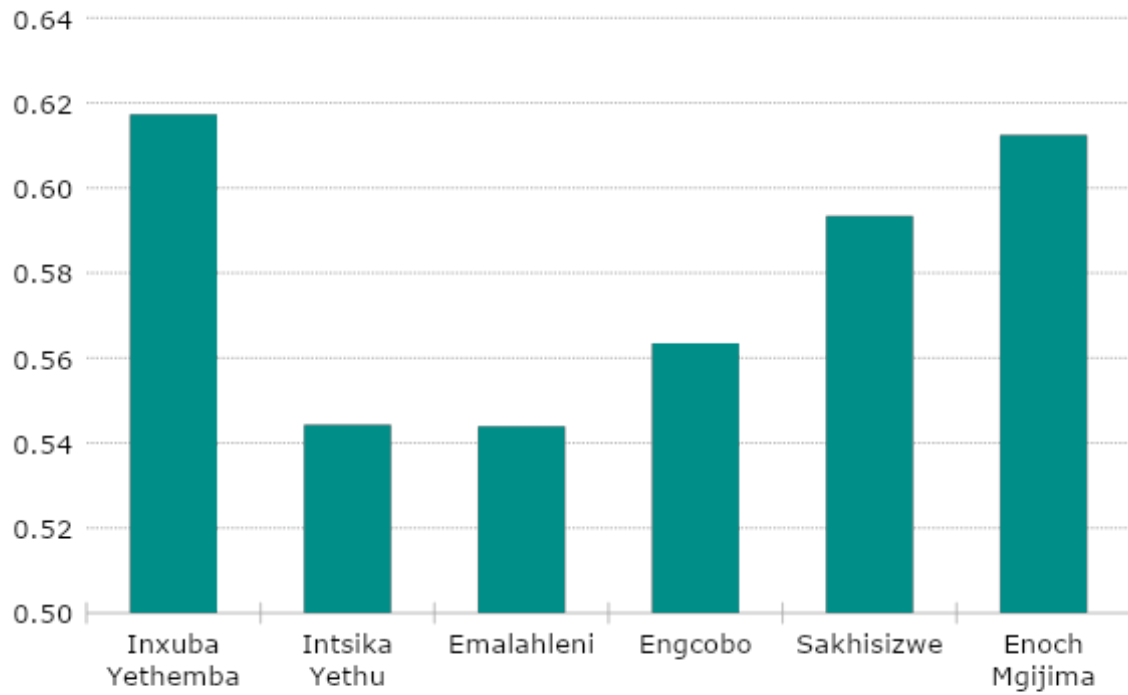
	African	White	Coloured
2007	0.54	0.46	0.55
2017	0.57	0.44	0.56
Average Annual growth			
2007-2017	0.52%	-0.35%	0.13%

Source: IHS Markit Regional eXplorer version 1479

When segmenting the Chris Hani District Municipality into population groups, the Gini coefficient for the African population group increased the most amongst the population groups with an average annual growth rate of 0.52%. The Gini coefficient for the White population group decreased the most with an average annual growth rate of -0.35%.

CHART 27. GINI COEFFICIENT - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI,

ENCOBO, SAKHISIZWE AND ENOCH MGJIMA
LOCAL MUNICIPALITIES, 2017 [NUMBER]



Source: IHS Markit Regional eXplorer version 1479

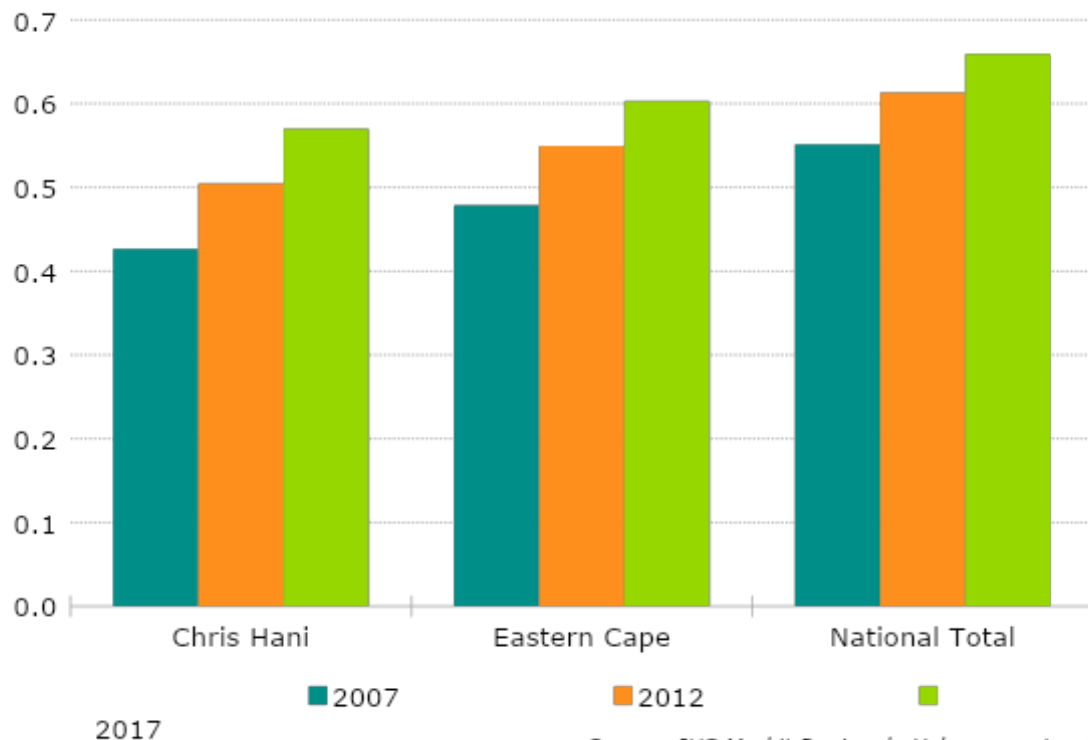
In terms of the Gini coefficient for each of the regions within the Chris Hani District Municipality, Inxuba Yethemba Local Municipality has the highest Gini coefficient, with an index value of 0.617. The lowest Gini coefficient can be observed in the Emalahleni Local Municipality with an index value of 0.544.

6.4 HUMAN DEVELOPMENT INDEX (HDI)

Definition10: The Human Development Index (HDI) is a composite relative index used to compare human development across population groups or regions.

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

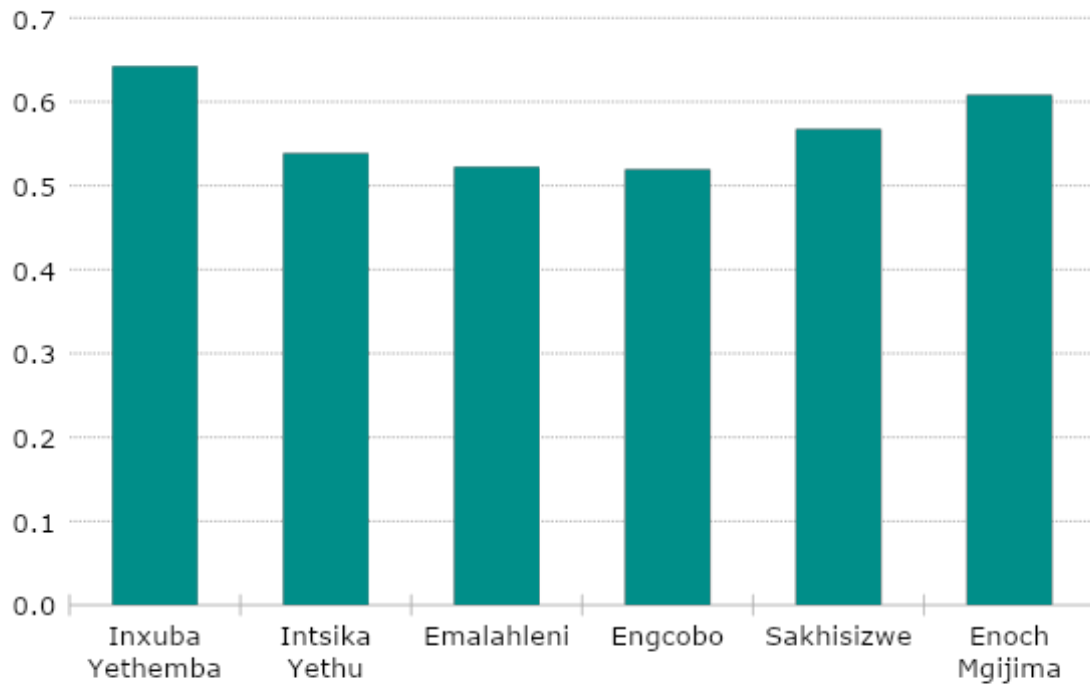
CHART 28. HUMAN DEVELOPMENT INDEX (HDI) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2007, 2012, 2017 [NUMBER]



In 2017 Chris Hani District Municipality had an HDI of 0.57 compared to the Eastern Cape with a HDI of 0.603 and 0.659 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2017 when compared to Chris Hani District Municipality which translates to worse human development for Chris Hani District Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.80% and this increase is lower than that of Chris Hani District Municipality (2.94%).

CHART 29. HUMAN DEVELOPMENT INDEX (HDI) - INXUBA YETHEMBA, INTSIKA YETHU,

EMALAHLENI, ENGOBO, SAKHISIZWE AND
ENOCH MGIJIMA LOCAL MUNICIPALITIES, 2017
[NUMBER]



Source: IHS Markit Regional eXplorer version 1479

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 0.642. The lowest can be observed in the Engcobo Local Municipality with an index value of 0.52.

7. LABOUR

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

TABLE 30. WORKING AGE POPULATION IN CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2007 AND 2017 [NUMBER]

	Chris Hani		Eastern Cape		National Total	
	2007	2017	2007	2017	2007	2017
15-19	107,000	74,600	802,000	637,000	5,240,000	4,560,000
20-24	77,300	72,300	707,000	661,000	5,350,000	4,860,000
25-29	58,600	75,500	552,000	695,000	4,720,000	5,560,000
30-34	38,200	63,900	369,000	606,000	3,690,000	5,420,000
35-39	30,600	53,000	287,000	470,000	2,970,000	4,460,000
40-44	31,700	35,300	279,000	315,000	2,610,000	3,280,000
45-49	34,000	29,000	284,000	249,000	2,320,000	2,590,000
50-54	31,600	30,600	246,000	245,000	1,920,000	2,290,000
55-59	27,100	33,400	209,000	249,000	1,560,000	2,030,000
60-64	25,100	29,600	172,000	213,000	1,210,000	1,660,000
Total	460,830	497,083	3,906,362	4,341,032	31,597,274	36,711,715

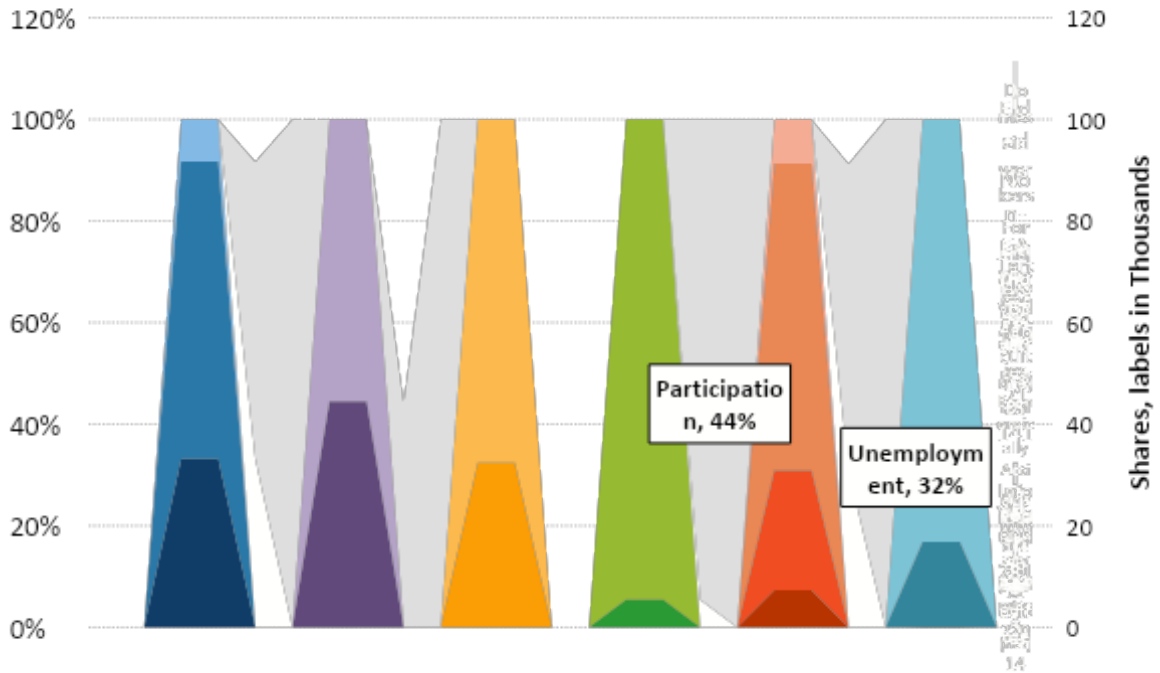
Source: IHS Markit Regional eXplorer version 1479

The working age population in Chris Hani in 2017 was 497 000, increasing at an average annual rate of 0.76% since 2007. For the same period the working age population for Eastern Cape Province increased at 1.06% annually, while that of South Africa increased at 1.51% annually.

The graph below combines all the facets of the labour force in the Chris Hani District 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.

CHART 30. LABOUR GLIMPSE - CHRIS HANI DISTRICT MUNICIPALITY, 2017

Labour Glimpse Chris Hani District Municipality, 2017



Reading the chart from the left-most bar, breaking down the total population of the Chris Hani District Municipality (849 000) into working age and non-working age, the number of people that are of working age is about 497 000. 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, 44.4% are participating in the labour force, meaning 221 000 residents of the district municipality forms currently part of the economically active population (EAP). Comparing this with the non-economically active population (NEAP) of the district municipality: fulltime students at tertiary institutions, disabled people, and those choosing not to work, sum to 276 000 people. Out of the economically active population, there are 71 400 that are unemployed, or when expressed as a percentage, an unemployment rate of 32.3%. 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 Chris Hani, broken down by the primary (mining), secondary and tertiary industries. Most of the formal employment lies in the Tertiary industry, with 71 100 jobs. When including the informal, agricultural and domestic workers, we have a total number of 141 000 jobs in the area. Formal jobs make up 60.4% of all jobs in the Chris Hani District 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 district 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.

7.1 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.

Definition11: The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

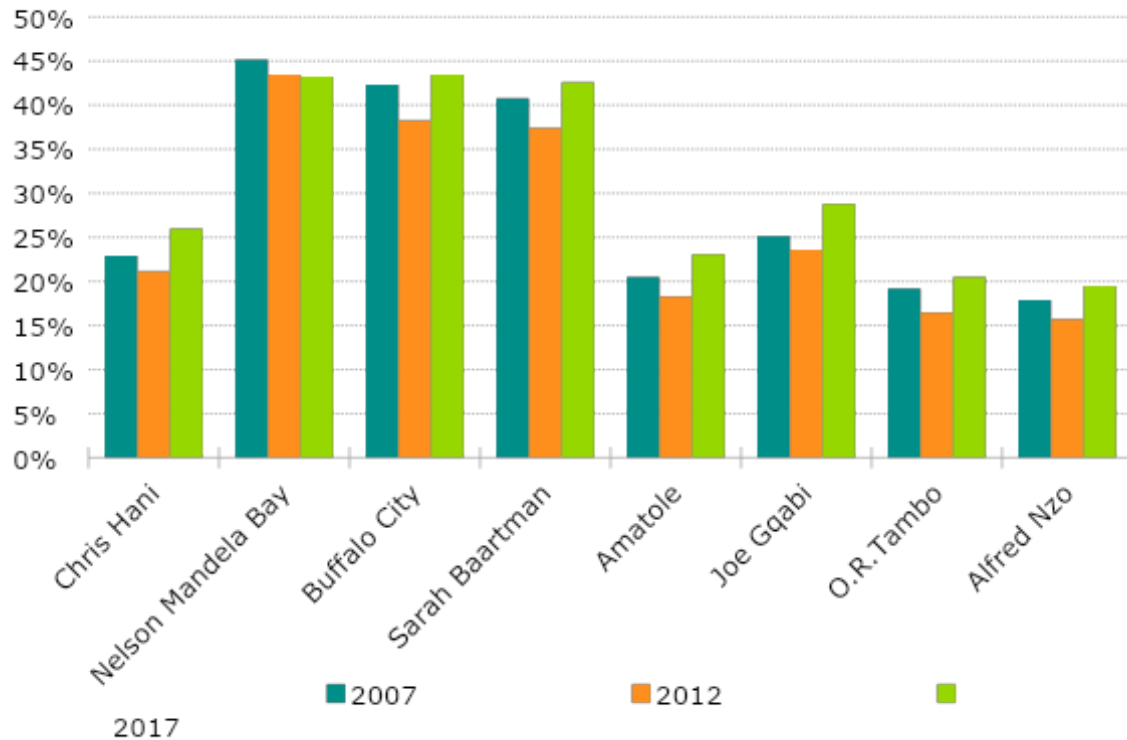
TABLE 31. ECONOMICALLY ACTIVE POPULATION (EAP) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2007-2017 [NUMBER, PERCENTAGE]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2007	184,000	1,850,000	18,000,000	9.9%	1.02%
2008	182,000	1,840,000	18,400,000	9.9%	0.99%
2009	177,000	1,790,000	18,300,000	9.9%	0.96%
2010	170,000	1,730,000	18,100,000	9.8%	0.94%
2011	170,000	1,740,000	18,300,000	9.8%	0.92%
2012	173,000	1,770,000	18,700,000	9.8%	0.92%
2013	182,000	1,840,000	19,300,000	9.9%	0.94%
2014	195,000	1,940,000	20,100,000	10.1%	0.97%
2015	204,000	2,010,000	20,800,000	10.2%	0.99%
2016	215,000	2,090,000	21,300,000	10.3%	1.01%
2017	221,000	2,140,000	21,800,000	10.3%	1.01%
Average Annual growth					
2007-2017	1.87%	1.48%	1.94%		

Source: IHS Markit Regional eXplorer version 1479

Chris Hani District Municipality's EAP was 221 000 in 2017, which is 26.01% of its total population of 849 000, and roughly 10.32% of the total EAP of the Eastern Cape Province. From 2007 to 2017, the average annual increase in the EAP in the Chris Hani District Municipality was 1.87%, which is 0.388 percentage points higher than the growth in the EAP of Eastern Cape's for the same period.

CHART 31. EAP AS % OF TOTAL POPULATION - CHRIS HANI AND THE REST OF EASTERN CAPE, 2007, 2012, 2017 [PERCENTAGE]



In 2007, 22.9% of the total population in Chris Hani District Municipality were classified as economically active which increased to 26.0% in 2017. Compared to the other regions in Eastern Cape Province, Buffalo City Metropolitan 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, Alfred Nzo District Municipality had the lowest EAP with 19.5% people classified as economically active population in 2017.

7.1.1 LABOUR FORCE PARTICIPATION RATE

Definition12: 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 Chris Hani, Eastern Cape and National Total as a whole.

TABLE 32. THE LABOUR FORCE PARTICIPATION RATE - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2007-2017 [PERCENTAGE]

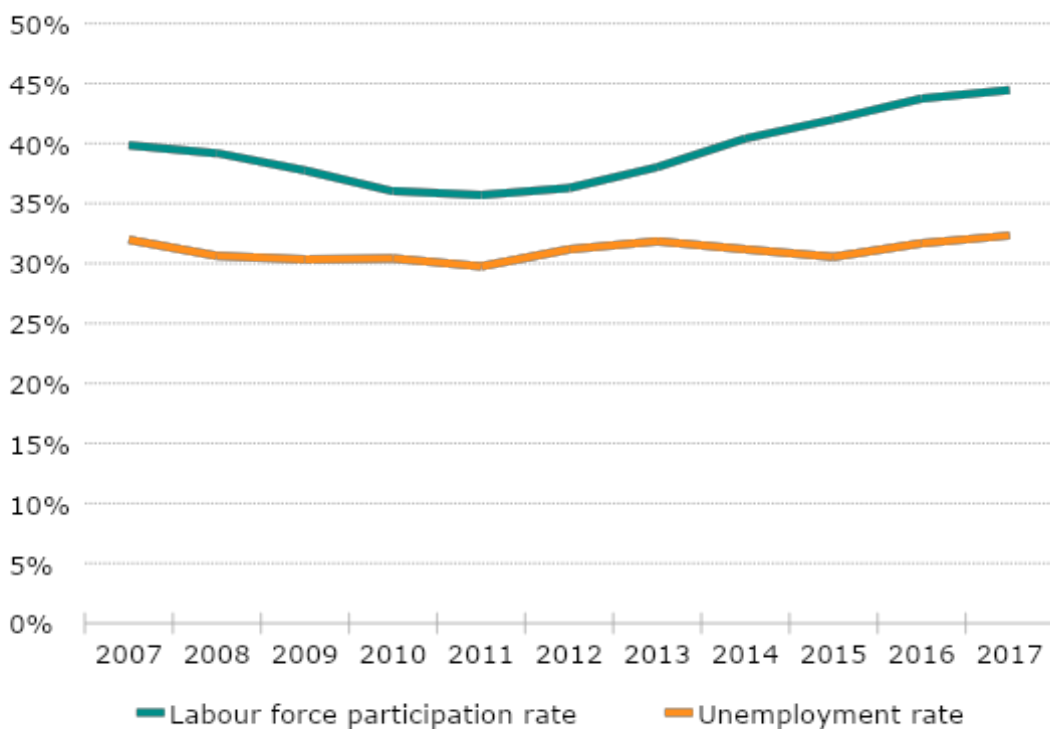
	Chris Hani	Eastern Cape	National Total
2007	39.8%	47.3%	57.0%
2008	39.2%	46.5%	57.4%
2009	37.8%	44.9%	56.2%
2010	36.0%	42.9%	54.5%

2011	35.7%	42.6%	54.3%
2012	36.3%	43.1%	54.7%
2013	38.0%	44.4%	55.7%
2014	40.4%	46.2%	57.1%
2015	42.0%	47.4%	58.1%
2016	43.7%	48.6%	58.9%
2017	44.4%	49.3%	59.5%

Source: IHS Markit Regional eXplorer version 1479

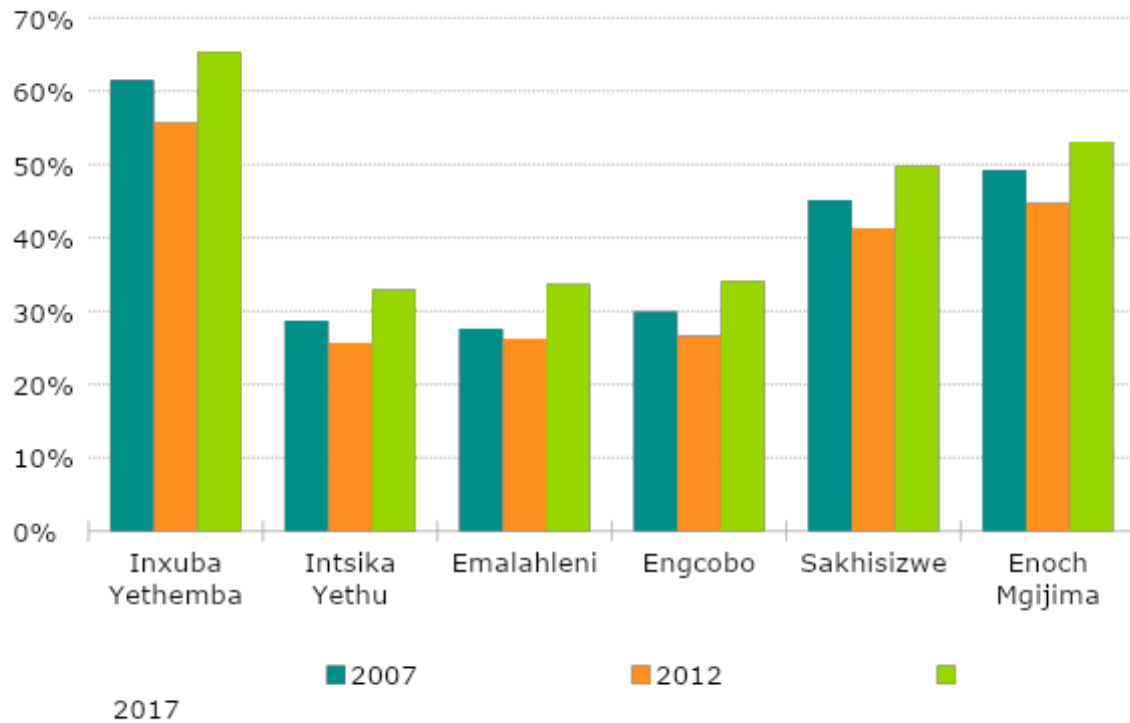
The Chris Hani District Municipality's labour force participation rate increased from 39.83% to 44.44% which is an increase of 4.6 percentage points. The Eastern Cape Province increased from 47.31% to 49.31%, South Africa increased from 56.99% to 59.47% from 2007 to 2017. The Chris Hani District Municipality labour force participation rate exhibited a higher percentage point change compared to the Eastern Cape Province from 2007 to 2017. The Chris Hani District Municipality had a lower labour force participation rate when compared to South Africa in 2017.

CHART 32. THE LABOUR FORCE PARTICIPATION RATE - CHRIS HANI DISTRICT MUNICIPALITY, 2007-2017 [PERCENTAGE]



In 2017 the labour force participation rate for Chris Hani was at 44.4% which is slightly higher when compared to the 39.8% in 2007. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2007, the unemployment rate for Chris Hani was 32.0% and increased overtime to 32.3% in 2017. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within Chris Hani District Municipality.

CHART 33. THE LABOUR FORCE PARTICIPATION RATE - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGOBO, SAKHISIZWE AND ENOCH MGIJIMA LOCAL MUNICIPALITIES, 2007, 2012 AND 2017 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1479

Inxuba Yethemba Local Municipality had the highest labour force participation rate with 65.4% in 2017 increasing from 61.5% in 2007. Intsika Yethu Local Municipality had the lowest labour force participation rate of 32.9% in 2017, this increased from 28.7% in 2007.

7.2 TOTAL EMPLOYMENT

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

Definition13: Total employment consists of two parts: employment in the formal sector, and employment in the informal sector

TABLE 33. TOTAL EMPLOYMENT - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2007-2017 [NUMBERS]

	Chris Hani	Eastern Cape	National Total
2007	121,000	1,350,000	13,500,000
2008	123,000	1,350,000	14,100,000
2009	120,000	1,320,000	14,000,000

2010	115,000	1,260,000	13,600,000
2011	115,000	1,260,000	13,800,000
2012	115,000	1,270,000	14,000,000
2013	119,000	1,310,000	14,500,000
2014	129,000	1,370,000	15,100,000
2015	136,000	1,430,000	15,500,000
2016	141,000	1,450,000	15,700,000
2017	141,000	1,460,000	15,900,000
Average Annual growth			
2007-2017	1.56%	0.77%	1.61%

Source: IHS Markit Regional eXplorer version 1479

In 2017, Chris Hani employed 141 000 people which is 9.71% of the total employment in Eastern Cape Province (1.46 million), 0.89% of total employment in South Africa (15.9 million). Employment within Chris Hani increased annually at an average rate of 1.56% from 2007 to 2017.

TABLE 34. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - CHRIS HANI AND THE REST OF EASTERN CAPE, 2017 [NUMBERS]

	Chris Hani	Nelson Mandela Bay	Buffalo City	Sarah Baartman	Amatole	Joe Gqabi	O.R.Tambo	Alfred Nzo	Total Eastern Cape
Agriculture	10,400	8,560	17,400	27,200	8,570	7,620	5,740	3,770	89,326
Mining	133	223	299	39	139	82	326	98	1,340
Manufacturing	6,490	66,800	20,700	16,500	7,350	3,690	6,040	3,390	130,873
Electricity	557	960	1,420	452	503	288	808	307	5,295
Construction	16,900	30,000	22,600	17,100	14,300	9,850	20,700	14,800	146,221
Trade	29,900	88,900	59,900	38,100	34,600	16,500	45,500	21,000	334,476
Transport	5,120	25,100	10,600	7,670	5,880	2,830	8,530	4,060	69,809
Finance	13,300	56,400	30,400	15,100	14,400	6,170	21,700	9,250	166,689
Community services	46,400	88,100	67,100	31,200	44,400	21,700	64,300	29,300	392,559
Households	12,300	28,400	22,200	16,300	11,900	8,120	14,100	7,060	120,501
Total	141,000	393,000	253,000	170,000	142,000	76,900	188,000	93,100	1,457,089

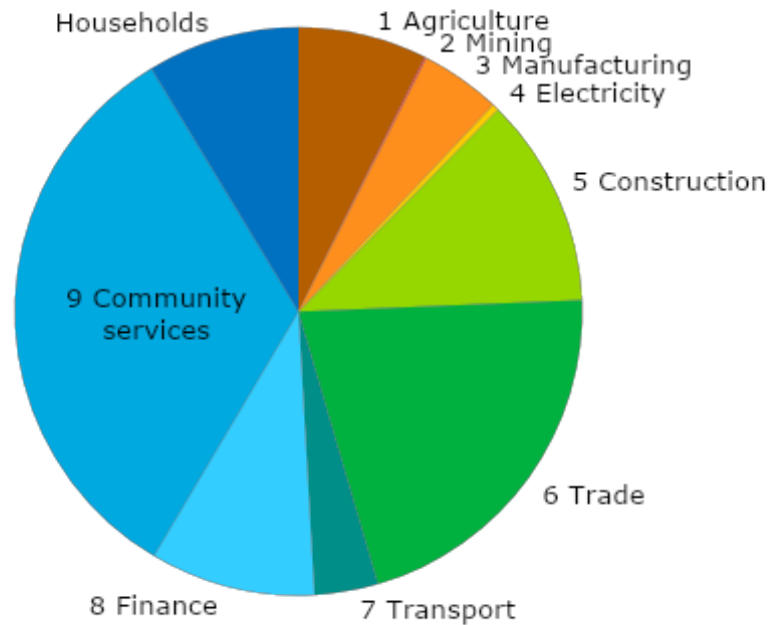
Source: IHS Markit Regional eXplorer version 1479

Chris Hani District Municipality employs a total number of 141 000 people within its district municipality. The district municipality that employs the highest number of people relative to the other regions within Eastern Cape Province is Nelson Mandela Bay district municipality with a total number of 393 000. The district municipality that employs the lowest number of people relative to the other regions within Eastern Cape Province is Joe Gqabi district municipality with a total number of 76 900 employed people.

In Chris Hani District Municipality the economic sectors that recorded the largest number of employment in 2017 were the community services sector with a total of 46 400 employed people or 32.8% of total employment in the district municipality. The trade sector with a total of 29 900 (21.1%) employs the second highest number of people relative to the rest of the sectors. The mining

sector with 133 (0.1%) is the sector that employs the least number of people in Chris Hani District Municipality, followed by the electricity sector with 557 (0.4%) people employed.

CHART 34. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2017 [PERCENTAGE]



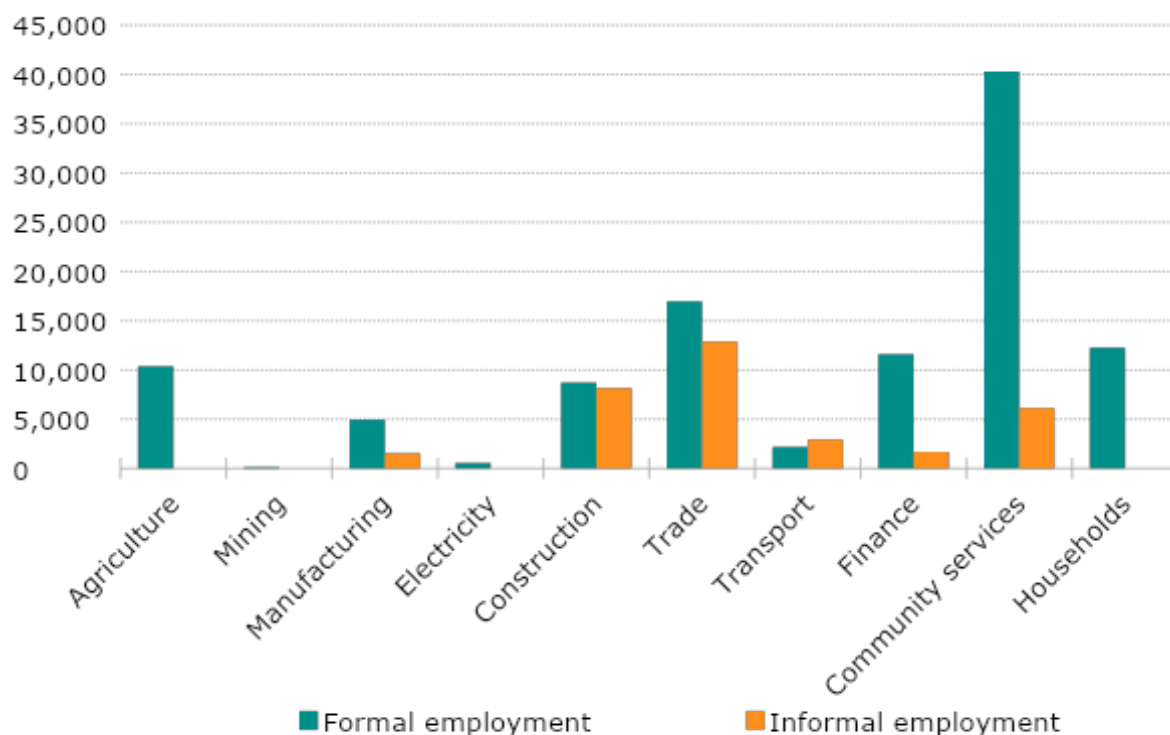
7.3 FORMAL AND INFORMAL EMPLOYMENT

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

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

The number of formally employed people in Chris Hani District Municipality counted 108 000 in 2017, which is about 76.42% of total employment, while the number of people employed in the informal sector counted 33 300 or 23.58% of the total employment. Informal employment in Chris Hani increased from 30 200 in 2007 to an estimated 33 300 in 2017.

CHART 35. FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR -



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 2017 the Trade sector recorded the highest number of informally employed, with a total of 12 900 employees or 38.61% 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 1 540 and only contributes 4.63% to total informal employment.

TABLE 35. FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2017 [NUMBERS]

	Formal employment	Informal employment
Agriculture	10,400	N/A
Mining	133	N/A
Manufacturing	4,940	1,540
Electricity	557	N/A
Construction	8,720	8,160
Trade	17,000	12,900
Transport	2,190	2,940

Finance	11,600	1,680
Community services	40,300	6,140
Households	12,300	N/A

Source: IHS Markit Regional eXplorer version 1479

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.

7.4 UNEMPLOYMENT

Definition14: The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It therefore excludes people who are not actively seeking work (referred to as discouraged work seekers).

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

- "Without work", i.e. not in paid employment or self-employment;
- "Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and
- "Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

TABLE 36. UNEMPLOYMENT (OFFICIAL DEFINITION) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2007-2017 [NUMBER PERCENTAGE]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2007	58,700	503,000	4,460,000	11.7%	1.32%
2008	55,800	488,000	4,350,000	11.4%	1.28%
2009	53,600	483,000	4,370,000	11.1%	1.23%
2010	51,700	480,000	4,490,000	10.8%	1.15%
2011	50,400	485,000	4,570,000	10.4%	1.10%
2012	53,800	508,000	4,690,000	10.6%	1.15%
2013	58,000	542,000	4,850,000	10.7%	1.19%
2014	60,800	569,000	5,060,000	10.7%	1.20%
2015	62,500	586,000	5,290,000	10.7%	1.18%
2016	68,200	636,000	5,630,000	10.7%	1.21%
2017	71,400	665,000	5,940,000	10.7%	1.20%
Average Annual growth					
2007-2017	1.98%	2.84%	2.91%		

In 2017, there were a total number of 71 400 people unemployed in Chris Hani, which is an increase of 12 700 from 58 700 in 2007. The total number of unemployed people within Chris Hani constitutes 10.73% of the total number of unemployed people in Eastern Cape Province. The Chris Hani District Municipality experienced an average annual increase of 1.98% in the number of unemployed people, which is better than that of the Eastern Cape Province which had an average annual increase in unemployment of 2.84%.

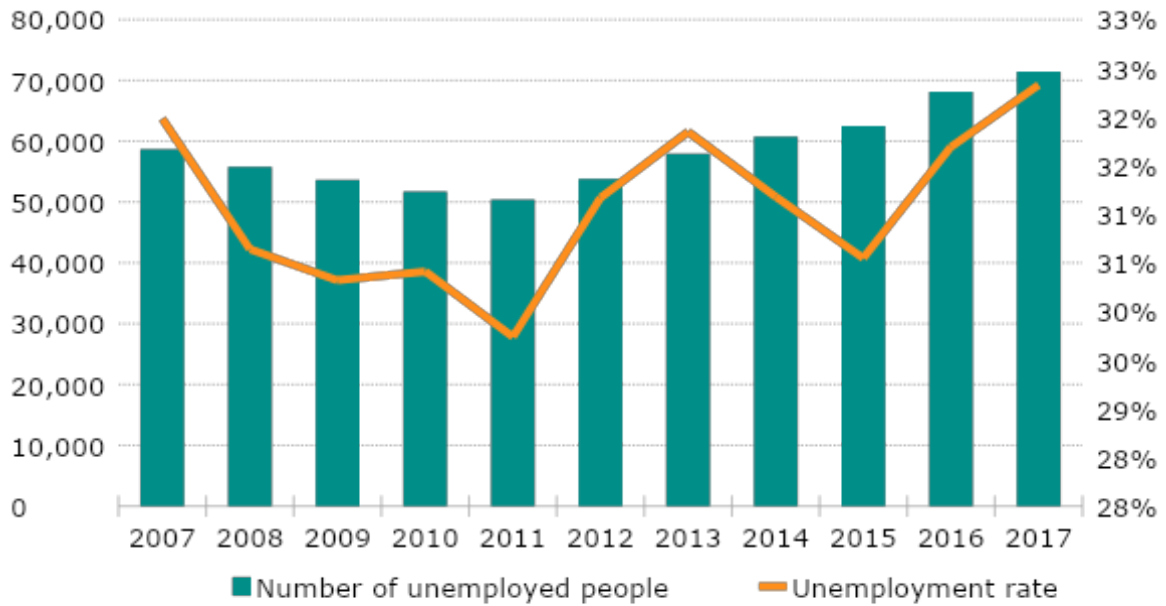
TABLE 37. UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2007-2017 [PERCENTAGE]

	Chris Hani	Eastern Cape	National Total
2007	32.0%	27.2%	24.8%
2008	30.6%	26.6%	23.6%
2009	30.3%	26.9%	23.8%
2010	30.4%	27.7%	24.8%
2011	29.7%	27.9%	24.9%
2012	31.2%	28.7%	25.0%
2013	31.8%	29.4%	25.1%
2014	31.2%	29.4%	25.1%
2015	30.5%	29.2%	25.5%
2016	31.7%	30.5%	26.4%
2017	32.3%	31.1%	27.2%

Source: IHS Markit Regional eExplorer version 1479

In 2017, the unemployment rate in Chris Hani District Municipality (based on the official definition of unemployment) was 32.33%, which is an increase of 0.343 percentage points. The unemployment rate in Chris Hani District Municipality is higher than that of Eastern Cape. The unemployment rate for South Africa was 27.21% in 2017, which is a increase of -2.44 percentage points from 24.77% in 2007.

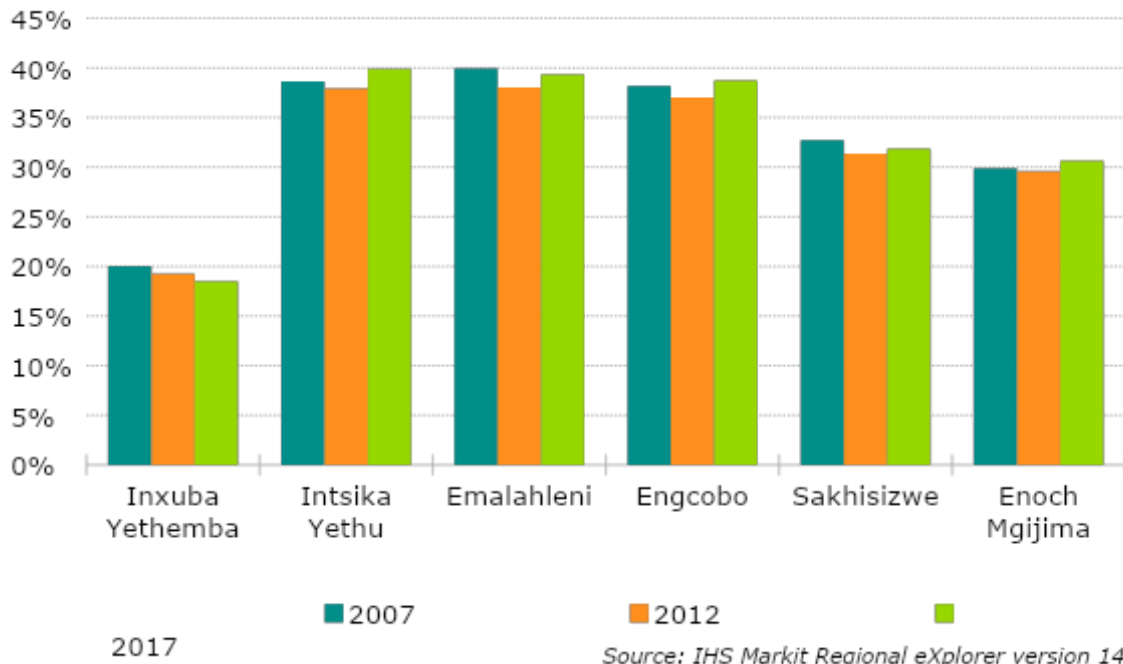
CHART 36. UNEMPLOYMENT AND UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - CHRIS HANI DISTRICT MUNICIPALITY, 2007-2017 [NUMBER PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1479

When comparing unemployment rates among regions within Chris Hani District Municipality, Intsika Yethu Local Municipality has indicated the highest unemployment rate of 39.9%, which has increased from 38.6% in 2007. The Inxuba Yethemba Local Municipality had the lowest unemployment rate of 18.5% in 2017, which decreased from 20.0% in 2007.

CHART 37. UNEMPLOYMENT RATE - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO, SAKHISIZWE AND ENOCH MGJIMA LOCAL MUNICIPALITIES, 2007, 2012 AND 2017 [PERCENTAGE]

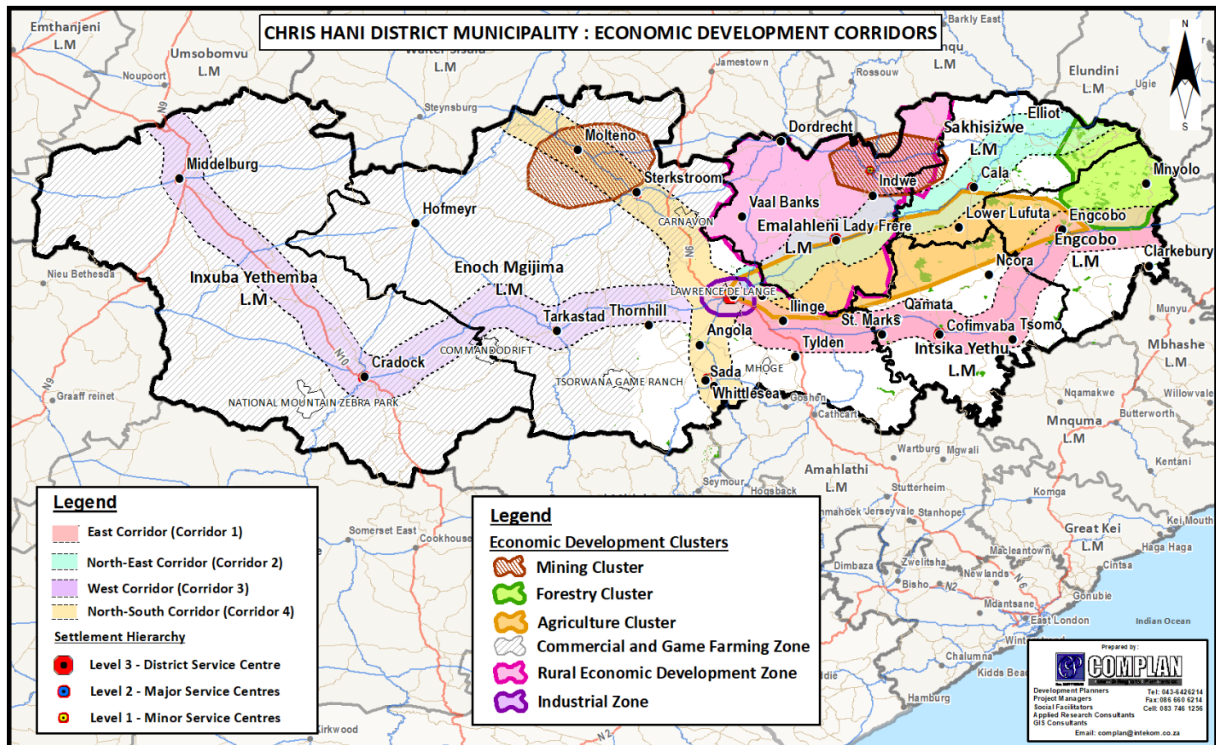


8. ECONOMY

The economic state of Chris Hani District Municipality is put in perspective by comparing it on a spatial level with its neighbouring district municipalities, Eastern Cape Province and South Africa. The section will also allude to the economic composition and contribution of the regions within Chris Hani District Municipality.

The Chris Hani District Municipality does not function in isolation from Eastern Cape, 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.

Map 8. Chris Hani District Economic Development Corridors



8.1 GROSS DOMESTIC PRODUCT BY REGION (GDP-R)

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

Definition15: Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies.

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

TABLE 38. GROSS DOMESTIC PRODUCT (GDP) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2007-2017 [R BILLIONS, CURRENT PRICES]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2007	13.0	168.2	2,109.5	7.7%	0.62%
2008	13.6	174.1	2,369.1	7.8%	0.57%
2009	15.2	191.2	2,507.7	7.9%	0.61%
2010	16.9	211.6	2,748.0	8.0%	0.62%
2011	18.2	226.1	3,023.7	8.0%	0.60%
2012	20.3	252.2	3,253.9	8.1%	0.62%
2013	22.0	273.3	3,540.0	8.0%	0.62%
2014	23.6	293.6	3,805.3	8.1%	0.62%
2015	25.5	316.4	4,051.4	8.0%	0.63%
2016	26.8	331.1	4,350.3	8.1%	0.62%
2017	28.6	351.1	4,651.8	8.1%	0.61%

With a GDP of R 28.6 billion in 2017 (up from R 13 billion in 2007), the Chris Hani District Municipality contributed 8.14% to the Eastern Cape Province GDP of R 351 billion in 2017 increasing in the share of the Eastern Cape from 7.73% in 2007. The Chris Hani District Municipality contributes 0.61% to the GDP of South Africa which had a total GDP of R 4.65 trillion in 2017 (as measured in nominal or current prices). Its contribution to the national economy stayed similar in importance from 2007 when it contributed 0.62% to South Africa, but it is lower than the peak of 0.63% in 2015.

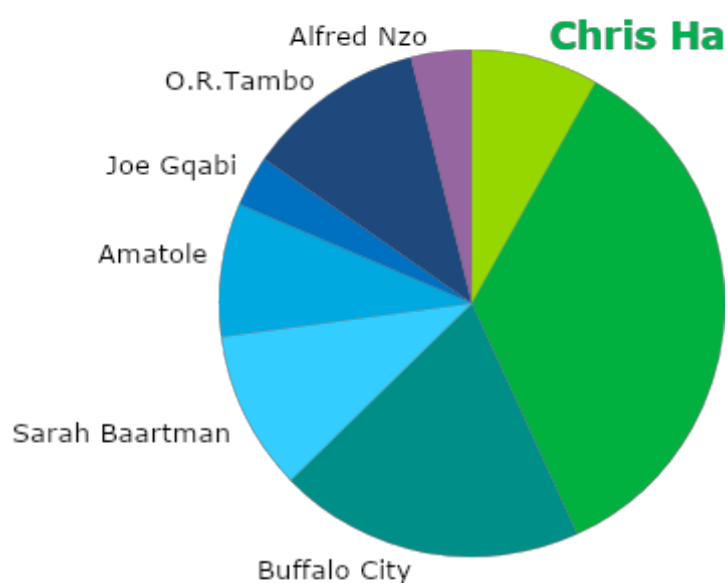
TABLE 39. GROSS DOMESTIC PRODUCT (GDP) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2007-2017 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2010 PRICES]

	Chris Hani	Eastern Cape	National Total
2007	5.1%	5.3%	5.4%
2008	4.4%	3.2%	3.2%
2009	0.7%	-1.0%	-1.5%
2010	1.5%	2.4%	3.0%
2011	3.4%	3.7%	3.3%
2012	1.6%	2.0%	2.2%
2013	1.0%	1.4%	2.5%
2014	1.7%	1.3%	1.8%
2015	1.2%	0.9%	1.3%
2016	0.9%	0.8%	0.6%
2017	0.5%	0.3%	1.3%
Average Annual growth 2007-2017	1.68%	1.50%	1.76%

Source: IHS Markit Regional eExplorer version 1479

In 2017, the Chris Hani District Municipality achieved an annual growth rate of 0.54% which is a very similar GDP growth than the Eastern Cape Province's 0.35%, and is lower than that of South Africa, where the 2017 GDP growth rate was 1.32%. Contrary to the short-term growth rate of 2017, the longer-term average growth rate for Chris Hani (1.68%) is very similar than that of South Africa (1.76%). The economic growth in Chris Hani peaked in 2007 at 5.10%.

CHART 38. GROSS DOMESTIC PRODUCT (GDP) - CHRIS HANI DISTRICT MUNICIPALITY AND THE REST OF EASTERN CAPE, 2017 [PERCENTAGE]



Source: IHS Markit Regional Explorer version 1479

The Chris Hani District Municipality had a total GDP of R 28.6 billion and in terms of total contribution towards Eastern Cape Province the Chris Hani District Municipality ranked sixth relative to all the regional economies to total Eastern Cape Province GDP. This ranking in terms of size compared to other regions of Chris Hani remained the same since 2007. In terms of its share, it was in 2017 (8.1%) slightly larger compared to what it was in 2007 (7.7%). For the period 2007 to 2017, the average annual growth rate of 1.7% of Chris Hani was the third relative to its peers in terms of growth in constant 2010 prices.

TABLE 40. GROSS DOMESTIC PRODUCT (GDP) - LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY, 2007 TO 2017, SHARE AND GROWTH

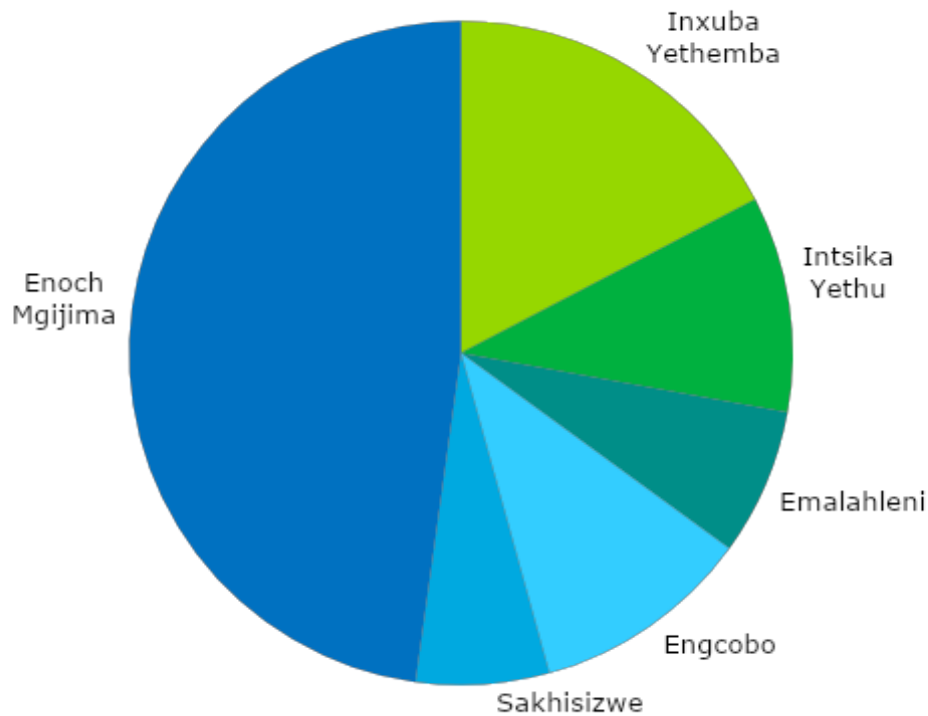
	2017 (Current prices)	Share of district municipality	2007 (Constant prices)	2017 (Constant prices)	Average Annual growth
Inxuba Yethemba	4.96	17.35%	2.26	3.27	3.76%
Intsika Yethu	3.00	10.51%	1.81	1.95	0.74%
Emalahleni	2.04	7.16%	1.19	1.33	1.13%
Engcobo	3.06	10.69%	1.79	2.01	1.15%
Sakhisizwe	1.85	6.49%	1.08	1.21	1.14%
Enoch Mgijima	13.66	47.80%	7.73	8.97	1.50%
Chris Hani	28.57		15.86	18.74	

Source: IHS Markit Regional Explorer version 1479

Inxuba Yethemba had the highest average annual economic growth, averaging 3.76% between 2007 and 2017, when compared to the rest of the regions within the Chris Hani District Municipality. The

Enoch Mgijima Local Municipality had the second highest average annual growth rate of 1.50%. Intsika Yethu Local Municipality had the lowest average annual growth rate of 0.74% between 2007 and 2017.

CHART 39. GDP CONTRIBUTION - LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY, 2017 [CURRENT PRICES, PERCENTAGE]



The greatest contributor to the Chris Hani District Municipality economy is the Enoch Mgijima Local Municipality with a share of 47.80% or R 13.7 billion, increasing from R 6.39 billion in 2007. The economy with the lowest contribution is the Sakhisizwe Local Municipality with R 1.85 billion growing from R 869 million in 2007.

8.2 GROSS VALUE ADDED BY REGION (GVA-R)

The Chris Hani District 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.

Definition16: 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 Chris Hani District Municipality.

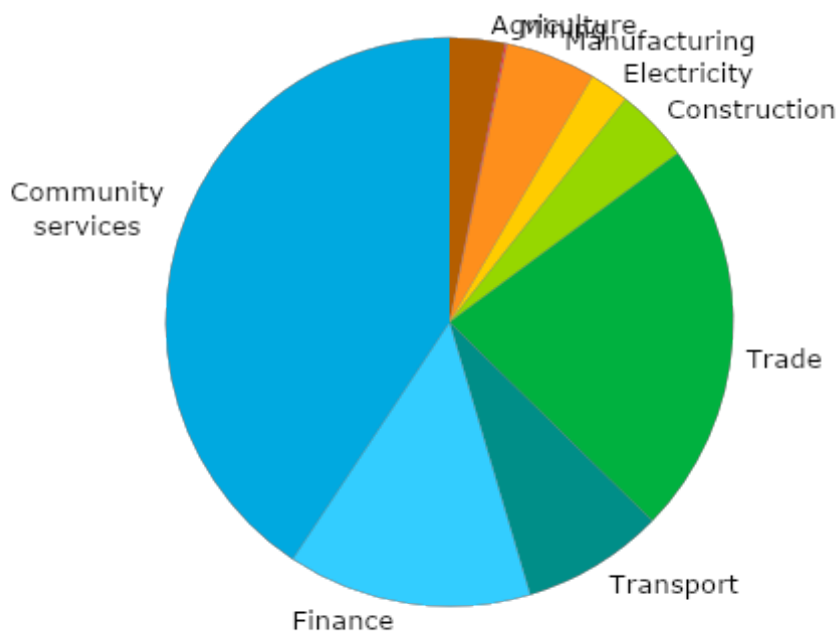
TABLE 41. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2017 [R BILLIONS, CURRENT PRICES]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
Agriculture	0.8	6.6	106.4	12.5%	0.77%
Mining	0.0	0.4	334.7	8.4%	0.01%
Manufacturing	1.3	39.5	551.6	3.4%	0.24%
Electricity	0.6	7.7	155.2	7.7%	0.38%
Construction	1.1	12.8	163.3	8.7%	0.68%
Trade	5.9	64.9	626.8	9.0%	0.94%
Transport	2.1	29.7	411.5	7.1%	0.51%
Finance	3.6	56.3	840.7	6.5%	0.43%
Community services	10.6	97.2	981.6	11.0%	1.08%
Total Industries	26.2	315.0	4,171.7	8.3%	0.63%

Source: IHS Markit Regional eXplorer version 1479

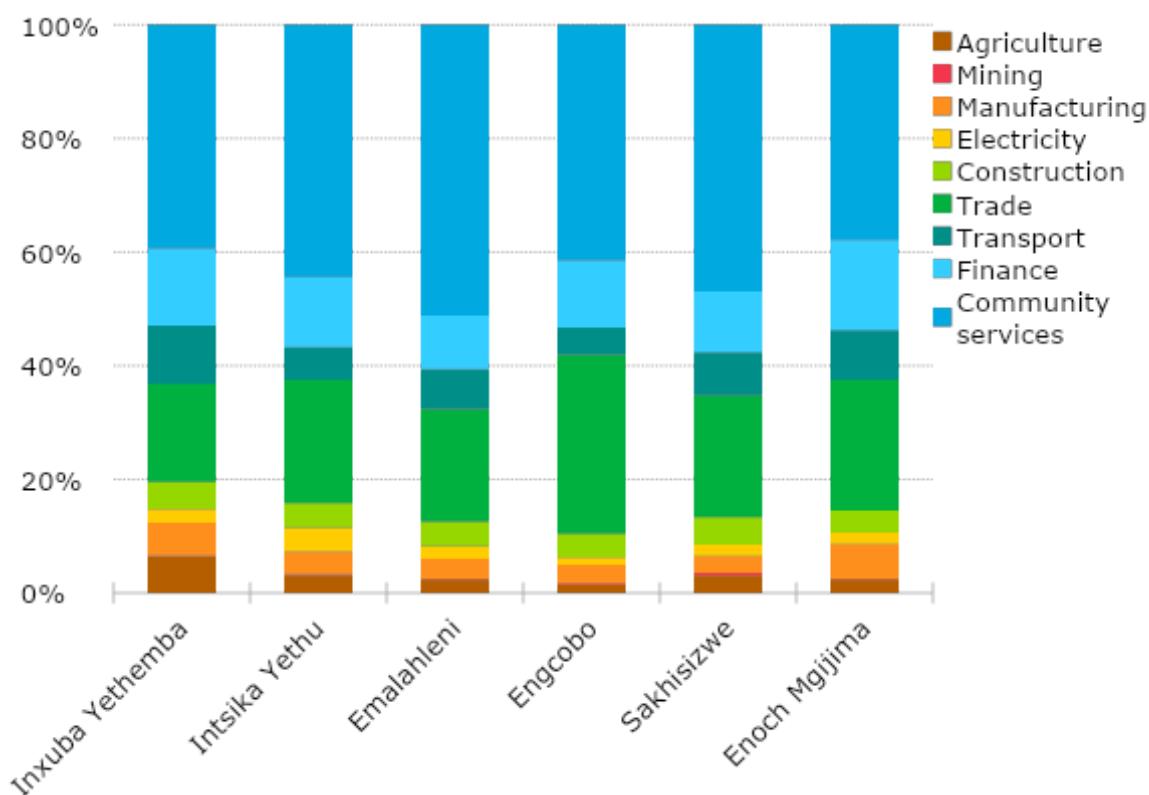
In 2017, the community services sector is the largest within Chris Hani District Municipality accounting for R 10.6 billion or 40.7% of the total GVA in the district municipality's economy. The sector that contributes the second most to the GVA of the Chris Hani District Municipality is the trade sector at 22.4%, followed by the finance sector with 13.9%. The sector that contributes the least to the economy of Chris Hani District Municipality is the mining sector with a contribution of R 31.5 million or 0.12% of the total GVA.

CHART 40. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2017 [PERCENTAGE COMPOSITION]



The community sector, which includes the government services, is generally a large contributor towards GVA in smaller and more rural local municipalities. When looking at the regions within the district municipality, the Enoch Mgijima Local Municipality made the largest contribution to the community services sector at 44.69% of the district municipality. The Enoch Mgijima Local Municipality contributed R 12.6 billion or 48.03% to the GVA of the Chris Hani District Municipality, making it the largest contributor to the overall GVA of the Chris Hani District Municipality.

CHART 41. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY, 2017 [PERCENTAGE COMPOSITION]



8.2.1 HISTORICAL ECONOMIC GROWTH

For the period 2017 and 2007, the GVA in the finance sector had the highest average annual growth rate in Chris Hani at 2.82%. The industry with the second highest average annual growth rate is the construction sector averaging at 2.62% per year. The mining sector had an average annual growth rate of -1.31%, while the electricity sector had the lowest average annual growth of -1.74%. Overall a positive growth existed for all the industries in 2017 with an annual growth rate of 0.50% since 2016.

TABLE 42. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2007, 2012 AND 2017 [R MILLIONS, 2010 CONSTANT PRICES]

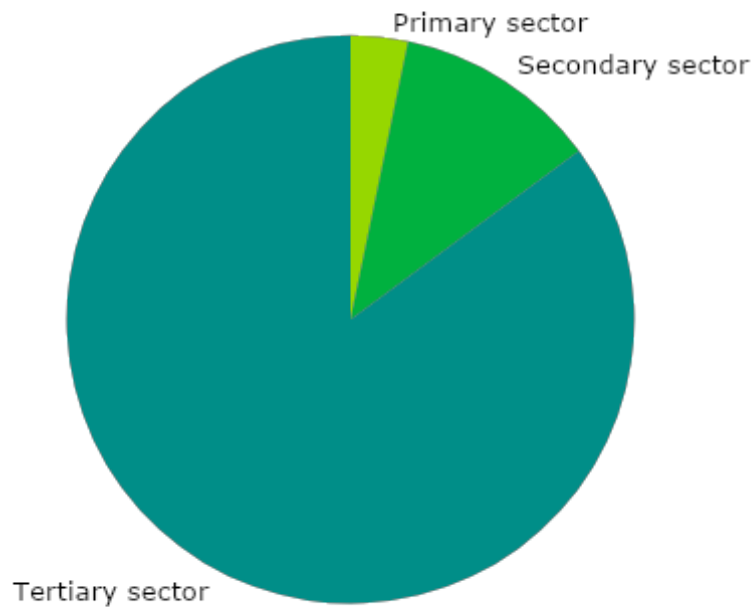
	2007	2012	2017	Average Annual growth
Agriculture	325.5	441.4	409.9	2.33%
Mining	53.3	46.2	46.8	-1.31%
Manufacturing	925.1	937.7	926.1	0.01%
Electricity	230.4	213.0	193.4	-1.74%
Construction	550.8	669.8	713.1	2.62%
Trade	3,138.4	3,581.5	3,738.3	1.76%
Transport	1,130.4	1,216.9	1,314.8	1.52%
Finance	2,147.0	2,495.4	2,836.0	2.82%
Community services	6,085.6	6,818.6	7,117.8	1.58%

Total Industries	14,586.6	16,420.5	17,296.3	1.72%
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Source: IHS Markit Regional eXplorer version 1479

The tertiary sector contributes the most to the Gross Value Added within the Chris Hani District Municipality at 85.1%. This is significantly higher than the national economy (68.6%). The secondary sector contributed a total of 11.6% (ranking second), while the primary sector contributed the least at 3.3%.

CHART 42. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2017 [PERCENTAGE]

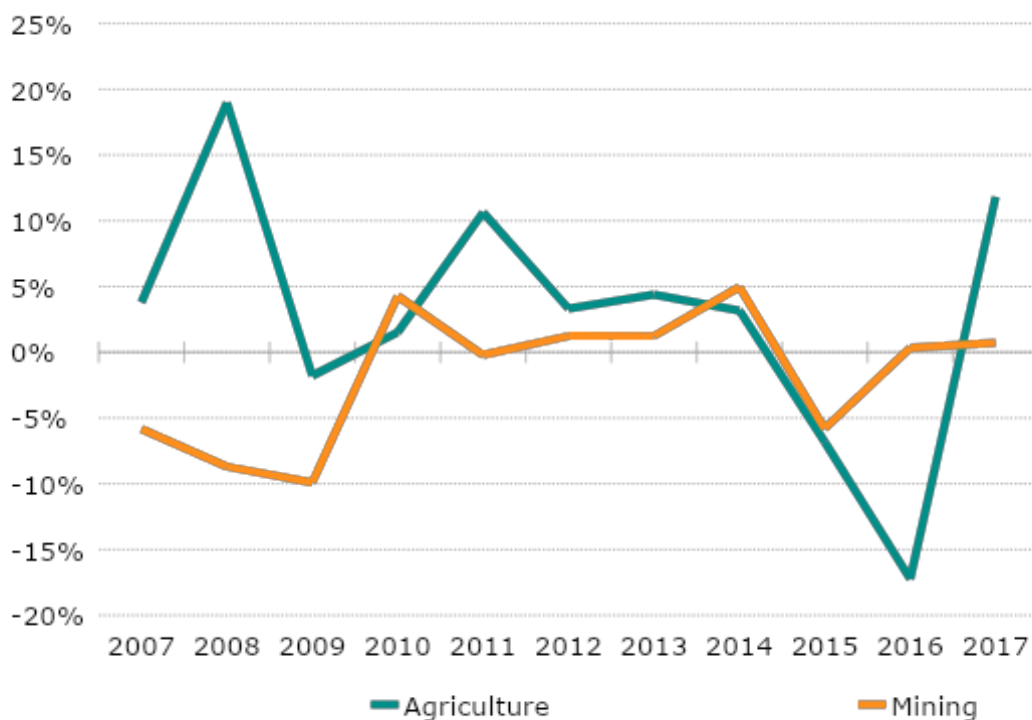


The following is a breakdown of the Gross Value Added (GVA) by aggregated sector:

8.2.1.1 Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both sectors in Chris Hani District Municipality from 2007 to 2017.

CHART 43. GROSS VALUE ADDED (GVA) BY PRIMARY SECTOR - CHRIS HANI, 2007-2017 [ANNUAL PERCENTAGE CHANGE]

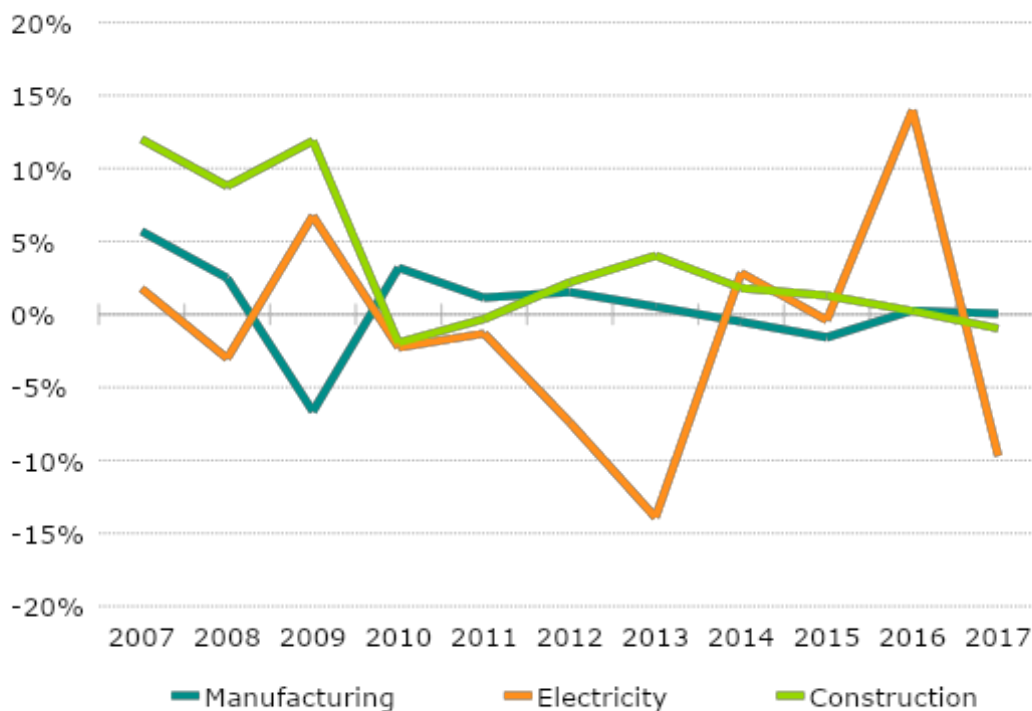


Between 2007 and 2017, the agriculture sector experienced the highest positive growth in 2008 with an average growth rate of 19.0%. The mining sector reached its highest point of growth of 5.0% in 2014. The agricultural sector experienced the lowest growth for the period during 2016 at -17.2%, while the mining sector reaching its lowest point of growth in 2009 at -9.9%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

8.2.1.2 Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in Chris Hani District Municipality from 2007 to 2017.

CHART 44. GROSS VALUE ADDED (GVA) BY SECONDARY SECTOR - CHRIS HANI, 2007-2017 [ANNUAL PERCENTAGE CHANGE]

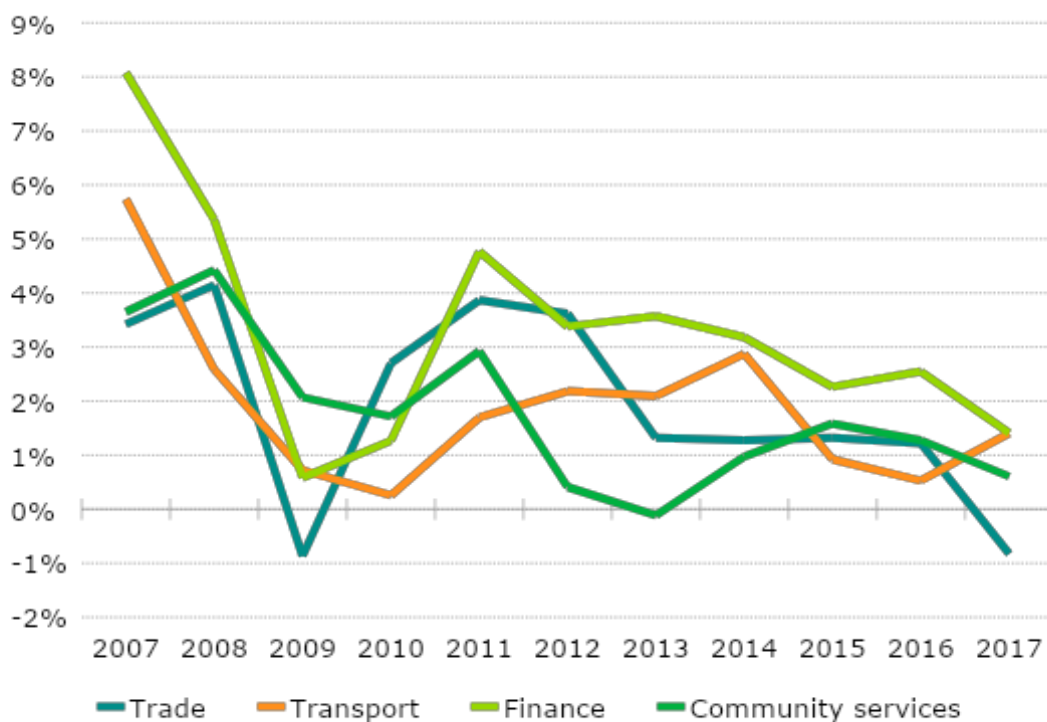


Between 2007 and 2017, the manufacturing sector experienced the highest positive growth in 2007 with a growth rate of 5.7%. It is evident for the construction sector that the highest positive growth rate also existed in 2007 and it experienced a growth rate of 12.0% which is higher than that of the manufacturing sector. The manufacturing sector experienced its lowest growth in 2010 of -6.6%, while construction sector reached its lowest point of growth in 2010 a with -1.9% growth rate. The electricity sector experienced the highest growth in 2016 at 14.0%, while it recorded the lowest growth of -13.9% in 2013.

8.2.1.3 Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in Chris Hani District Municipality from 2007 to 2017.

CHART 45. GROSS VALUE ADDED (GVA) BY TERTIARY SECTOR - CHRIS HANI, 2007-2017 [ANNUAL PERCENTAGE CHANGE]



The trade sector experienced the highest positive growth in 2008 with a growth rate of 4.1%. The transport sector reached its highest point of growth in 2007 at 5.7%. The finance sector experienced the highest growth rate in 2007 when it grew by 8.1% and recorded the lowest growth rate in 2009 at 0.6%. The Trade sector also had the lowest growth rate in 2009 at -0.9%. The community services sector, which largely consists of government, experienced its highest positive growth in 2008 with 4.4% and the lowest growth rate in 2013 with -0.1%.

8.3 INDEX OF BUYING POWER

Definition17: The Index of Buying Power (IBP) is a measure of a region's overall capacity to absorb products and/or services. The index is useful when comparing two regions in terms of their capacity to buy products. Values range from 0 to 1 (where the national index equals 1), and can be interpreted as the percentage of national buying power attributable to the specific region. Regions' buying power usually depends on three factors: the size of the population; the ability of the population to spend (measured by total income); and the willingness of the population to spend (measured by total retail sales).

TABLE 43. INDEX OF BUYING POWER - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2017
[NUMBER]

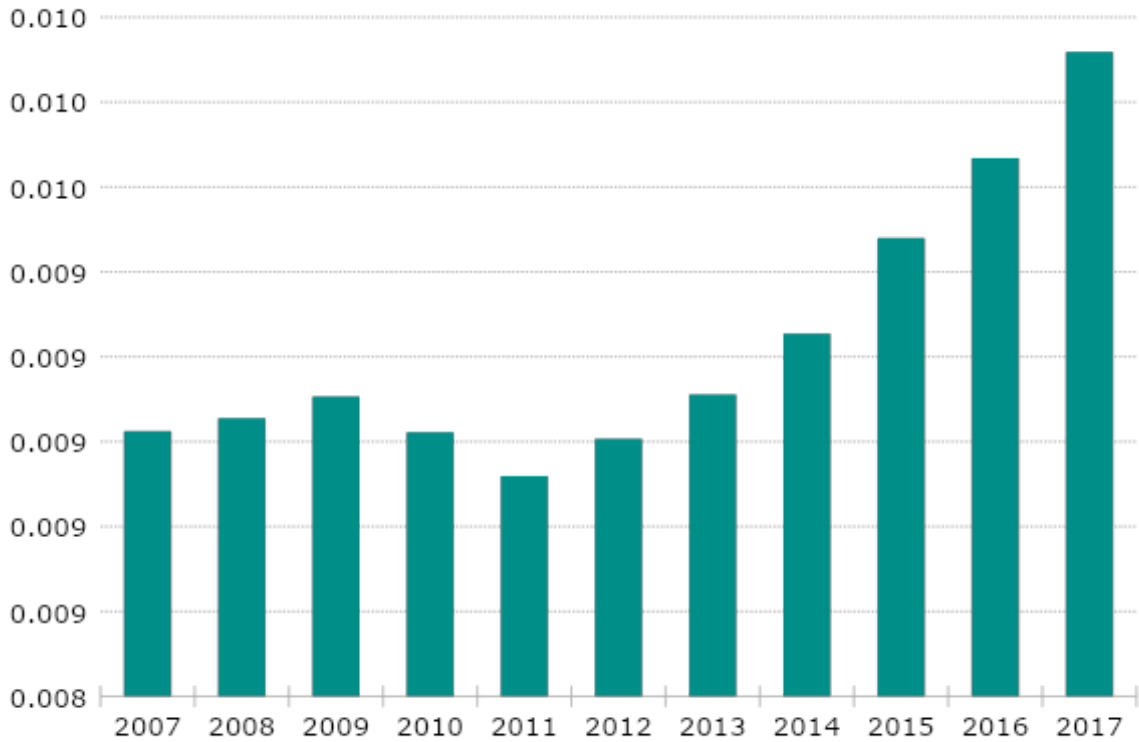
	Chris Hani	Eastern Cape	National Total
Population	849,145	7,084,669	56,548,694
Population - share of national total	1.5%	12.5%	100.0%
Income	30,599	285,579	3,238,901
Income - share of national total	0.9%	8.8%	100.0%
Retail	9,192,537	85,135,377	1,003,552,000
Retail - share of national total	0.9%	8.5%	100.0%
Index	0.01	0.09	1.00

Source: IHS Markit Regional eXplorer version 1479

Chris Hani District Municipality has a 1.5% share of the national population, 0.9% share of the total national income and a 0.9% share in the total national retail, this all equates to an IBP index value of 0.0099 relative to South Africa as a whole. Eastern Cape has an IBP of 0.091. , were South Africa has and IBP index value of 1 relative to South Africa as a whole.

The considerable low index of buying power of the Chris Hani District Municipality suggests that the district municipality has access to only a small percentage of the goods and services available in all of the Eastern Cape Province. Its residents are most likely spending some of their income in neighbouring areas.

CHART 46. INDEX OF BUYING POWER CHRIS HANI DISTRICT MUNICIPALITY, 2007-2017 [INDEX VALUE]



Between 2007 and 2017, the index of buying power within Chris Hani District Municipality increased to its highest level in 2017 (0.009918) from its lowest in 2011 (0.008919). Although the buying power within Chris Hani District Municipality is relatively small compared to other regions, the IBP increased at an average annual growth rate of 0.95%.

8.4 SECTORAL CONCENTRATION (TRESS INDEX)

Definition18: The Tress index measures the degree of concentration of an area's economy on a sector basis. A Tress index value of 0 means that all economic sectors in the region contribute equally to GVA, whereas a Tress index of 100 means that only one economic sector makes up the whole GVA of the region.

CHART 47. TRESS INDEX - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2007-2017 [NUMBER]



In 2017, Chris Hani's Tress Index was estimated at 62 which are higher than the 54.5 of the province and higher than the 54.5 of the South Africa as a whole. This implies that - on average - Chris Hani District Municipality is less diversified in terms of its economic activity spread than the national's economy.

The Chris Hani District Municipality has a concentrated community services sector.

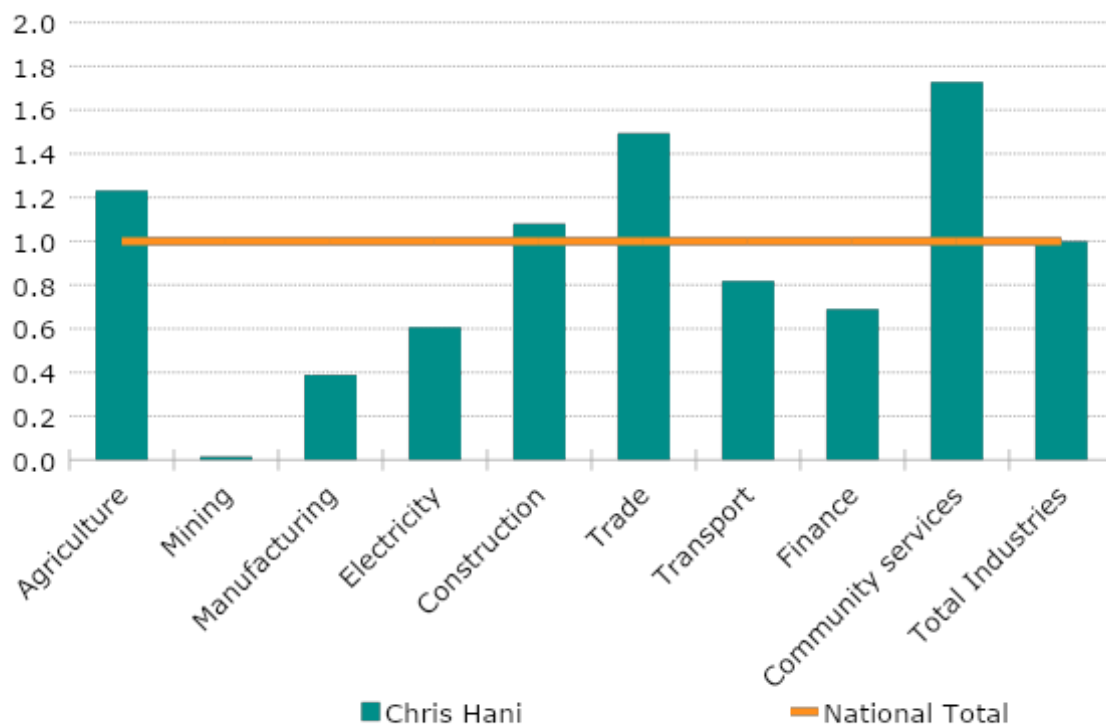
The more diverse an economy is, the more likely it is to create employment opportunities across all skills levels (and not only - for instance - employment opportunities that cater for highly skilled labourers), and maintain a healthy balance between labour-intensive and capital-intensive industries.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

8.5 SECTORAL COMPARATIVE ADVANTAGES (LOCATION QUOTIENT)

Definition19: A specific regional economy has a comparative advantage over other regional economies if it can more efficiently produce the same good. The location quotient is one way of measuring this comparative advantage.

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

CHART 48. LOCATION QUOTIENT BY BROAD ECONOMIC SECTORS - CHRIS HANI DISTRICT MUNICIPALITY AND SOUTH AFRICA, 2017 [NUMBER]



For 2017 Chris Hani District Municipality has a very large comparative advantage in the community services sector. The trade sector has a comparative advantage. The agriculture also has a comparative advantage when comparing it to the South Africa economy as a whole, although less prominent. The Chris Hani District 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 Chris Hani District Municipality area currently does not have a lot of mining activity, with an LQ of only 0.015.

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8.6 RELATIVE IMPORTANCE OF INTERNATIONAL TRADE

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

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

TABLE 44. MERCHANDISE EXPORTS AND IMPORTS - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2017 [R 1000, CURRENT PRICES]

	Chris Hani	Eastern Cape	National Total
Exports (R 1000)	110,729	51,711,173	1,191,658,171
Imports (R 1000)	49,145	56,971,306	1,094,510,375
Total Trade (R 1000)	159,874	108,682,480	2,286,168,546
Trade Balance (R 1000)	61,583	-5,260,133	97,147,796
Exports as % of GDP	0.4%	14.7%	25.6%
Total trade as % of GDP	0.6%	31.0%	49.1%
Regional share - Exports	0.0%	4.3%	100.0%
Regional share - Imports	0.0%	5.2%	100.0%
Regional share - Total Trade	0.0%	4.8%	100.0%

Source: IHS Markit Regional eXplorer version 1479

The merchandise export from Chris Hani District Municipality amounts to R 111 million and as a percentage of total national exports constitutes about 0.01%. The exports from Chris Hani District Municipality constitute 0.39% of total Chris Hani District Municipality's GDP. Merchandise imports of R 49.1 million constitute about 0.00% of the national imports. Total trade within Chris Hani is about 0.01% of total national trade. Chris Hani District Municipality had a positive trade balance in 2017 to the value of R 61.6 million.

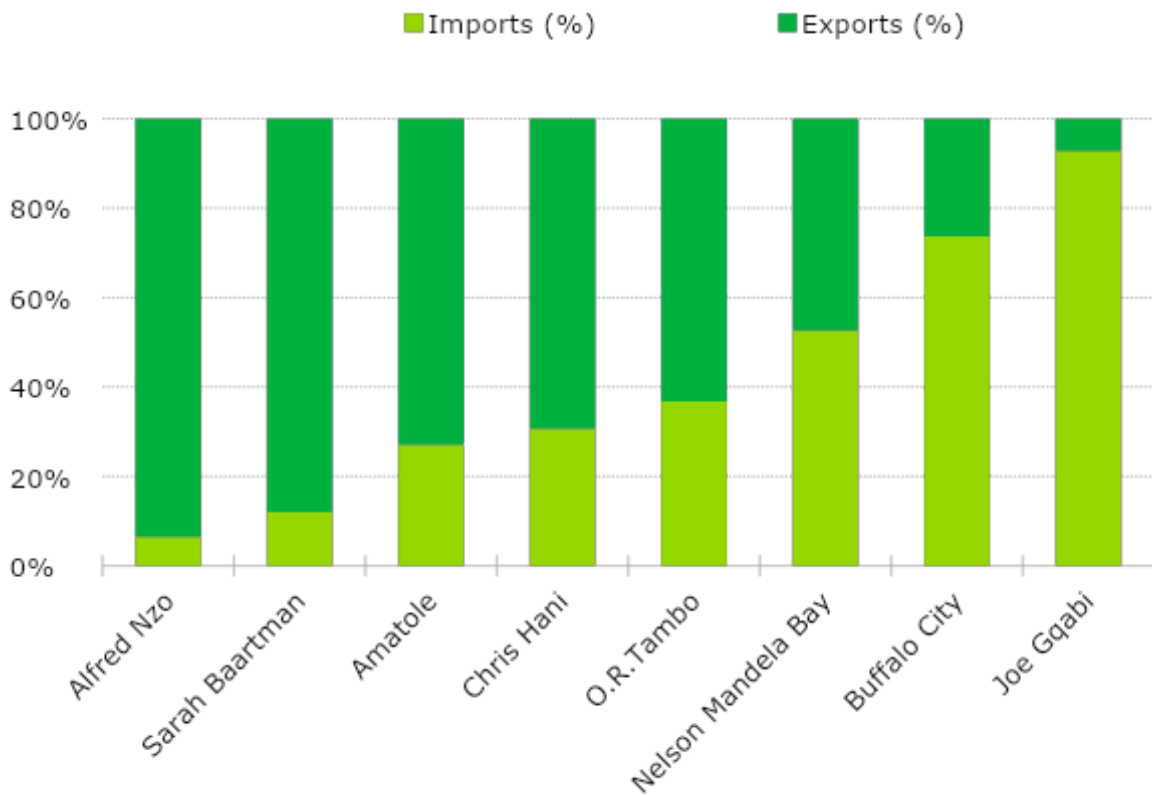
CHART 49. IMPORT AND EXPORTS IN CHRIS HANI DISTRICT MUNICIPALITY, 2007-2017 [R 1000]



Source: IHS Markit Regional eXplorer version 1479

Analysing the trade movements over time, total trade increased from 2007 to 2017 at an average annual growth rate of 24.54%. Merchandise exports increased at an average annual rate of 46.36%, with the highest level of exports of R 111 million experienced in 2017. Merchandise imports increased at an average annual growth rate of 12.34% between 2007 and 2017, with the lowest level of imports experienced in 2009.

CHART 50. MERCHANDISE EXPORTS AND IMPORTS - CHRIS HANI AND THE REST OF EASTERN CAPE, 2017 [PERCENTAGE]



When comparing the Chris Hani District Municipality with the other regions in the Eastern Cape Province, Nelson Mandela Bay has the biggest amount of international trade (when aggregating imports and exports, in absolute terms) with a total of R 98.6 billion. This is also true for exports - with a total of R 46.6 billion in 2017. O.R.Tambo had the lowest total trade figure at R 13.6 million. The region with the lowest exports in currency value is Joe Gqabi with a total of R 5.7 million.

9. COMMUNITY PERSPECTIVES

Tourism and Crime perspectives can significantly impact the prospective development trend within the region. This section will start by looking at the general levels of crime within the district and follow with a detailed investigation into tourism trends for the same period.

9.1 IHS COMPOSITE CRIME INDEX

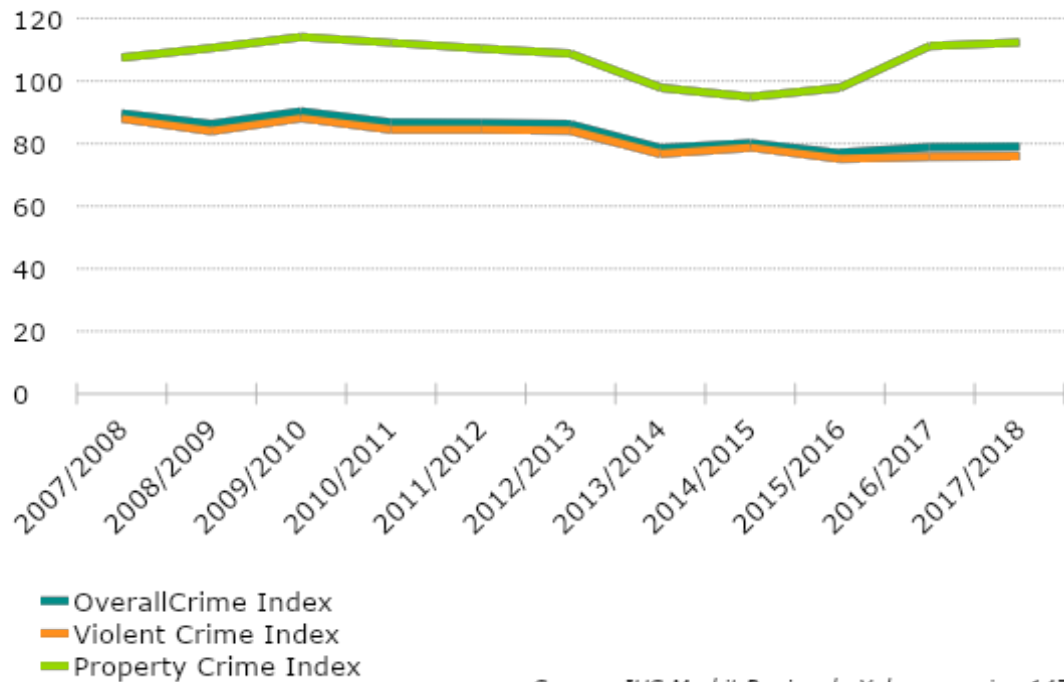
The state of crime in South Africa has been the topic of many media articles and papers in the past years, and although many would acknowledge that the country has a crime problem, very little research has been done on the relative level of crime. The media often tend to focus on more negative or sensational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

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

9.2 OVERALL CRIME INDEX

Definition20: The crime index is a composite, weighted index which measures crime. The higher the index number, the higher the level of crime for that specific year in a particular region. The index is best used by looking at the change over time, or comparing the crime levels across regions.

CHART 51. IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - CHRIS HANI DISTRICT MUNICIPALITY, 2007/2008-2017/2018 [INDEX VALUE]



Source: IHS Markit Regional eXplorer version 1479

For the period 2007/2008 to 2017/2018 overall crime has decrease at an average annual rate of 1.25% within the Chris Hani District Municipality. Violent crime decreased by 1.46% since 2007/2008, while property crimes increased by 0.44% between the 2007/2008 and 2017/2018 financial years.

TABLE 45. OVERALL CRIME INDEX - CHRIS HANI DISTRICT MUNICIPALITY AND THE REST OF EASTERN CAPE, 2007/2008-2017/2018 [INDEX VALUE]

	Chris Hani	Nelson Mandela Bay	Buffalo City	Sarah Baartman	Amatole	Joe Gqabi	O.R.Tambo	Alfred Nzo
2007/2008	89.58	179.12	170.13	207.21	90.57	89.72	67.88	58.73
2008/2009	86.23	177.39	166.48	208.04	86.56	82.56	60.88	54.17
2009/2010	90.25	165.39	159.57	202.70	93.17	87.89	64.31	59.27
2010/2011	86.74	161.74	153.01	185.23	93.54	89.47	67.98	55.40
2011/2012	86.65	156.75	152.36	171.02	97.91	90.98	64.95	53.90
2012/2013	86.18	149.56	140.21	160.16	96.48	91.63	62.94	53.11
2013/2014	78.50	148.04	138.01	157.71	98.13	92.04	66.54	54.50
2014/2015	80.11	134.47	125.49	156.28	94.33	90.84	57.33	53.01

2015/2016	77.00	128.36	121.9 1	153.39	96.39	94.85	54.88	50.47
2016/2017	78.79	124.30	118.2 8	144.63	90.75	93.55	54.30	46.59
2017/2018	78.97	119.40	115.4 5	136.71	89.75	92.42	56.63	49.93
Average Annual growth								
2007/2008-2017/2018	-1.25 %	-3.97%	-3.80 %	-4.07%	-0.09%	0.30 %	-1.79%	-1.61%

Source: IHS Markit Regional eXplorer version 1479

In 2017/2018, the Sarah Baartman District Municipality has the highest overall crime rate of the sub-regions within the overall Eastern Cape Province with an index value of 137. Nelson Mandela Bay Metropolitan Municipality has the second highest overall crime index at 119, with Buffalo City Metropolitan Municipality having the third highest overall crime index of 116. O.R.Tambo District Municipality has the second lowest overall crime index of 56.6 and the Alfred Nzo District Municipality has the lowest overall crime rate of 49.9. The region that decreased the most in overall crime since 2007/2008 was Sarah Baartman District Municipality with an average annual decrease of 4.1% followed by Nelson Mandela Bay Metropolitan Municipality with an average annual decrease of 4.0%.

CHART 52. IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2017/2018 [INDEX VALUE]



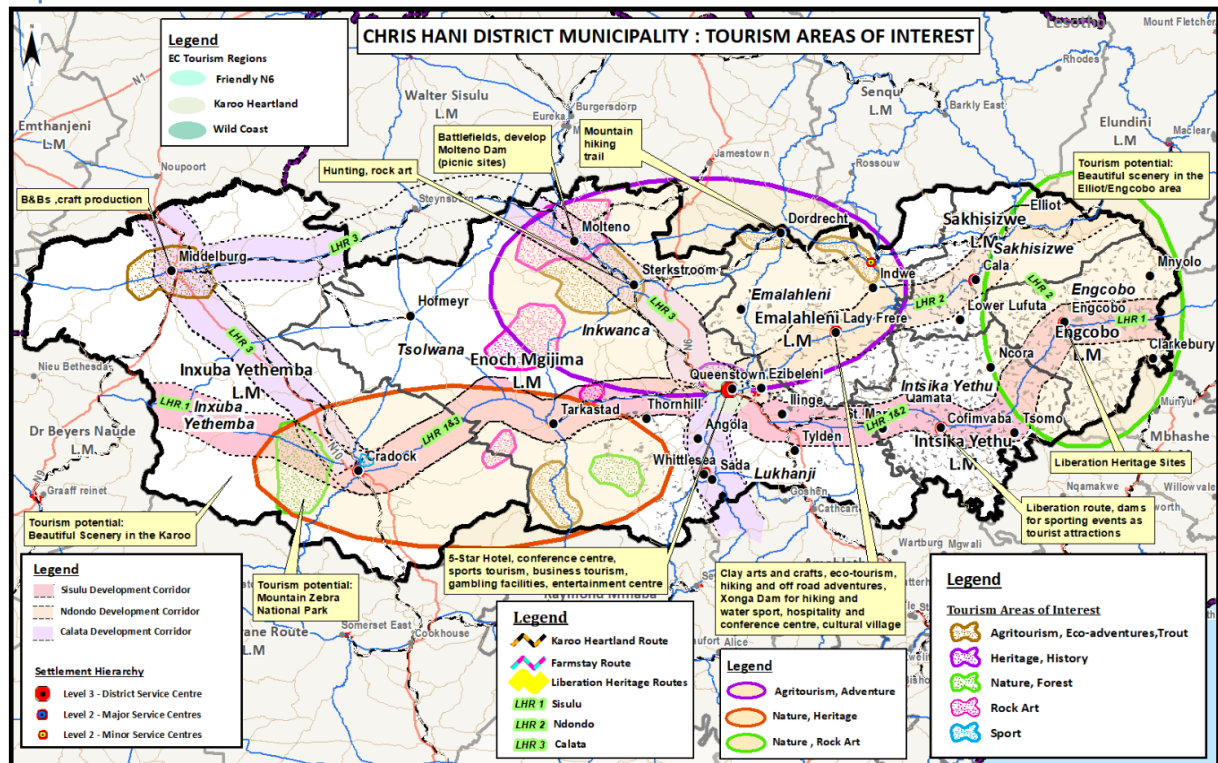
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From the chart above it is evident that property crime is a major problem for all the regions relative to violent crime.

9.3 TOURISM TRIPS BY PURPOSE

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.

Map 9. Chris Hani District Tourism Areas of Interest



Definition21: As defined by the United Nations World Tourism Organisation (UN WTO), a trip refers to travel, by a person, from the time they leave their usual residence until they return to that residence. This is usually referred to as a round trip. IHS likes to narrow this definition down to overnight trips only, and only those made by adult visitors (over 18 years). Also note that the number of "person" trips are measured, not household or "party trips".

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

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

TABLE 46. NUMBER OF TRIPS BY PURPOSE OF TRIPS - CHRIS HANI DISTRICT MUNICIPALITY, 2007-2017 [NUMBER PERCENTAGE]

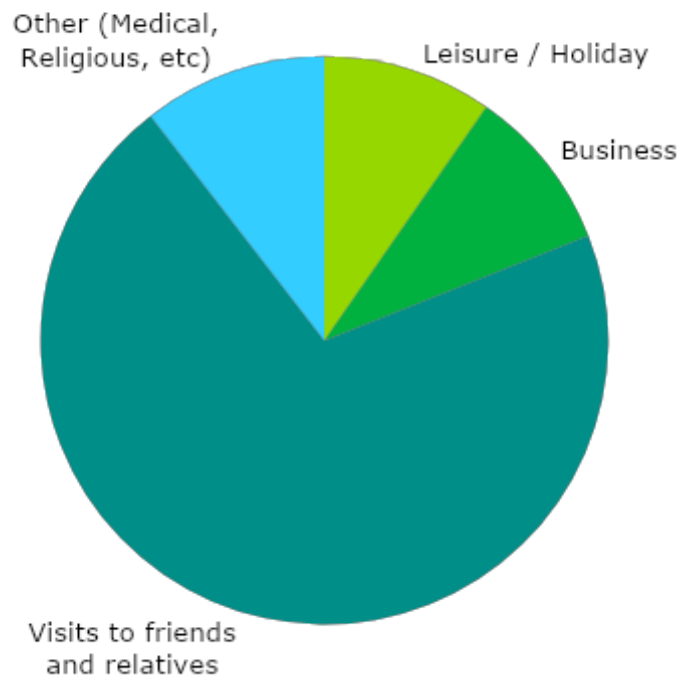
Leisure / Holiday	Business	Visits to friends and relatives	Other (Medical, Religious, etc)	Total
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2007	76,700	26,200	389,000	40,700	533,000
2008	74,800	27,700	367,000	44,900	514,000
2009	68,500	27,200	343,000	42,900	482,000
2010	66,000	28,100	323,000	40,900	458,000
2011	61,100	28,700	319,000	39,600	448,000
2012	57,500	29,100	309,000	37,900	433,000
2013	56,300	29,500	314,000	37,800	438,000
2014	46,800	29,300	282,000	33,900	392,000
2015	41,900	31,100	277,000	33,300	383,000
2016	38,200	32,800	273,000	35,100	379,000
2017	35,100	33,800	256,000	38,100	363,000
Average Annual growth					
2007-2017	-7.52%	2.56%	-4.11%	-0.66%	-3.77%

Source: IHS Markit Regional Explorer version 1479

In Chris Hani District Municipality, the Business, relative to the other tourism, recorded the highest average annual growth rate from 2007 (26 200) to 2017 (33 800) at 2.56%. Visits to friends and relatives recorded the highest number of visits in 2017 at 256 000, with an average annual growth rate of -4.11%. The tourism type that recorded the lowest growth was Leisure / Holiday tourism with an average annual growth rate of -7.52% from 2007 (76 700) to 2017 (35 100).

CHART 53. TRIPS BY PURPOSE OF TRIP - CHRIS HANI DISTRICT MUNICIPALITY, 2017 [PERCENTAGE]



The Visits to friends and relatives at 70.52% has largest share the total tourism within Chris Hani District Municipality. Other (Medical, Religious, etc) tourism had the second highest share at 10.49%,

followed by Leisure / Holiday tourism at 9.68% and the Business tourism with the smallest share of 9.31% of the total tourism within Chris Hani District Municipality.

9.4 ORIGIN OF TOURISTS

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

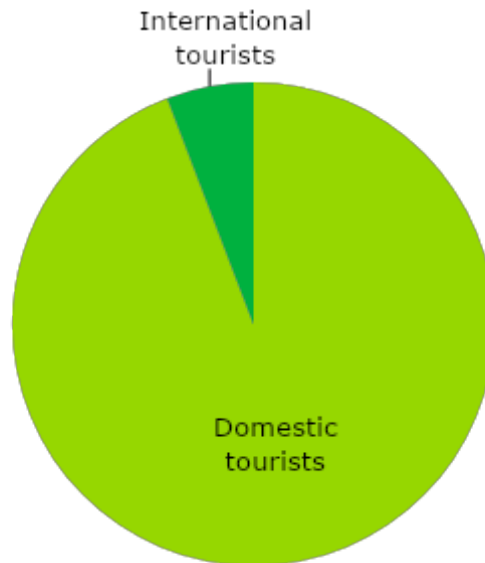
TABLE 47. TOTAL NUMBER OF TRIPS BY ORIGIN TOURISTS - CHRIS HANI DISTRICT MUNICIPALITY, 2007-2017 [NUMBER]

	Domestic tourists	International tourists	Total tourists
2007	515,000	17,900	533,000
2008	497,000	17,000	514,000
2009	465,000	16,200	482,000
2010	441,000	17,200	458,000
2011	432,000	16,700	448,000
2012	416,000	17,600	433,000
2013	420,000	17,600	438,000
2014	373,000	18,400	392,000
2015	366,000	17,100	383,000
2016	359,000	19,900	379,000
2017	342,000	21,100	363,000
Average Annual growth			
2007-2017	-4.02%	1.66%	-3.77%

Source: IHS Markit Regional eXplorer version 1479

The number of trips by tourists visiting Chris Hani District Municipality from other regions in South Africa has decreased at an average annual rate of -4.02% from 2007 (515 000) to 2017 (342 000). The tourists visiting from other countries decreased at an average annual growth rate of 1.66% (from 17 900 in 2007 to 21 100). International tourists constitute 5.82% of the total number of trips, with domestic tourism representing the balance of 94.18%.

CHART 54. TOURISTS BY ORIGIN - CHRIS HANI DISTRICT MUNICIPALITY, 2017 [PERCENTAGE]



9.4.1 BEDNIGHTS BY ORIGIN OF TOURIST

Definition22: 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 Chris Hani District Municipality between 2007 and 2017.

TABLE 48. BEDNIGHTS BY ORIGIN OF TOURIST - CHRIS HANI DISTRICT MUNICIPALITY, 2007-2017 [NUMBER]

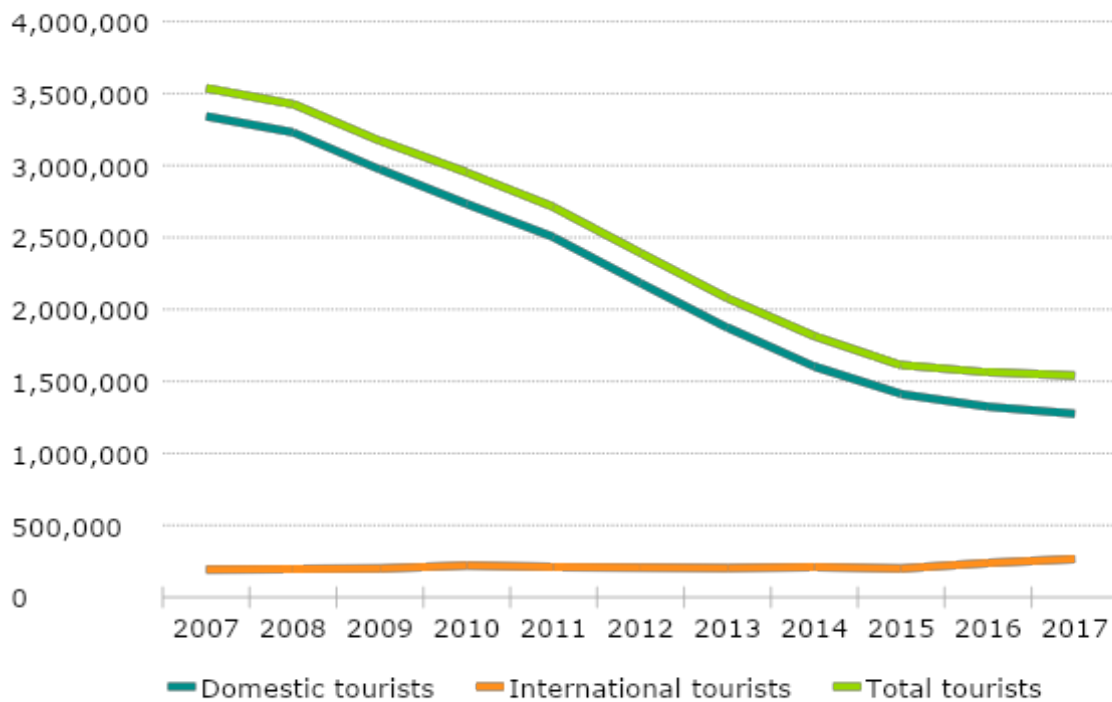
	Domestic tourists	International tourists	Total tourists
2007	3,340,000	194,000	3,540,000
2008	3,230,000	197,000	3,430,000
2009	2,970,000	199,000	3,170,000
2010	2,730,000	220,000	2,950,000
2011	2,500,000	210,000	2,710,000
2012	2,180,000	208,000	2,390,000
2013	1,870,000	205,000	2,080,000
2014	1,600,000	211,000	1,810,000
2015	1,410,000	200,000	1,610,000
2016	1,330,000	238,000	1,560,000
2017	1,270,000	267,000	1,540,000
Average Annual growth			

2007-2017	-9.19%	3.28%	-7.97%
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Source: IHS Markit Regional eXplorer version 1479

From 2007 to 2017, the number of bed nights spent by domestic tourists has decreased at an average annual rate of -9.19%, while in the same period the international tourists had an average annual increase of 3.28%. The total number of bed nights spent by tourists decreased at an average annual growth rate of -7.97% from 3.54 million in 2007 to 1.54 million in 2017.

CHART 55. GROWTH IN TOURISM (USING BEDNIGHTS) BY ORIGIN - CHRIS HANI DISTRICT MUNICIPALITY, 2007-2017 [NUMBER]



9.5 TOURISM SPENDING

Definition23: In their Tourism Satellite Account, StatsSA defines tourism spending as all expenditure by visitors for their trip to the particular region. This excludes capital expenditure as well as the shopping expenditure of traders (called shuttle trade). The amounts are presented in current prices, meaning that inflation has not been taken into account.

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

TABLE 49. TOTAL TOURISM SPENDING - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2007-2017 [R BILLIONS, CURRENT PRICES]

Chris Hani	Eastern Cape	National Total
------------	--------------	----------------

2007	1.0	10.1	138.7
2008	1.1	11.1	152.5
2009	1.1	11.0	153.4
2010	1.1	11.6	167.2
2011	1.1	11.4	174.6
2012	1.1	12.0	199.9
2013	1.2	12.3	218.3
2014	1.2	12.9	240.7
2015	1.2	13.4	249.7
2016	1.2	14.0	265.8
2017	1.2	14.5	276.5
Average Annual growth			
2007-2017	1.70%	3.71%	7.14%

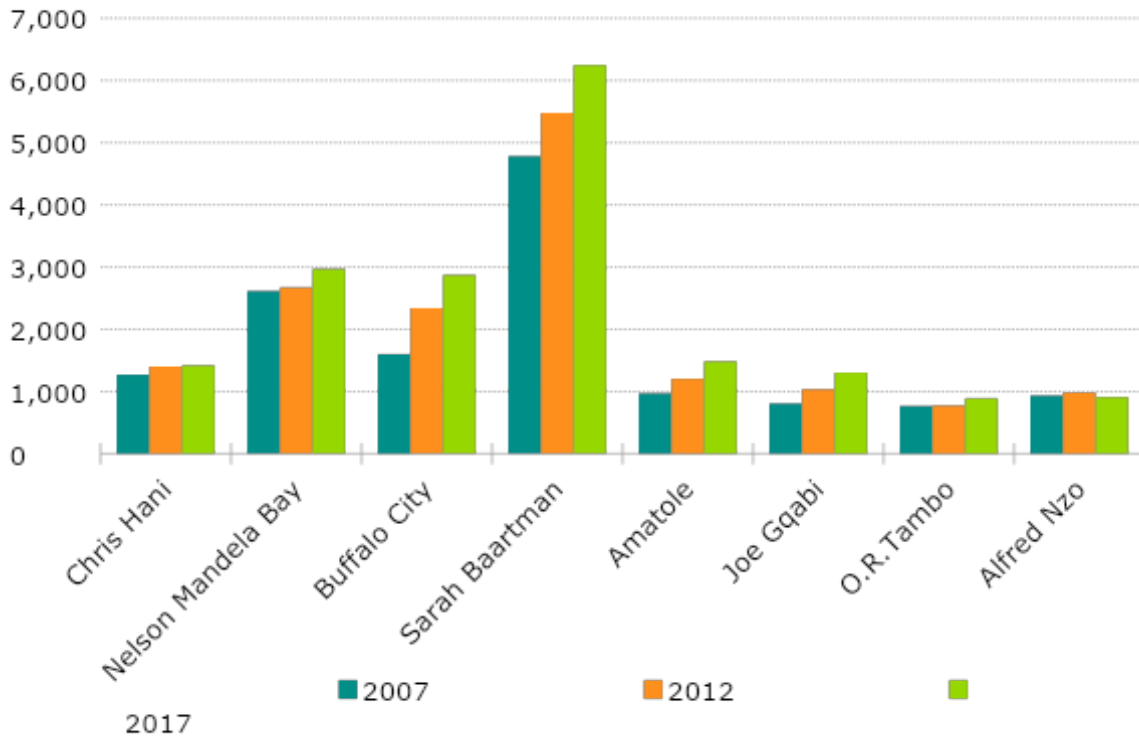
Source: IHS Markit Regional eXplorer version 1479

Chris Hani District Municipality had a total tourism spending of R 1.21 billion in 2017 with an average annual growth rate of 1.7% since 2007 (R 1.02 billion). Eastern Cape Province had a total tourism spending of R 14.5 billion in 2017 and an average annual growth rate of 3.7% over the period. Total tourism spending in South Africa increased from R 139 billion in 2007 to R 277 billion in 2017 at an average annual rate of 7.1%.

9.5.1 TOURISM SPEND PER RESIDENT CAPITA

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

CHART 56. TOURISM SPEND PER RESIDENT CAPITA - CHRIS HANI DISTRICT MUNICIPALITY AND THE REST OF EASTERN CAPE, 2007,2012 AND 2017 [R THOUSANDS]



In 2017, Chris Hani District Municipality had a tourism spend per capita of R 1,420 and an average annual growth rate of 1.12%, Chris Hani District Municipality ranked fifth amongst all the regions within Eastern Cape in terms of tourism spend per capita. The region within Eastern Cape Province that ranked first in terms of tourism spend per capita is Sarah Baartman District Municipality with a total per capita spending of R 6,240 which reflects an average annual increase of 2.71% from 2007. The district municipality that ranked lowest in terms of tourism spend per capita is O.R.Tambo with a total of R 890 which reflects an increase at an average annual rate of 1.50% from 2007.

9.5.2 TOURISM SPEND AS A SHARE OF GDP

Definition24: This measure presents tourism spending as a percentage of the GDP of a region. It provides a gauge of how important tourism is to the local economy. An important note about this variable is that it does not reflect what is spent in the tourism industry of that region, but only what is spent by tourists visiting that region as their main destination.

TABLE 50. TOTAL SPENDING AS % SHARE OF GDP - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2007-2017 [PERCENTAGE]

	Chris Hani	Eastern Cape	National Total
2007	7.8%	6.0%	6.6%
2008	8.2%	6.4%	6.4%
2009	7.1%	5.7%	6.1%

2010	6.6%	5.5%	6.1%
2011	6.0%	5.0%	5.8%
2012	5.6%	4.8%	6.1%
2013	5.3%	4.5%	6.2%
2014	5.0%	4.4%	6.3%
2015	4.7%	4.2%	6.2%
2016	4.5%	4.2%	6.1%
2017	4.2%	4.1%	5.9%

Source: IHS Markit Regional eXplorer version 1479

In Chris Hani District Municipality the tourism spending as a percentage of GDP in 2017 was 4.22%. Tourism spending as a percentage of GDP for 2017 was 4.13% in Eastern Cape Province, 5.94% in South Africa.

SECTION 4: STRATEGIC ASSESSMENT

This section will present a summary of salient features and key implications drawn from the above profile. These features will need to be carefully considered when drafting the rest of the CHDM IDP to ensure that the strategy aligns to the needs of the people. The section will first provide forecast and projection of main indicators to be used for regional long-term planning in the region. This section will also need to be updated yearly in order to provide the IDP strategy and implementation process with a proper foundation.

1. DEVELOPMENT OUTLOOK

1.1 POPULATION PROJECTIONS

Based on the present age-gender structure and the present fertility, mortality and migration rates, Chris Hani's population is projected to grow at an average annual rate of 0.9% from 849 000 in 2017 to 888 000 in 2022.

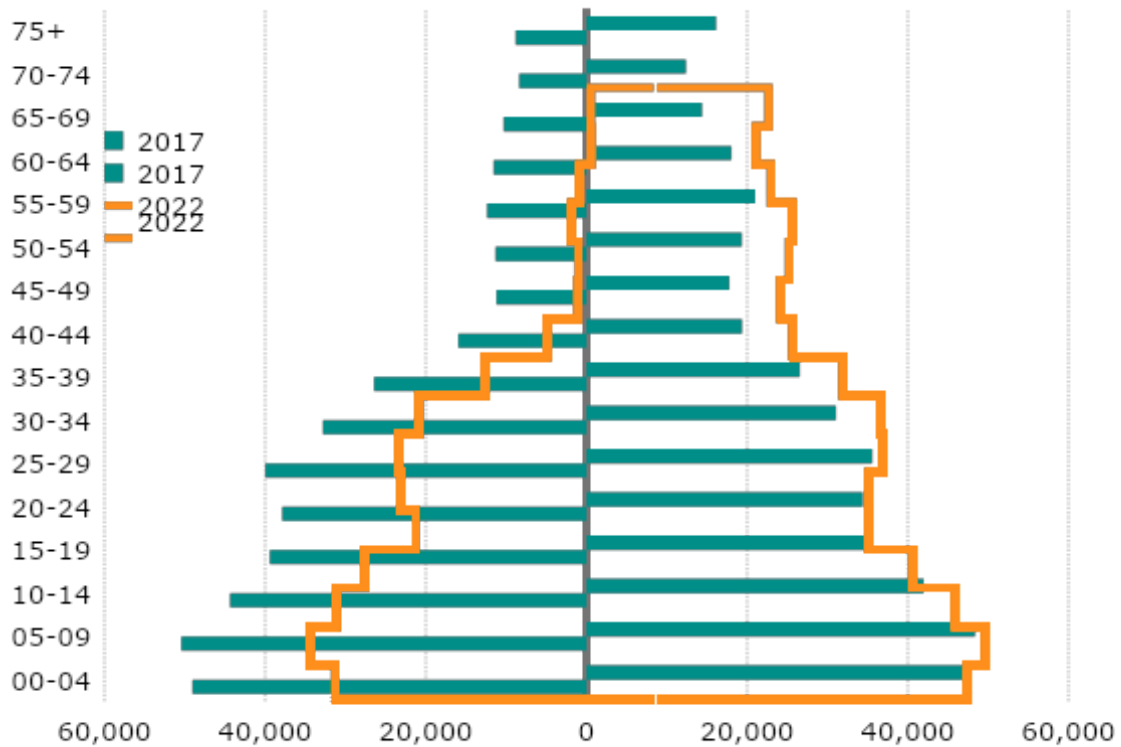
TABLE 51. POPULATION PROJECTIONS - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2017-2022 [NUMBERS PERCENTAGE]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2017	849,000	7,080,000	56,500,000	12.0%	1.50%
2018	857,000	7,160,000	57,400,000	12.0%	1.49%
2019	865,000	7,240,000	58,100,000	12.0%	1.49%
2020	873,000	7,310,000	58,900,000	11.9%	1.48%
2021	880,000	7,380,000	59,600,000	11.9%	1.48%
2022	888,000	7,450,000	60,400,000	11.9%	1.47%
Average Annual growth					
2017-2022	0.90%	1.02%	1.32%		

Source: IHS Markit Regional eXplorer version 1479

The population projection of Chris Hani District Municipality shows an estimated average annual growth rate of 0.9% between 2017 and 2022. The average annual growth rate in the population over the forecasted period for Eastern Cape Province and South Africa is 1.0% and 1.3% respectively. The Eastern Cape Province is estimated to have average growth rate of 1.0% which is higher than the Chris Hani District Municipality. The South Africa as a whole is estimated to have an average annual growth rate of 1.3% which is higher than that of Chris Hani's growth rate.

CHART 57. POPULATION PYRAMID - CHRIS HANI DISTRICT MUNICIPALITY, 2017 vs. 2022 [PERCENTAGE]



The population pyramid reflects a projected change in the structure of the population from 2017 and 2022. The differences can be explained as follows:

- In 2017, there is a significantly larger share of young working age people between 20 and 34 (24.9%), compared to what is estimated in 2022 (23.0%). This age category of young working age population will decrease over time.
- The fertility rate in 2022 is estimated to be slightly higher compared to that experienced in 2017.
- The share of children between the ages of 0 to 14 years is projected to be significant smaller (31.5%) in 2022 when compared to 2017 (33.2%).

In 2017, the female population for the 20 to 34 years age group amounts to 11.9% of the total female population while the male population group for the same age amounts to 13.0% of the total male population. In 2022, the male working age population at 12.3% still exceeds that of the female population working age population at 10.7%, although both are at a lower level compared to 2017.

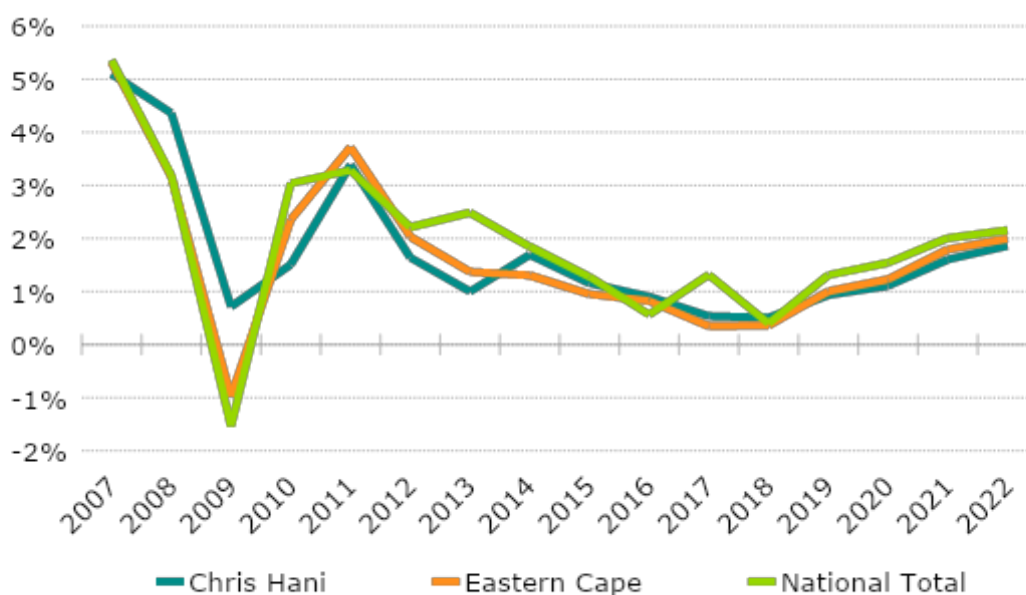
2. SECTORAL OUTLOOK

The purpose of this section is to identify regional and sectoral potential for business growth and investments by assessing the sectoral challenges and opportunities faced by local municipalities within CHDM.

2.1 ECONOMIC GROWTH FORECAST

It is expected that Chris Hani District Municipality will grow at an average annual rate of 1.20% from 2017 to 2022. The average annual growth rate of Eastern Cape Province and South Africa is expected to grow at 1.27% and 1.48% respectively.

TABLE 52. GROSS DOMESTIC PRODUCT (GDP) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2007-2022 [AVERAGE ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]



Source: IHS Markit Regional eXplorer version 1479

In 2022, Chris Hani's forecasted GDP will be an estimated R 19.9 billion (constant 2010 prices) or 7.9% of the total GDP of Eastern Cape Province. The ranking in terms of size of the Chris Hani District Municipality will remain the same between 2017 and 2022, with a contribution to the Eastern Cape Province GDP of 7.9% in 2022 compared to the 8.0% in 2017. At a 1.20% average annual GDP growth rate between 2017 and 2022, Chris Hani ranked the seventh compared to the other regional economies.

TABLE 53. GROSS DOMESTIC PRODUCT (GDP) - LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY, 2017 TO 2022, SHARE AND GROWTH

2022 (Current prices)	Share of district municipality	2017 (Constant prices)	2022 (Constant prices)	Average Annual growth

Inxuba Yethemba	7.31	17.49%	3.27	3.51	1.43%
Intsika Yethu	4.41	10.54%	1.95	2.07	1.27%
Emalahleni	2.95	7.06%	1.33	1.39	0.90%
Engcobo	4.46	10.68%	2.01	2.12	1.15%
Sakhisizwe	2.72	6.51%	1.21	1.29	1.22%
Enoch Mgijima	19.95	47.72%	8.97	9.50	1.16%
Chris Hani	41.81		18.74	19.89	

Source: IHS Markit Regional eExplorer version 1479

When looking at the regions within the Chris Hani District Municipality it is expected that from 2017 to 2022 the Inxuba Yethemba Local Municipality will achieve the highest average annual growth rate of 1.43%. The region that is expected to achieve the second highest average annual growth rate is that of Intsika Yethu Local Municipality, averaging 1.27% between 2017 and 2022. On the other hand the region that performed the poorest relative to the other regions within Chris Hani District Municipality was the Emalahleni Local Municipality with an average annual growth rate of 0.90%.

2.2 SECTOR GROWTH FORECAST

The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue performing well (and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast to grow rapidly in the national economy (e.g. finance and telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2010) so the emphasis moves from historical growth rates to national-level industry growth rates.

TABLE 54. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2017-2022 [R MILLIONS, CONSTANT 2010 PRICES]

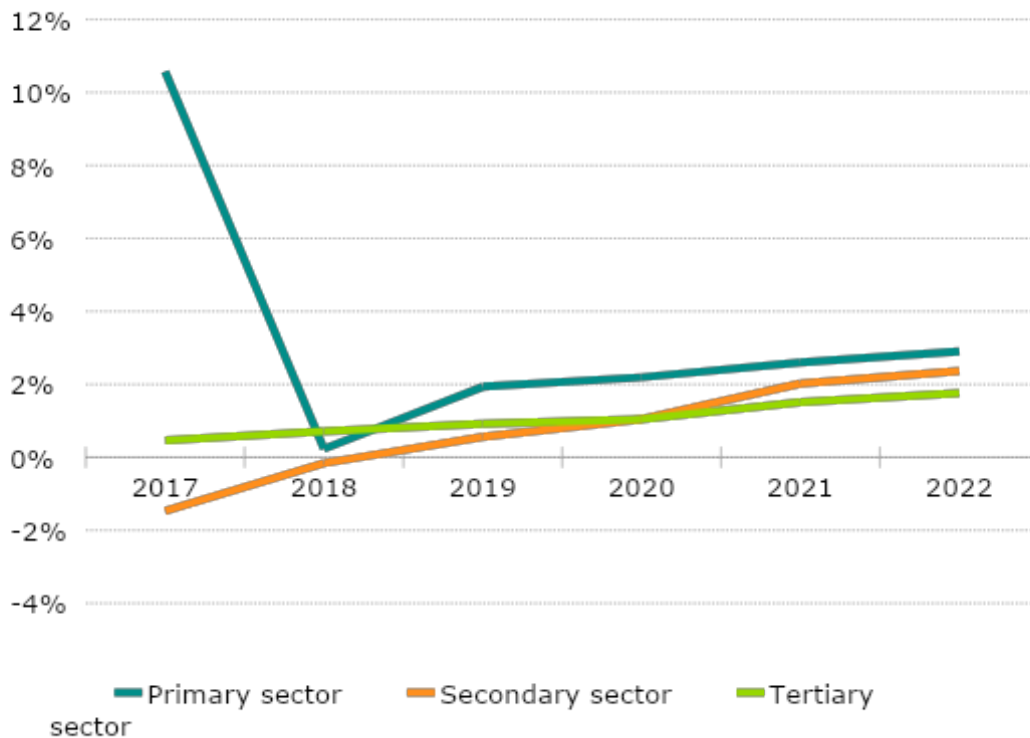
	2017	2018	2019	2020	2021	2022	Average Annual growth
Agriculture	409.9	412.1	420.7	431.0	442.6	456.1	2.16%
Mining	46.8	45.6	45.8	45.8	46.6	47.3	0.24%
Manufacturing	926.1	924.5	927.8	933.7	948.3	964.1	0.81%
Electricity	193.4	196.1	202.0	207.9	213.3	219.1	2.53%
Construction	713.1	709.1	710.1	717.6	735.2	758.5	1.24%
Trade	3,738.3	3,756.2	3,836.2	3,896.0	4,001.9	4,102.6	1.88%
Transport	1,314.8	1,325.2	1,361.6	1,405.6	1,448.5	1,496.6	2.62%
Finance	2,836.0	2,837.8	2,891.6	2,960.7	3,036.1	3,120.6	1.93%
Community services	7,117.8	7,194.1	7,162.3	7,148.4	7,156.6	7,199.4	0.23%
Total Industries	17,296.3	17,400.7	17,558.2	17,746.8	18,029.2	18,364.3	1.21%

Source: IHS Markit Regional eExplorer version 1479

The transport sector is expected to grow fastest at an average of 2.62% annually from R 1.31 billion in Chris Hani District Municipality to R 1.5 billion in 2022. The community services sector is estimated to be the largest sector within the Chris Hani District Municipality in 2022, with a total share of 39.2% of the total GVA (as measured in current prices), growing at an average annual rate of 0.2%. The sector

that is estimated to grow the slowest is the community services sector with an average annual growth rate of 0.23%.

TABLE 55. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2017-2022 [ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]



The Primary sector is expected to grow at an average annual rate of 1.97% between 2017 and 2022, with the Secondary sector growing at 1.16% on average annually. The Tertiary sector is expected to grow at an average annual rate of 1.19% for the same period.

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

3. SWOT Assessment

SWOT is an acronym for a study undertaken by a municipality to identify its internal Strengths and Weaknesses, as well as its external Opportunities and Threats. For the purpose of this document, the whole Chris Hani region will be considered and not just the municipality. The following table provides a SWOT analysis that summarises the current state of Chris Hani DM.

TABLE 56. SWOT Analysis – Chris Hani DM, 2019 (Part 1)

Strengths	Weaknesses
<ul style="list-style-type: none"> ● Relatively central location within the province. ● High levels of labour force participation ● Emerging pockets of industrialised developments. ● Strong farming/agri-business expertise, which is still relatively important to the local economy. ● Integration and easy access to main cities via extended road network. ● Growing urbanisation adds to retail potential. ● Good land based resources, including agri/rural lands and scenic areas. ● Strong partnership exists between communities and the municipality for social development. ● CHDM working age population has increased significantly between 2005 and 2016. ● With a GDP of R 24.6 billion in 2016, CHDM contributed 8% to the Eastern Cape Province GDP. ● GVA in the agriculture sector had the highest average annual growth rate in Chris Hani at 5.21%. 	<ul style="list-style-type: none"> ● Low levels of entrepreneurship with high dependency on public sector for employment. ● High dependency on traditional sectors with recent job losses in some of these. ● Limited special enterprise and innovation infrastructure. ● In terms of population density, CHDM is much less densely developed compared to the province and South Africa. ● Although the percentage of people living in poverty has decreased from 76% in 2005 to 55% in 2015, this still remains very high. ● Lack of significant growth industry with limited new employment opportunities. ● CHDM has a proportionately larger share of youth (aged 0-14) and elderly (65+) compared to the province and South Africa which leads to a high dependency on the working aged population. ● Resource and capacity issues amongst local stakeholders may hinder the enterprise dynamic. ● Distance from coastline hinders tourism potential.

TABLE 57. SWOT Analysis – Chris Hani DM, 2019 (Part 2)

Opportunities	Threats
<ul style="list-style-type: none"> ● Promote the central location of municipality for entrepreneurial development and provide the infrastructure and services to attract new enterprise. ● Invest in access to ICT infrastructure to foster growth in in knowledge economy and green economy sectors. ● Support traditional sectors through focused resources to foster inclusive growth. ● Opportunities in agri-food sector based on existing skills and knowledge. ● Partner with neighbouring districts to leverage resources and achieve economies of scale. ● Actively promote Chris Hani as an attractive place to live, work and locate business. ● CHDM’s tourism spending as a percentage of GDP in 2016 was 4.9% compared to only 4..2% in Eastern Cape Province. ● Capitalise on tourism potential and put in place additional tourism promotion funding. 	<ul style="list-style-type: none"> ● Over reliance on traditional sectors with limited growth potential affects economic sustainability. ● Although CHDM has experienced positive performance in terms of tourism spend per capita, the district only ranked fourth amongst all the regions within Eastern Cape and needs to improve on this to become a leading tourism destination in the province. ● In 2015, CHDM's Tress Index was estimated at 60.7 which is higher than both the province and South Africa as a whole. This implies that CHDM is less diversified in terms of economic activity and needs to promote a more diversified portfolio of strong growing sectors. ● Lack of social opportunities for many rural youth is a deep threat to personal development and community well-being with increasing youth unemployment, drug and alcohol abuse, xenophobia and high costs of education.

This SWOT analysis is the key stage for flushing out the major strategic issues to be addressed in the IDP. These developmental issues are few in number but crucial to the performance of the municipality. With these issues clearly identified from the SWOT, the municipality can devise strategies to achieve the municipalities overall objectives, within a specific bracket of targets.

The SWOT analysis provides a critical assessment needed to develop the strategy that will promote inclusive growth and eliminate poverty in the region. However, the work ahead will still require rigorous, comprehensive, and very thorough review of the enterprise capabilities, environmental challenges and stakeholder involved.

4. Strategic Prioritisation

The purpose of this section is to identify regional and sectoral potential for business growth and investments by assessing the sectoral challenges and opportunities faced by local municipalities within CHDM.

The chart illustrates a sectoral break-down of the 9 broad economic sectors and their performance within CHDM. On the vertical axis, Location Quotient (LQ), measures the relative share of the sector compared to the total of the sector within the province. A value above 1 is considered to be very favourable and indicate sectors in which the district has a comparative advantage. On the horizontal axis, annual average economic growth between 1995 and 2015 is presented. The size of the bubble represents the total sectoral GVA in current prices.

SECTORAL GROWTH-SHARE ASSESSMENT – CHRIS HANI DM, 2015 [BUBBLE SIZE GVA, CURRENT PRICES]



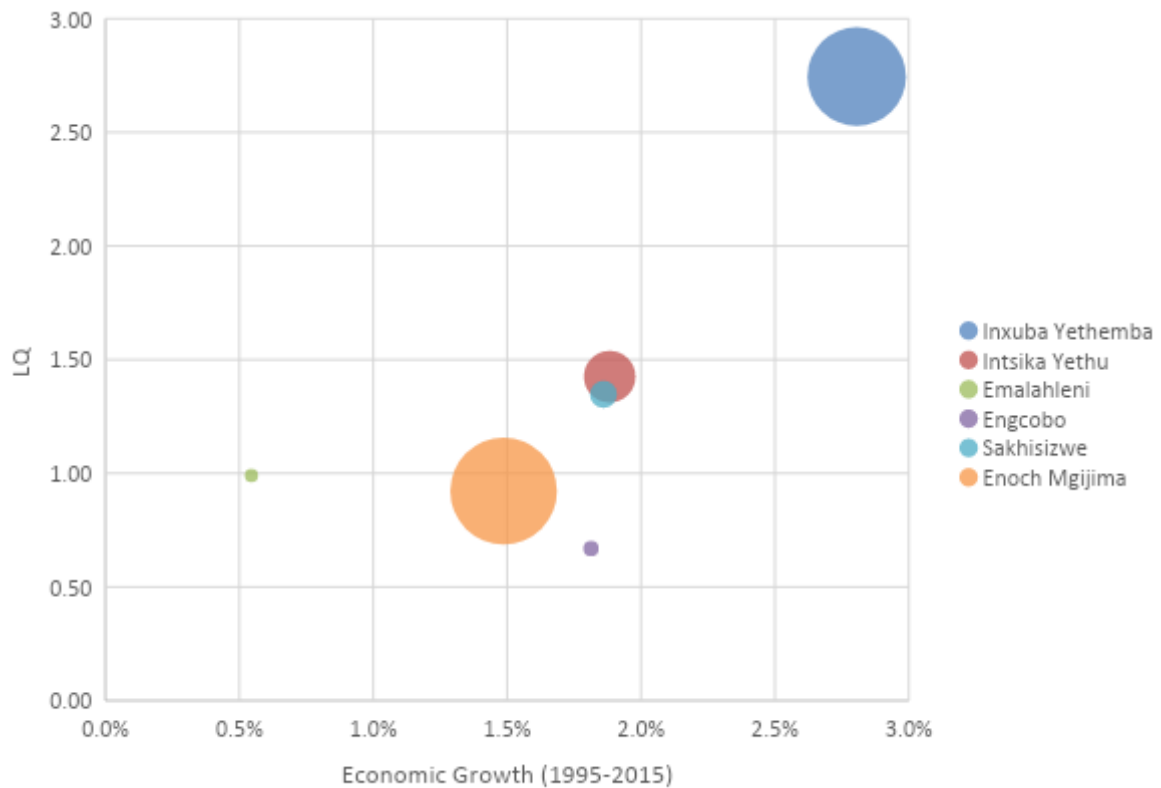
Source: IHS Global Insight Regional eXplorer version 1156

High market share can be defined as a LQ of more than 1 and a fast-growing market can be defined as a sectors growing at an average annual rate of more than 1%. The natural cycle for most sectors is that they will start in category 4 and then move to category 3 if the sector is supported by a conducive business environment. As a particular sector matures and its growth slows, the sector will move towards categories 1 and 2. Only a diversified local economy with a balanced portfolio of sector activity can use its strengths to capitalise on its growth opportunities. Using this assessment, CHDM sectors can be grouped within 4 categories as follows:

1. **High market share and slow-growing:** None.
2. **Low market share and slow-growing:** Mining & Electricity Sector.
3. **High market share and fast-growing:** Services, Agriculture, Trade and Construction.
4. **Low market share and fast-growing:** Manufacturing, Finance and Transport sectors.

Based on the four sectors from category 3, this section will provide a regional comparison of the local municipalities for each of these sectors to provide an indication of where these sectors are based spatially.

SECTORAL POTENTIAL ASSESSMENT – AGRICULTURE, 2015 [BUBBLE SIZE GVA, CURRENT PRICES]

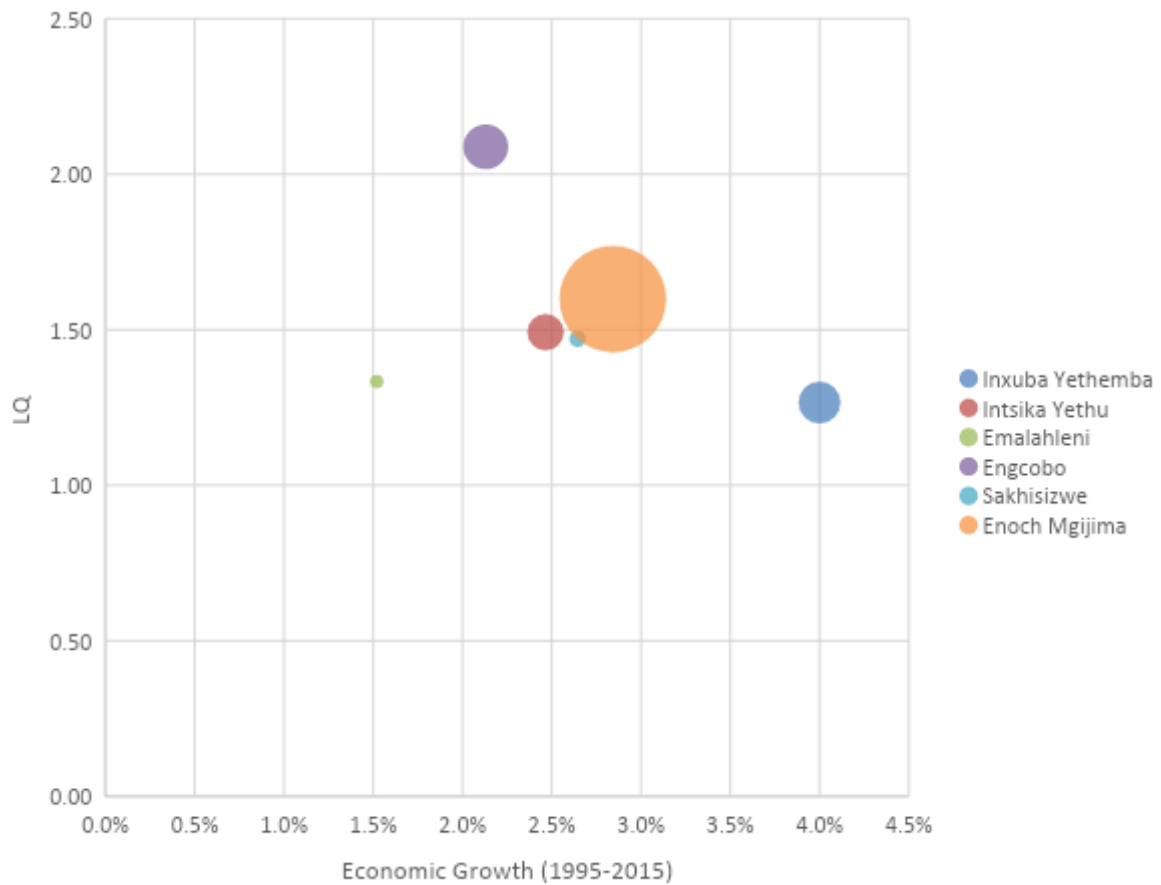


Source: IHS Global Insight Regional eXplorer version 1156

The chart above illustrates the municipal break-down of all the 6 Local Municipalities within CHDM for the Agricultural sector. From this analysis the following points can be drawn:

- Inxuba Yethemba Local Municipality can be classified as both a significantly fast growing municipality in terms of the agricultural sector, as well as having a comparative advantage relative to the other local municipalities.
- Apart from Inxuba Yethemba Local Municipality and the Emalahleni Local Municipality, which shows the weakest growth and competitive advantage, the rest of of CHDM show relatively similar comparative advantage and Enoch Mgijima Local Municipality which stands out as the largest sector in terms of the agricultural sector.

SECTORAL POTENTIAL ASSESSMENT – TRADE SECTOR, 2015 [BUBBLE SIZE GVA, CURRENT PRICES]

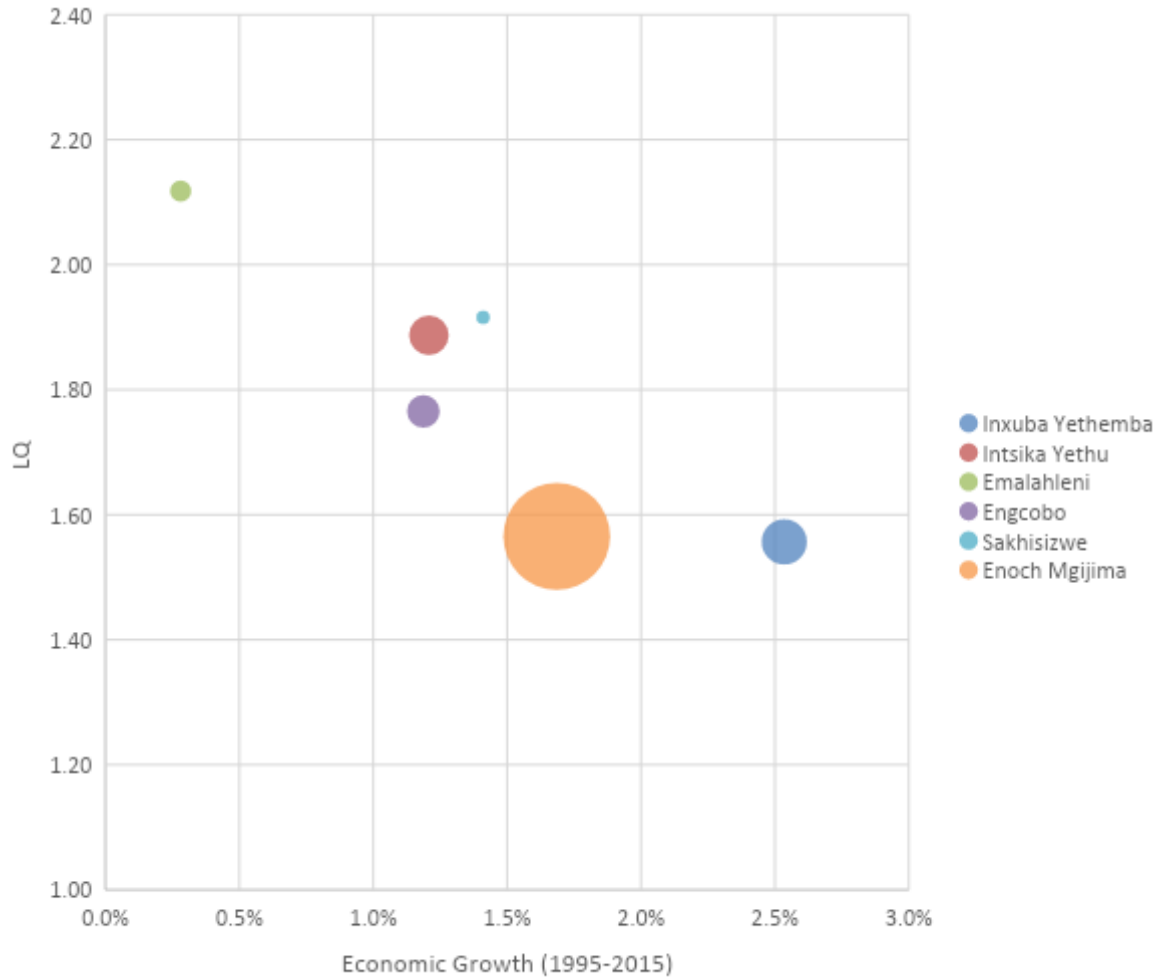


Source: IHS Global Insight Regional eXplorer version 1156

The chart above illustrates the municipal break-down of all the 6 Local Municipalities within CHDM for the Trade sector. From this analysis the following points can be drawn:

- The largest trade sector falls within the Enoch Mgijima Local Municipality with relatively high growth.
- Growth within Inxuba Yethemba Local Municipality stands out as the fastest growing trade sector compared to the other municipalities within CHDM.
- Engcobo Local Municipality has the highest comparative advantage compared to the other municipalities.

SECTORAL POTENTIAL ASSESSMENT – COMMUNITY SERVICES SECTOR, 2015 [BUBBLE SIZE GVA, CURRENT PRICES]



Source: IHS Global Insight Regional eXplorer version 1156

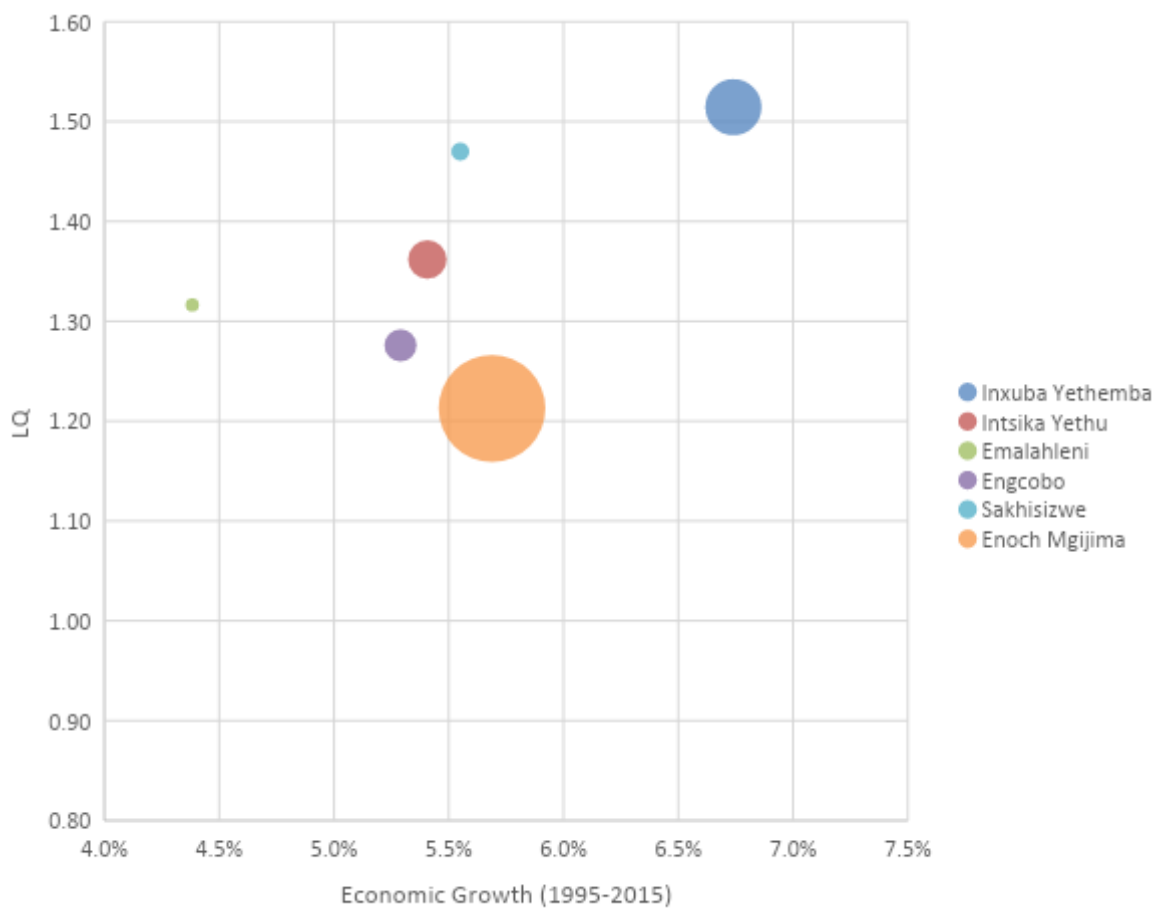
The chart above illustrates the municipal break-down of all the 6 Local Municipalities within CHDM for the Community services sector. From this analysis the following points can be drawn:

- The largest community services sector falls within the Enoch Mgijima Local Municipality and the fastest growth community services sector falls within Inxuba Yethemba Local Municipality compared to the other municipalities within CHDM.
- With little growth the Emalahleni Local Municipality stands out as having the largest comparative advantage within the community services sector compared to the other municipalities within CHDM.

The chart below illustrates the municipal break-down of all 6 Local Municipalities within CHDM for the Construction sector. From this analysis the following points can be drawn:

- All of the municipalities with CHDM grew between 4% to 7%, with Inxuba Yethemba Local Municipality standing out as the fastest growing construction sector and has the highest comparative advantage compared to the other municipalities.
- Emalahleni Local Municipality experience the lowest growth relative to the other municipalities but still high growth in absolute terms.

SECTORAL POTENTIAL ASSESSMENT – CONSTRUCTION SECTOR, 2015 [BUBBLE SIZE GVA, CURRENT PRICES]



Source: IHS Global Insight Regional eXplorer version 1156

5. Alignment Framework

This section will conclude the Demographic and Socio-Economic Profile of Chris Hani DM by providing an alignment framework between Outcomes, Objectives, Developmental Issues and Possible Strategic Interventions.

5.1 Rational for Outcome-Based Planning

The CHDM IDP will define the type of society the district aspires to achieve by 2022. The strategy also sets out to confront present and future challenges as they emerge. The CHDM IDP is a prerequisite for medium-term, strategic, spatially-oriented plans for the infrastructure, housing and transportation development. Furthermore, this strategy provides a set of defined strategic directions for the next five-year period and contain specific operational activities, targets and financial budgets. The District has produced a number of important strategies over the past few decades and each strategy has built on the last, adjusting to issues of the day and serving as a living body of documents, able to change as necessary. The strategy therefore adopts an outcome-based approach to planning. The outcomes-based approach strikes the balance between defining, with relative certainty, a ‘future development path’ – while still accommodating for change. This is particularly relevant in the current paradigm of uncertainty and volatility, within which target-setting is particularly difficult, given the range of unknown variables

This approach seeks to first provide a high-level view of the district’s trends and dynamics. In using the Development Profile developed in section 3, this strategy has gone to greater lengths to analyse district-specific perceptions, data, trends and dynamics that may affect the region in the future.

This section offers a clear vision, mission and framing paradigm and principles, alongside outcomes and outputs envisioned. The vision of Chris Hani by 2022 is “Leaders in Sustainable economic growth and improved quality”. The mission is to co-ordinate governance and quality service for vibrant communities”.

There are three developmental principles that define this strategy. Each principle is linked to a corresponding set out objectives and outputs to follow. The principles originate from the most pressing issues observed in the SWOT assessment. In addition, formulating the strategy in accordance with these principles will assist in aligning the IDP with the National Development Plan for 2030. They are cross-cutting in nature, demonstrating a move towards supporting and expanding the approach adopted in the previous IDP. The proposed outcomes are as follows:

- Equitable and Competitiveness Growth.
- Social Development.
- Good-Governance.

5.2 Strategic Alignment

Based on the developmental issues and considerations put forth in the SWOT assessment and sectoral prioritization, the following table presents an alignment of key policy directives and objectives with the four developmental principles and envisioned outcomes for the district.

TABLE 58. Integrated Development Strategic Framework: Crosscutting

Principle	Policy Directives & Objectives	Outcomes
Equitable and Competitiveness Growth	<ul style="list-style-type: none"> Identify and develop high investment potential. 	<ul style="list-style-type: none"> Well established especially for value
Social Development	<ul style="list-style-type: none"> Establish an efficient and sustainable rural infrastructure network. Develop and implement Social Protection initiatives to face the challenges of poverty, poor skills and high unemployment. Promote the development of synergies between the main industries and socio-economic development programmes. 	<ul style="list-style-type: none"> Efficient, responsive networks. Vibrant and developed local manufacturing
Good Governance	<ul style="list-style-type: none"> Build strategic partnership with government and the private sector to support the development of the sector. 	<ul style="list-style-type: none"> Strategically promote investment attraction A conducive environment for development.

TABLE 59. Integrated Development Strategic Framework: Agricultural sector specific

Principle	Policy Directives & Objectives	Outcomes
Equitable and Competitiveness Growth	<ul style="list-style-type: none"> Promoting, broadening and expansion of new opportunities in the agriculture industry that support growth and jobs. Identify and develop agro-processing and value addition opportunities in the agriculture industry. Increase the participation of Smallholdings and Emerging Farmers in the Agriculture Economy. Expand export marketing and facilitate investment attractiveness. 	<ul style="list-style-type: none"> Decent levels of agricultural economic growth. An efficient, competitive supported by value chain An enabling and supportive growth of Small and Medium Established trade and investment economy.
Social Development	<ul style="list-style-type: none"> Agricultural training and skills development. Social protection and welfare improvement of rural communities. 	<ul style="list-style-type: none"> Skilled and capable agricultural Sustainable rural communities in agriculture sector.
Good Governance	<ul style="list-style-type: none"> A conducive environment for business development in the agriculture industry. The availability of business planning and institutional partnership support. Availability of adequate funding and financial support. Investment into and expansion of the agriculture industry. Sector growth and expansion through exports and new markets. 	<ul style="list-style-type: none"> An efficient and effective conducive for Agricultural Institutional Role-play in agricultural industry. Sufficient business and producers. An extensively promoted terms of investment attraction

TABLE 60. Integrated Development Strategic Framework: Trade Sector Specific

Principle	Policy Directives & Objectives	Outcomes
Equitable and Competitiveness Growth	<ul style="list-style-type: none"> ● Ensure functional support infrastructure across the District, such as Warehousing, Storage & Packaging Facilities. 	<ul style="list-style-type: none"> ● Improved industrial Storage and Distribution
Social Development	<ul style="list-style-type: none"> ● Facilitate skills training in the local industry. ● Employment growth and community welfare development through tourism. 	<ul style="list-style-type: none"> ● Skilled and professional workforce
Good Governance	<ul style="list-style-type: none"> ● Development of an aggressive marketing strategy to promote targeted investments. ● Ensure adequate access to financial and non-financial support services. 	<ul style="list-style-type: none"> ● A vibrant trade sector in Chris Hani. ● Practical and functional support services for conducting business.

TABLE 61. Integrated Development Strategic Framework: Construction Sector Specific

Principle	Policy Directives & Objectives	Outcomes
Equitable and Competitiveness Growth	<ul style="list-style-type: none"> ● To promote diversification beyond the economy's current reliance on traditional and non-tradable services via the promotion of value-addition that can compete effectively in export markets and against imports. ● Create an enabling environment for district level clustering and value chain integration. ● Facilitate export development, strengthen trade and investment linkages with the rest of the economy. 	<ul style="list-style-type: none"> ● A more productive and inclusive growth supports inclusive growth ● An integrated, competitive and sustainable economy ● Increased and sustained economic growth
Social Development	<ul style="list-style-type: none"> ● Provide adequate supply and alignment of skills. 	<ul style="list-style-type: none"> ● Skilled and capable construction workforce
Good Governance	<ul style="list-style-type: none"> ● Strategic business relations development, networking and investment promotion. ● Strategic investment marketing and promotion of the local construction sector and its investment potential. 	<ul style="list-style-type: none"> ● An efficient and effective regulatory environment conducive of construction ● An extensively promoted and supported construction sector in terms of investment and growth

2.4 OVERVIEW OF KEY PERFORMANCE AREAS (KPA)

2.4.1 LOCAL ECONOMIC DEVELOPMENT

2.4.1.1 Introduction

Local economic development (LED) as a concept evolving around economic discipline draws from a range of academic fields and theories. LED has primarily established itself in the field of economics and regional or spatial sciences. The field has also been influenced by sociology, political science, business science and to some extent agricultural sciences. While LED is constantly evolving through trial and error it does revolve around a number of central ideas or themes that are based on the historic model of Meier (2001). Such themes include governance, development, economic growth, location, policy and LED strategies and programmes. Each of the theme's theoretical basis is found in either economics, spatial sciences, sociology, political science, business science or a combination there-of.

The White Paper on Local Government¹ (1998) introduces the concept of “developmental local government” which is defined as: “Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives.” However the same document makes it clear that:

“Local Government is not directly responsible for creating jobs. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities.”

Thus, local economic development is about creating a platform and environment to engage stakeholders in implementing strategies and programmes. The White Paper goes on to state that:

“The powers and functions of local government should be exercised in a way that has a maximum impact on the social development of communities – in particular meeting the basic needs of the poor – and on the growth of the local economy.”

Development goals therefore primarily focus on ensuring that the community members live a long and healthy life, have access to education and maintain a decent standard of living. While not primarily tasked with employment creation, local government is responsible for ensuring that economic conditions are favourable for economic growth which will lead to employment creation. The robust economic growth experienced in developing counties during the 1990s coincided with strong employment growth.

“LED is the process by which public, business and NGO sector partners work collectively to create better conditions for economic growth and employment generation. The aim is to improve the quality of life for all.”

World Bank Definition

The **National Framework for LED** then sets out a clear framework and specific objectives to guide Local Economic Development.

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a. Economic Development Principles

There are various different approaches to local economic development

The position taken by the Chris Hani Regional Economic Development Strategy is that the government, unless it expands the public service, does not create jobs and that government's primary responsibility is to:-

- ✓ *Improve the socio-economic support to prepare people to take up economic opportunities;*
- ✓ *continuously improve the enabling environment by minimising red tape and the transaction cost of doing business, and*
- ✓ *Create an enabling environment for new investment as well as the retention and expansion of existing business.*

b. Drivers of economic growth in our province

Our economic development planning is informed partly by the NSDP (National Spatial Development Perspective) which advocates the following expenditure principles:

- Focus economic growth and employment creation in areas where this is most effective and sustainable as economic growth is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation.
- Foster development on the basis of local potential by ensuring that government spending on fixed investment, beyond the constitutional obligation to provide basic services to all citizens (such as water, electricity as well as health and educational facilities) is focused on localities of economic growth and/or economic potential in order to attract private-sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities.
- Address past and current social inequalities by focusing on people not places so that in localities where there are high levels of poverty and development potential capital investment expands beyond basic service provision to exploit the potential. In localities with low development potential, government spending, beyond basic services, should focus on providing social transfers, human resource development and labour market intelligence to enable people to become more mobile and migrate, if they choose to, to localities that are more likely to provide sustainable employment or other economic opportunities.
- Overcome the spatial distortions of apartheid by channeling future settlement and economic development opportunities into activity corridors and nodes that are adjacent to or link the main growth centres to create regional gateways to the global economy.

The NSDP categorization gives Chris Hani District Municipality low to medium resource potential, low human need and low economic activity thereby implying that the District should focus on the provision of basic infrastructure but increase expenditure on social infrastructure and particularly on human resource development.

The Eastern Cape Vision 2030 advocates the "Systematic eradication of poverty through a holistic, integrated and multi-dimensional approach to

- Pro-poor programming.
- Agrarian transformation and strengthening of household food security.
- Consolidation, development and diversification of the manufacturing base and tourism potential".

These objectives are realised through the support of the three foundation objectives of infrastructure development, human resource development and public sector and institutional transformation.

The Eastern Cape Vision 2030 further goes to highlight areas of potential developmental activity in the Eastern Cape Provincial Spatial Development Plan (PSDP) which in the Chris Hani District Municipality are the:

- Friendly N6 and Maluti routes
- Conservation of Forests in Engcobo Local Municipality
- Potential for Coal Mining at Indwe, Emalahleni Local Municipality
- Industrial potential of Queenstown
- Karoo heartland i.e. Cradock and Middelburg
- Potential for Agriculture through Industrial Parks Concept

The Province has since identified the following High Impact Priority Projects (HIPPs).

Economic growth and Infrastructure cluster.

- Infrastructure development
- Umzimvubu Catchment Basin
- Agricultural beneficiation & forestry

Social Needs Cluster.

- Scaling-up Prevention and Treatment of HIV/AIDS
- Community Mobilisation Against Crime

Governance and administration Cluster

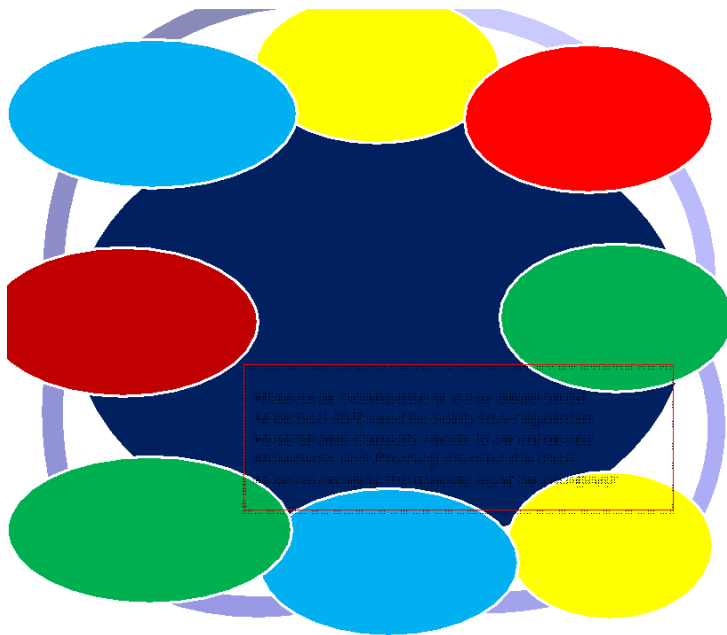
- Strategic skills Project (NSF)
- Financial Viability for local government
- Planning , monitoring and evaluation

c. Regional Economic Development Strategy in the Chris Hani District Municipality

The CHDM Local and Regional Economic Development Strategy was developed in 2009, the Strategy was reviewed and adopted by Council in the 2013/14 financial year, through an intensive consultative process with the participation of key stakeholders from the public and private sectors and civil society informed by current agreements, District, Provincial and National policy positions and plans, and relevant legislation. The strategy is supposed to be reviewed bi-annually so as to conform to changing circumstances. Particular emphasis has been placed in the 2006 Growth and Development Summit (GDS) agreement in the formulation of this strategy. The strategy acknowledges our rural situation and therefore advocates for promotion of rural urban equity in infrastructure development, services expansion and stimulation of economic opportunities. In an attempt to follow up and give the way forward on the resolutions of both the Chris Hani District Municipality's Growth and Development Summit, as well as Water and Rural Development Summit, the Agricultural Indaba was held in February 2011. Amongst other things, the Indaba sought to facilitate a set of solutions to improve planning and coordination that would result in a vibrant agricultural sector in the district. CHREDS has to further incorporate the SEZ Concept which the district has followed.

The Chris Hani District Municipality developed and adopted a District Development Agenda that focuses on the development of all its Six Local Municipalities through the identification of competitive advantages of its local municipalities. This was later translated into an Agro Industrial Plan that has been used as a spring board to the proposed Special Economic Zone. As part of that process the Coega Development Corporation was commissioned to conduct a feasibility study to ensure that the future plans, productive capacity and economies of scale of each LM are properly captured and articulated to inform the establishment of the clusters. Further to the above attempts towards the advancement of the Agrarian and Rural Development in the region, Chris Hani District Municipality has adopted a "Developmental Agenda" that seeks to guide

development in its area of jurisdiction. This explained by a slide below and covers the Six local municipalities within the district.



To further emphasize the importance economic development the institution held an Investment summit by May 2013 which was focussing on ensuring measurable economic growth and creation of a substantial number of jobs in the CHDM area.

As the perfect showcase of business and growth opportunities, CHDM Investment Summit was to facilitate encounters between investors, government, business sector and relevant development finance institutions at all levels, and highlight bankable projects and investment packages. The Summit assisted in providing opportunities for private sector engagement, focusing on key development areas (as specified in the Chris Hani Developmental Agenda, with the goal of making a real impact on job creation and poverty alleviation. The highlights include a road map of how constraints hampering development are to be overcome by government and private sector, and strategies to improve competitiveness of key economic sectors through taking advantage of the strategic endowments of the District.

Chris Hani Regional Development Strategy provides focused areas around which resources can be leveraged and mobilised in order to contribute to the broad overall objective of ensuring that all people in the district are able to benefit from the economy.

i. Agricultural Sector as Competitive Advantage of the District

The achievement of sustained economic growth and development and the creation of a competitive advantage for the District rely absolutely on the prioritisation of interventions which will have the greatest impact both socially and economically.

The Competitive Advantage therefore for the district points to the broadly defined agricultural sector as the one with the most potential to contribute to job creation, promoting of livelihoods opportunities and contributing to sustained social and economic growth and development.

The prioritisation of a particular sector implies:

- Dedicated allocation of resources
- Strategic decisions on the distribution of limited resources and funds
- Clear publicly stated focus
- Spin off benefits for other sectors
- Prioritisation within the sector

The two sub-sectors within the broadly defined Agriculture sector that have the strongest comparative advantage and which are best positioned to result in job creation and improvement in livelihood opportunities are:

- Timber production and processing
- Livestock production and processing



Whilst crop production and agro-processing sector remain important areas of intervention within the District, the present cost of transport to high volume markets will most likely render local production uncompetitive until substantial economies of scale and consistent quality can be achieved.

Furthermore, the current business model of irrigations schemes has been reviewed (CHDM, in partnership with the Provincial Department of Agriculture and Rural Development through its agency ECRDA has developed a comprehensive business plans for the irrigation schemes) in order to ensure the establishment of professional management, encouragement of entrepreneurship, and inclusion of integrated business development support. This sector is of political significance and has the potential to contribute to regional

food security, service local markets and social development. This remains an important strategic area of focus for the CHDM and requires a detailed and specific intervention.

The **timber and livestock production** and processing sub-sectors are **already positioned** to significantly contribute to the economic growth and development of the District. These two sub-sectors **require “special” attention** and are to become the focus of a special purpose vehicle or a **regional economic development agency**.

ii. Corridors, value chain integration and cluster development

The CHDM REDS has adopted a specific approach which is integral to its regional economic development. The first component of this approach is that of **Corridor Development**. The second component is that of **Value Chain Integration**, and the third that of **Cluster Development**. It is important to recognise how these approaches differ and how these relate to one another.

2.4.2 CORRIDOR DEVELOPMENT

The Concept Paper on LED Multi-Sector Based Corridor and Value Chain Addition which was developed in 2009. It has been able to come up with a contextual definition of the Corridor Development and Value Chain Addition where it has defined as: “The LED corridor plans is based on ward profiles that identify communities with common synergies, relation and connection or similarities of economic activities in terms of sector programmes which cut across from ward to ward, wards to local municipalities, Local Municipalities to District Municipalities and District Municipalities to the Province. The LED Corridor Multi-Sector approach is expected to be supported by Value Chain Addition Programmes aimed at creating marketing edge with sound Corridor Projects”. However the concept document has also managed to further define the approach makes it clear that:

“The purpose of the LED Multi-Sector Based Corridors approach is to support CHDM, during IDP processes, REDS and LEDS in their endeavors to facilitate an enabling socio-economic environment for the eight local municipalities that will unlock the economic potential of the communities or wards within the District. This will go a long way in income generation and job creation, premised on changing the lives of the citizens for better.”

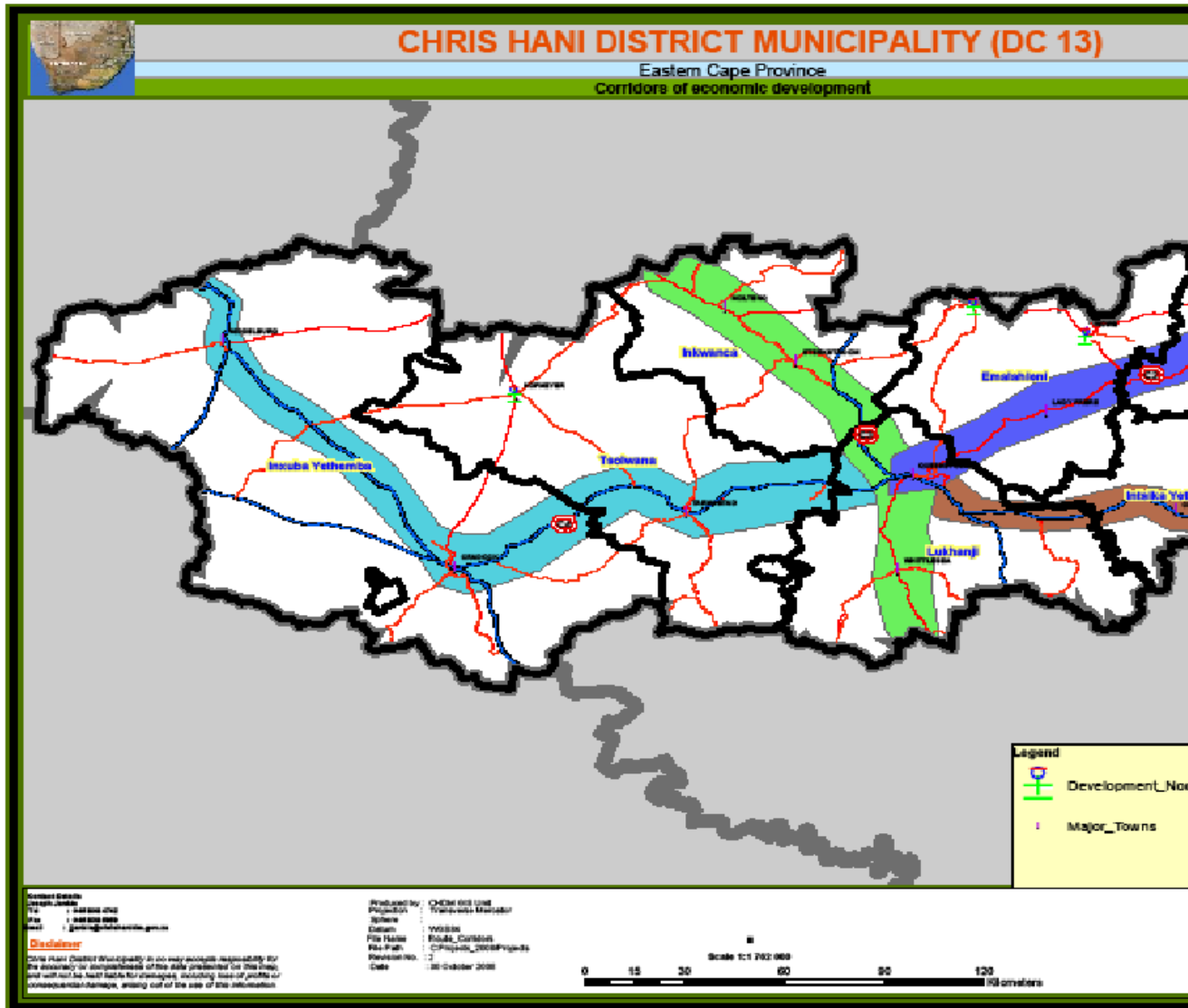
CHDM is committed to a corridor development approach. Integral to this approach is a focus on geographic and spatial initiatives and interventions which link the node towns and small towns surrounding these nodes in an integrated economic development process. Small town regeneration initiatives are central to this approach.

The Walter Sisulu (**East**) Corridor outlined in brown on the map below runs along the R 61 and links Ngcobo, Cofimvaba and Tsomo to Komani. The Bathandwa Ndongdo (**North-East**) Corridor links Elliot, Cala and Lady Frere to Queenstown. The Calata (**West**) Corridor links Middelburg to Cradock along the N10 and then links Cradock, Tarkastad to Komani along the R61. The Friendly N6 (**North –South**) corridor links Whittelsea to Queenstown and Molteno.

One of the main objectives of the corridor development approach is to ensure integration and alignment of economic development plans with spatial development plans, land use plans, infrastructure development plans and other relevant sector plans. It allows CHDM to implement a wide range of generic and routine LED



initiatives, whilst simultaneously focusing on the defined area of strategic differentiation and the concept of value chain integration.



2.4.2.1 Value Chain Integration

Value chain integration implies looking at all the components of a particular sector and subsector and identifying what can be done or put in place to add value to what already exists, and in doing so, promote job creation and provide more livelihood opportunities.

The timber production value chain is predominantly located within the North Eastern Corridor and the North West Corridor. Timber value adding activities are predominantly located in Queenstown, with potential for early gaps in the value chain (e.g. sawmills, treatment, processing of waste, etc) to be strengthened and/or established within towns along the two defined corridors.

The livestock value chain extends across all corridors in the District, with particular points of focus around the strengthening / establishment of strategically located public goods investments (e.g. abattoirs, tanneries and other value adding facilities).

Value chain analysis can be used to identify “gaps” in a locality or along a corridor in order to make strategic decisions about what interventions to implement (or what not to implement).

The value chain integration approach is particularly important in the development of a competitive advantage for the district and in the understanding of the need to make strategic decisions to allow the district to competitively position itself nationally and globally. Choices then arise as to whether to focus on trying to develop all the components of all the value chains or to focus on part of those value chains where one has a comparative advantage with the most potential to be converted into a competitive advantage.

2.4.2.2 Cluster Development

In order to build a regionally or globally competitive position it is necessary to determine in which part of each value chain one can compete and then relentlessly cluster in all the resources, competencies and technology that will be demanded from everyone who can add value or influence moving forward to achieving the strategic intent. The cluster approach to develop focused and strategically located value chains may well provide the momentum needed to begin the rebuilding and rejuvenating of small towns within these municipalities.

2.4.3 Facilitation of Economic Development

The overall responsibility for the facilitation of economic development lies with the District Municipality. The key issues as identified by the REDS were identified through a consultative process include:

- i. Building on sector specific comparative advantages
- ii. Creation of an enabling environment
- iii. Corridor development
- iv. Regular, mandatory and opportune economic development functions

2.4.4 SMALL MEDIUM AND MICRO ENTERPRISES

A Stats-SA Survey (March 2001) found that about 9% (209 000) of all businesses in SA, mostly black or PDI are in the Eastern Cape. The survey further uncovered that women entrepreneurs in the EC outnumbered men by almost three to one in the province – a figure well above the national average. The survey's findings also confirmed that of the 209 000 small businesses, 126 000 were based in rural areas of the Eastern Cape (Programme of Support for LED in the Eastern Cape, 2004).

Small and medium enterprises have a significant contribution (collectively 29%) to the provincial economy as opposed to informal and micro businesses (collectively 6%) in the Eastern Cape. The same scenario prevails in terms of employment contribution by both the small and medium-sized enterprises (collectively 37%).

Estimates suggest that there could well be more than 30 000 small business operators. The majority of businesses are owner-managed or sole proprietors with few business partnerships particularly in the rural areas (ECMAC Database 2005). However, there has been an increase in the number of cooperatives being established as part of government's drive to promote the cooperatives movement. More than 50% of the small businesses have been in existence for more than 5 years which demonstrates resilience by local enterprises.

More than half of the enterprises are in the trade sector, followed by community, social and personal services sector businesses. Catering and accommodation represents a third sector with a relatively high level of commercial activity in terms of district entrepreneurship.

Few enterprises are involved in commercial agriculture despite the numerous agriculturally based poverty alleviation projects being supported by the ISRDP programme. The majority of businesses fall within the micro and small business categories in terms of turnover levels and employ an average of 7.5% employees (Local Business Enabling Environment Study 2007). 37% of business owners are between the age group of 30 – 39 years with those under 30-years only making 13% of local businesses (Local Business Enabling Environment Study 2007).

2.4.4.1 The SMME business environment within Chris Hani

As depicted on the situation analysis of the district, In general the area lacks business support services as business people have to either travel to Komani or outside the municipal area to access business support services. Enoch Mgijima has the most developed business environment as the area is the main urban centre of the district and its primary economic node.

SMMEs face a swathe of constraints related to the legal and regulatory environment; market access; access to finance and suitable business premises; the acquisition of skills and managerial expertise; access to appropriate resources and technology; the quality of infrastructure, especially in poverty and rural areas; bureaucratic hurdles; and in some cases, the tax regime (Annual Small Business Review, 2001). The District developed its own SMME Development Strategy in 2007 in an attempt to address the mentioned constraints which was last reviewed in 2010. The SMME Strategy is being developed and aligned accordingly to the new developments in the country so that it will address issues of the area and will be adopted by council within 2018-2019 financial years.

The District's Growth and Development Summit (**GDS**) held in 2006 was a historic milestone to strengthen private-public dialogue and commitment to a shared pro-poor economic and investment growth path for the district. One of the key and relevant resolutions taken at the GDS relate to the establishment of a fully representative district-wide business forum, with various local business forums in each local municipality set up to allow dialogue between the public and private sectors that would act as a single interface to lobby advice and partner government to further common course. To further strengthen the GDS the municipality is planning to conduct the follow up session on GDS resolution taken so as to track commitments make. The Chris Hani District Business Forum has been established as that structure with seven local business forums out of the eight local municipalities in the District.

The government identified the development of cooperatives as one of its flagship programmes to develop the second economy that supports the majority of the population in as far as creating jobs, increasing household income, reducing poverty, and improving the overall standard of living is concerned. It was for this reason that the District actively supported and facilitated the establishment of the Chris Hani District Cooperative Forum in November 2008 and by extension the eight local cooperative forums that exist in the district. The District also assisted with strong financial support in the coordination of a three day cooperative indaba that was held in June 2009. The indaba was characterized by interactive seminars and commissions on a variety of subjects affecting the development of cooperatives. The cooperatives were also exposed to a variety of funding, procurement, marketing, networking and other opportunities.

The SMME and Cooperatives Business Development programmes were created to, among other things, promote the development of sustainable SMMEs and Cooperatives, thereby increasing the number and variety of economic enterprises operating in the formal economy and to create jobs. To this end, R2 425 494.00 was granted to SMMEs and cooperatives and 376 jobs were created during the period.

The Chris Hani District Municipality (CHDM) has partnered with the Metropolitan SMME Portal which is involved in the development of SMMEs. This organization has hosted annual SMME business imbizos in the district since 2009. The District sees these Business Imbizos as an opportunity to showcase the existing opportunities, while further capitalizing on network vehicles to unleash the economic potential of the District. Through information dissemination at various fora, the District is ably positioned to promote strategic support to the business fraternity under its jurisdiction. These SMME Portal Business Imbizos have been portrayed as a vehicle that promotes dialogue between business and government, the private sector, parastatals and linking SMMEs to opportunities and development agencies.

The CHDM has always viewed itself as an important node to synergising, coordinating, and aligning with various actors who invest and contribute in other ways to business development efforts. This is the main reason for CHDM's participation in these Imbizos. It is hoped that the Imbizos, amongst other things, will address the poor economic activity within the District. They will also assist in strengthening the skills and business structures of the SMMEs, allowing them to become sustainable and in a better position to tender on private sector and public sector contracts.

CHDM together with the Border Kei Chamber of Business got into a joint initiative in late 2009 to establish the Chris Hani Enterprise Propeller (CHEP) with financial support from Thina Sinako. This came after the realization that in the District more than R2.5 billion is spent annually on goods and services but 80% of this amount is estimated to be leaving the District. This is due to the fact that local suppliers, possibly, do not have the relevant skills or are inadequately capacitated to successfully apply for tenders. CHEP is there to support emerging and established enterprises in the District to compete more effectively for tenders by providing them with quality business advice, information and mentoring services, and facilitating more effective linkages between them.

2.4.5 AGRICULTURAL DEVELOPMENT

Agriculture forms one of the key potential growth sectors in the CHDM. The Integrated Agricultural Strategy was developed in 2008 and due to some development was further reviewed and to be adopted by council before end of the current financial year 2016/2017. It prioritised the following sectors for investment:

- Agro – processing e.g. cheese production
- Livestock farming particularly Goats, Sheep and Cattle
- High Value crop production e.g. hydroponics and bio-fuels
- Advantage of Irrigation schemes

Livestock farming is an important source of income for both commercial and communal farming. The western part of the region is increasingly turning to game farming especially in the areas around Komani, Cradock, Tarkastad and Molteno. The District Municipality has engaged in partnerships with National Wool Growers Association (NWGA) to improve the quality of wool sheep, develop wool growers associations, train farmers on livestock and veld management and build appropriate infrastructure such as shearing sheds and fences. In the past financial year a number of Shearing sheds were built and completed at Intsika Yethu LM, Enoch Mgijima and Engcobo municipalities.

Further partnerships with the Agricultural Research Council and Department of Agriculture and Rural Development have resulted in the construction of livestock handling facilities. ECRDA and Umngcunube are assisting with development of the livestock improvement programme by introducing the concept of Village Link Persons (VLPs) where community members received training in livestock handling and treatment, in certain areas where infrastructure is in good condition animals are introduced with the main aim of improving livestock quality (goats , sheep and cattle) , quality rams and provision of veterinary services.

The District Municipality has in the past financial year formed partnership with Zulukama Investment Trust , a community owned organisation with the main aim of improving livestock quality in 5 Villages in Hewu area. The programme was planned to run for a long period as the affected Institutions are expected to provide after care support.

The greatest challenge to livestock production remains low skills level, access to land, poor veld and livestock management, limited access to market, limited access to financial and credit access by emerging farmers due in part to insecure land tenure, limited mentoring and information from DRDAR and dilapidated and insufficient infrastructure such as roads, fencing, stock dams and dipping tanks.

Dryland cropping is only feasible in small parts of CHDM within the Intsika Yethu, Sakhisizwe and Engcobo municipalities. The District Municipality in collaboration with both the DARD and Emalahleni Local Municipality is involved in the Sorghum production programme in Emalahleni LM the main aim of this undertaking is to provide adequate raw material to the Mill Plant so as to maintain the project sustainability, DRDAR have prioritised these areas under the Massive Food Programme. The Siyazondla homestead food production programme assists with improving household food security. Under High Value Crop Production, the DM supported the pilot project for Hazel Nuts production at Glenbrook irrigation, partnering with ECDC and an Italian Company. The project was initiated by Agri-SA and Eastern Cape Development Corporation (ECDC) as a Community Development Project with contributions by various other role players including the Department of Agriculture and Rural Development (DARD).

The project is a pilot project for the evaluation of hazelnut production viability in the area with added value in the form of a successful vegetable business and training programme.

There is presently 8000 ha under irrigation with CHDM containing two of the largest irrigation schemes in the Eastern Cape i.e. Ncora and Qamata. . However there are vast areas of underutilised land within the existing schemes such as Shiloh where only 4,6% of the scheme is currently utilised. In addition to these schemes there are several large scale commercial farming enterprises.

Any future irrigation development must consider the recommendations from the District's WSDP (Water Services Development Plan) that CHDM should not consider developing any more irrigation schemes apart from the already established schemes and must look at other methods of irrigation such as drip irrigation which ensure that water evaporation is minimised.

CHDM and Department of Rural Development and Agrarian Reforms have prioritised irrigation schemes under their respective revitalisation and resuscitation programmes. Their collaborative efforts are focussed towards attracting investors to run the schemes under private, public partnerships.

Funding has been provided for setting up the correct institutions to run the schemes, building of lay dams, centre pivots and irrigation systems, upgrading of office facilities, seed, planting and harvesting operations as well as equipment such as tractors, ploughs and trailers.

However due to the complex community structures residing within the schemes, the effort of the District and its partners has not yet resulted in independent and financially sustainable irrigation schemes although considerable progress has occurred.

There is a clear development approach being followed by CHDM and DARD in developing the irrigation schemes. The developments have started at Shiloh Irrigation Scheme (where a Dairy Enterprise has been established). The CHDM and DARD have co-funded the project focusing at developing Ncora Irrigation Scheme. The following year focus on Qamata and Bilatye Irrigation Schemes. CHDM and DARD are also facilitating the development of comprehensive business plans (commissioned by ASGISA-EC now called ECRDA) for Ncora, Qamata and Bilatye Irrigation Scheme. The plans will assist in directing future developments in the schemes.

2.4.6 FORESTRY, TIMBER AND WOOD PRODUCTION

The Chris Hani District Municipality is richly endowed with a number of forest plantation resources. Most of these forest plantations are found in Intsika Yethu and Engcobo Local Municipalities and are owned by DAFF. There are also some woodlots and few hectares of category A plantations (Pine stands) in Sakhisizwe Municipality. The Forestry development in the district is informed by the Regional Development Strategy which highlights matters around forestry. Forestry Strategy has been developed for the first time as the area has potential and rich in forestry.

Despite the existence of raw material, land for afforestation and market opportunities, the forestry sector in Chris Hani District Municipality remained uninspiring, with very little significance to and impact on the economy of the region. In order to address this and to take advantage of a number of opportunities that the sector presents, specifically in relation to SMME promotion and community empowerment, Chris Hani Municipality and the Local Municipalities have prioritized forestry as one of the sectors that are key to economic development of the region. The Wood Cluster programme was then proposed in the 2003-2004 financial year.

The situational analysis of the forest plantations and woodlots in Chris Hani District Municipality revealed that their management is poor. The operational costs of the forest plantations and woodlots far outweigh the income generated by these plantations. This, in other words, means that these forests are operated at a loss. The quality that is produced is not good. In order to address these issues, the strategy with the following components was proposed:

- o Proper management of forest plantations
- o Value adding processes.
- o Investment promotion
- o Meaningful empowerment of communities
- o Continued monitoring and evaluation of the process to address the problem areas.
- o Capacitation of the existing small sawmillers

The DTI co-funded the Sawmill project for the implementation plan development. A challenge of inadequate supply of raw material for this project is being investigated. The DTI conducted a special study on the sawmillers around Chris Hani on aspects of productivity, yields, safety, technology and skills. Through the study it has been discovered that there is a need for skills development and technology upgrading to improve the productivity and competitiveness.

Since the DTI is starting a National Training Programme on small-scale sawmilling, the district municipality has been chosen as a pilot. The DTI approached SEDA to conduct training for the Sawmillers on Co-operatives core principles and Business plan development. Training started in May 2010. SEDA is assisting on the registration of the sawmillers as primary Co-operatives.

A skills development programme was conducted by Forestry SETA at Engcobo charcoal project. The training started on 01 March 2010. The SETA introduced a New Venture Creation project (Business skills development programme). The CHDM has also piloted the project at Enoch Mgijima Local Municipality since March 2010.

A number of projects were identified as the key pillars of the Forestry Strategy. Interventions in the form of feasibility studies, business plan development, skills development, workshops and establishment of Project steering committee have all been the build up to the implementation of the Chris Hani Forestry strategy, which together with the business plan were endorsed by the Council.

The local Municipalities have been consulted and brought on board in terms of the projects identified for their areas and programme to unfold in respect of the implementation of the projects. Project beneficiaries and other relevant stakeholders have been brought on board and roles and responsibilities are outlined on individual projects.

Suppliers of services and products for the implementation of the projects have also been identified and some already approached to commence delivery. The projects that were identified are as follows:

- o Sawmill project
- o Aforestation programme
- o Pole treatment plant
- o Engcobo Charcoal Manufacturing project
- o Sakhisizwe Charcoal manufacturing project
- o Tree Nursery Project

Current progress on Charcoal Projects:

(a) Engcobo Charcoal Manufacturing project :

Project has been registered as Spring Forest Trading cc. Two charcoal kilns have been installed, fencing of the site is still in progress, offices, stores and ablution structures have been ordered. Project is operational as from 09 February 2009. 32 people are employed (Beneficiaries) and 1 project coordinator employed on 6 months contract for infrastructural development and skills transfer. Sasol has been brought on board to assist on market identification, skills development and value-chain establishment. Charcoal tests were done by SASOL and the results were 82% compliant. Training for the beneficiaries was conducted by the Forestry SETA on Charcoal production.

(b) Sakhisizwe Charcoal Manufacturing Project

The project has been started in August 2010. The purpose of the project is to fight alien vegetation. This in turn creates job opportunities through the Charcoal project. The Sakhisizwe project is still on the initial stages. It is not as fully functional as in the case of Engcobo project. However, the project will take the same form of Engcobo project in terms of operation and institutional arrangements.

2.4.7 CONSTRUCTION AND COAL MINING

The District has a high development profile in terms of the ISRDP nodal status. Its high infrastructure budget allocation presents opportunities for the establishment of a local construction industry and may enhance competitiveness by addressing critical shortcomings in economic infrastructure. The strong growth and development in public housing and construction comes with a huge demand for construction material such as clay and cement bricks. At present illegal brick making activities are prevalent throughout the district mainly to fulfill the demand of private construction needs. Due to low quality and illegal operations, these bricks cannot be used for public sector construction.

The EC Vision 2030 has identified coal mining at Indwe and Molteno as a HIPPS project which is at Emalaheni Local Municipality. The exploitation of the Molteno/Indwe coalfields is currently being investigated to access their viability. A public private partnership company has been established with Elitheni. Prospective rights for the Indwe Coal Mines have begun and the results look promising. By 2008 the site was set up for the first blast and currently the coal is shipped to countries like Brazil. Coal Mining has been doing very but currently it has experienced some Socio-Political Challenges.

2.4.8 MANUFACTURING

Manufacturing represents a significant proportion of the CHDM economy at 8 % GGP and 5 % employment. Enoch Mgijima Local municipality especially Komani has a small furniture, dairy processing and wood products industry and operates as the prime manufacturing centre of the District. Middelburg and Cradock have food processing activities. Manufacturing mainly takes place in Komani and the major activities are furniture making, food processing and pressed metal. The three biggest employers in Komani are manufacturers' viz. Seating, Twizza, Crickley Dairy and Stateline Pressed Metal. Other manufacturing industries are biltong processing, cheese making, Ouma rusks, leather processing and bone meal production.

2.4.9 AGRO-PROCESSING

While the districts' agricultural potential is obvious, primary agricultural projects have had a minimal impact on unemployment. This situation necessitates strategies to increase value-added production by exploiting opportunities that exist along the various crop and livestock value chains.

Particular advantages lie in food-processing based on resource and crop availability, existing factory infrastructure, as well as relatively well developed road infrastructure when compared to other rural districts.

The bulk of the districts' farm output goes for processing outside the district e.g. milk, beef, wool, fruit etc which regulates the district to the bottom of the value chain. Opportunities exist in food-processing especially in the areas on convenience food, specialty foods and organic foods. Beside food –processing the District can promote high value crops such as cotton as well as bio-diesel.

Bio Fuel Development at Cradock

Bio-diesel initiatives present huge opportunities especially around the existing sugar-beet project near Cradock where Sugarbeet SA, Central energy Funds and the IDC have entered into a partnership that will see 6000ha of sugarbeet planted, construction of Ethanol production plant and buying of the ethanol by PetroSA to blend into their stock. It is estimated that this project will create up to 2000 temporary jobs and 500 permanent jobs only in the Ethanol plant construction phase.

The economy of the Eastern Cape Province is poised for re-engineering, revival and vibrancy now that the R2 Billion Cradock bio fuel plant construction has been put into process by the government departments responsible for this national pilot project. This bio fuel project is developed under the auspices of the Industrial Development Corporation (IDC), Department of Trade and Industry (DTI) and Department of Rural Development and Land Reform (DRDLR). The last is playing a leading role and is providing the needed land where the required sorghum and sugar beet will be growth. The agriculture leg of this project is that it will have as its spinoff the development of livestock in the CHDM region and adjacent farming towns because the bio fuel farms will also produce animal feed that will be used to develop quality beef cattle- a process that will bolster the red meat industry of the province. The sleepy town of Cradock is set for a re-awakening. There will be jobs and opportunities to establish businesses for the local people. The Cradock bio fuel project is set to revive the economy of the Eastern Cape in that it will re-activate all sectors of the economy of this motor province. The multi-million rand Cradock bio fuel plant is a catalyst for industrial revolution in the Eastern Cape and hence lifted by the President of RSA and Premier of Eastern Cape as one of projects to be funded and looked into.

Trade and Services

Trade and services contributes in total between 16 % to the District GGP in 2000 and 22 % employment in 2004. The majorities of SMME's are found in the retail and service sector (73%). It is the predominant form of economic activity in CHDM.

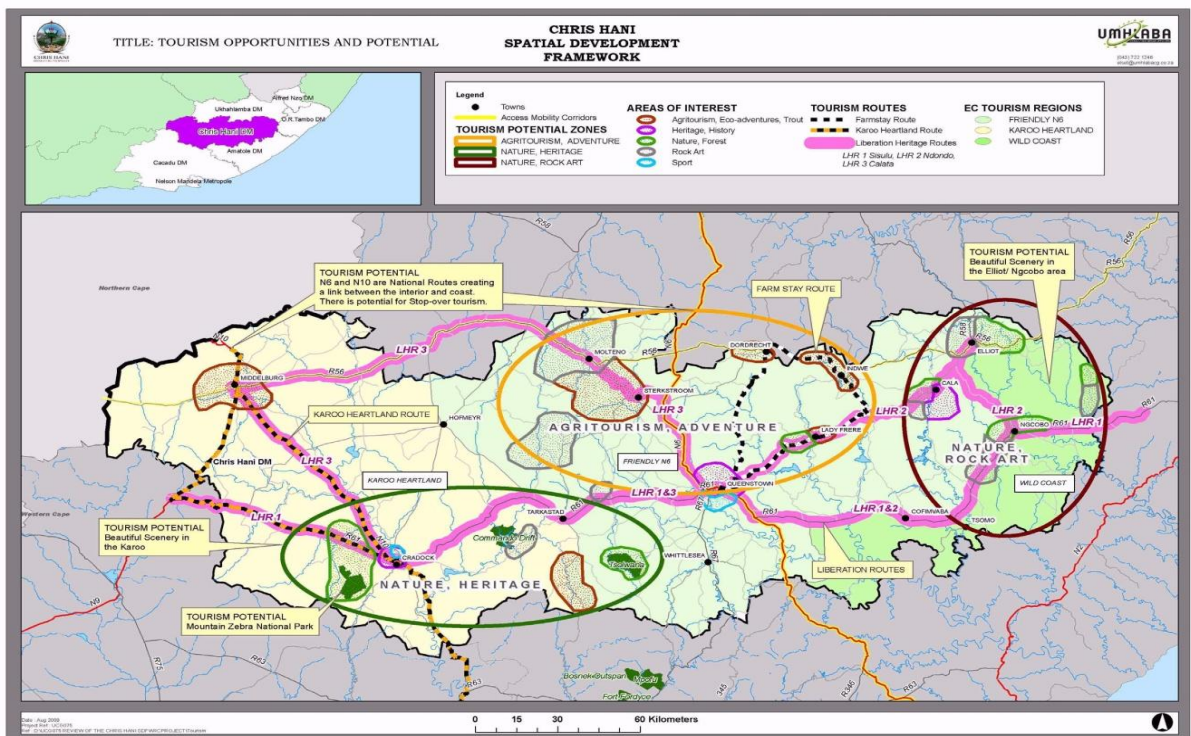
2.4.10 TOURISM & LIBERATION HERITAGE DEVELOPMENT

The CHDM has a rich history and natural resources that can promote tourism development in the region. These resources are untapped and are not adequately budgeted for within the District and local municipalities.

The District has access to a number of major routes, the friendly N6 and the N10 which link the District with East London, Bloemfontein and Port Elizabeth and the R61 linking Komani with

Mthatha and the Wild Coast. The region's emergence as a malaria free game farming and nature reserve location has contributed to tourism revenue, a trend that looks set to continue. The growth of this sector may crowd in private sector investment and support the emergence of supporting industry and services.

The District offers a variety of tourism experiences ranging from wildlife (MT. Zebra National Park game, game or nature reserves, game farm etc); Adventure activities e.g. Fish River Canoe Marathon, Hiking trails, abseiling, Fishing etc.: Historical buildings, battle sites, Rock Art, Anglo- Boer War Memorials to Liberation Struggle Icons i.e. Chris Hani, Vuyisile Mini, Cradock Four, Walter Sisulu, DR AB. XuMa, Rev. James Calata etc.



The CHDM Tourism Integrated Master Plan as adopted by council 2016 and cites that Chris Hani District Municipality has a total of 204 tourist accommodation establishments, providing 3,409 tourist beds. The Plan is outdated and has to be developed so as to reflect the current levels and status of the Tourism within District.

Using the total number of beds and the average occupancy of the accommodation aggregated from the individual Tourism Sector Plans, the total number of tourist bed-nights sold per annum (calculated for the over 2008/9 year) is calculated to be 339,810 (see table below), at an overall average bed occupancy of 27.31%.

**CHRIS HANI DISTRICT MUNICIPALITY TOURIST
ACCOMMODATION OCCUPANCIES & BEDNIGHTS SOLD**

Accommodation Type	Number of Beds in Chris Hani	Average bed occupancy in Chris Hani	Bednights Sold per annum 2007/8
Backpacker & Hostelling	0	0.00%	0
Bed & Breakfast	819	37.79%	112,973
Guest houses & Guest farms	1187	30.60%	132,595
Country House	47	25.32%	4,344
Hotels	298	18.06%	19,640
Lodge	294	17.83%	19,133
Self-Catering	332	23.12%	28,021
Caravan parks and camping sites	432	14.65%	23,105
TOTAL	3,409	27.31%	339,810

(Compiled by Kyle Business Projects)

The average bed occupancies of the different types of accommodation in the Chris Hani District Municipality, and the derived total number of bednights sold per annum.

The average bed occupancies are calculated as a weighted average of the bed occupancies in each Local Municipality. A detailed analysis of tourism has been presented above.

Economic Impact of Tourism

The economic value of tourism to the Chris Hani area is derived from the direct spend of tourists in the area, and from the jobs supported by tourism. The direct contribution to GDP is calculated from the total tourist bed nights sold in the area, and the average daily spend of tourist. From this data, the projected economic impact of tourism is calculated using the international simulated Tourism Satellite Accounting (TSA) system developed by the World Travel & Tourism Council / Accenture, in conformance with the conceptual structure of the WTO/UN TSA. This model calculates the economic impact of tourism on a geographic economy using the basic direct spend of tourists into the tourism industry, and a system of economic multipliers which define how that direct spend recirculates in the economy.

In the model used in the current study, current TSA multipliers are calculated from the WTTC / Accenture 2007 Report on South Africa. From this base, the economic impact of tourism in the Chris Hani District Municipality has been calculated over the forecast period 2008 to 2016, and is shown in Figure 1, Figure 2, Figure 3, Figure 4, and Figure 5. The potential growth of these economic contributions is also calculated, in four scenarios: Expected natural growth in demand – this growth is driven by the anticipated growth in tourism demand in the Eastern Cape (i.e. the baseline); Impact of additional 1% growth in demand; Impact of additional 3% growth in demand; Impact of additional 5% growth in demand.

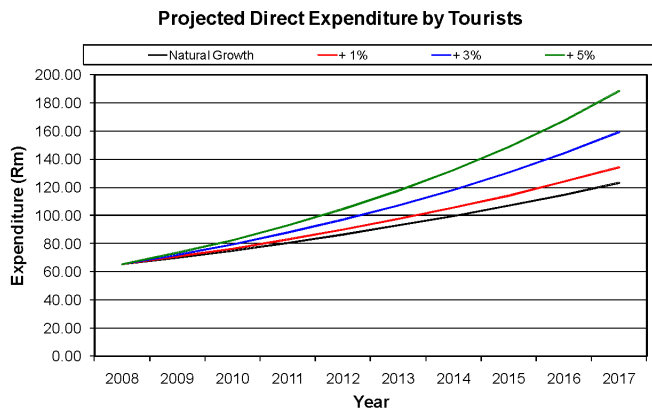


Figure 1: Economic impact of tourism: the projected direct expenditure by tourists in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2017.

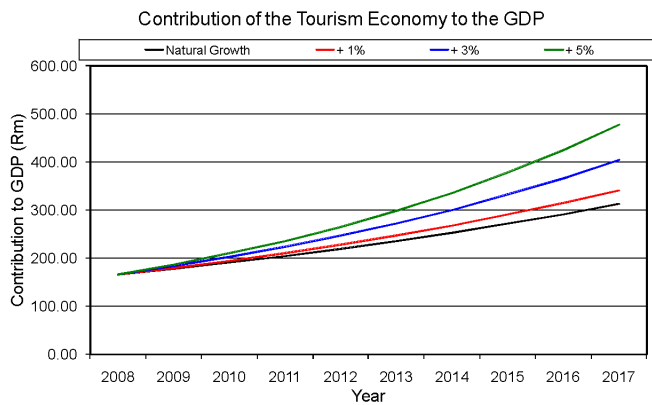


Figure 2: Economic impact of tourism: the projected contribution by the tourism economy to the GDP in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2016.

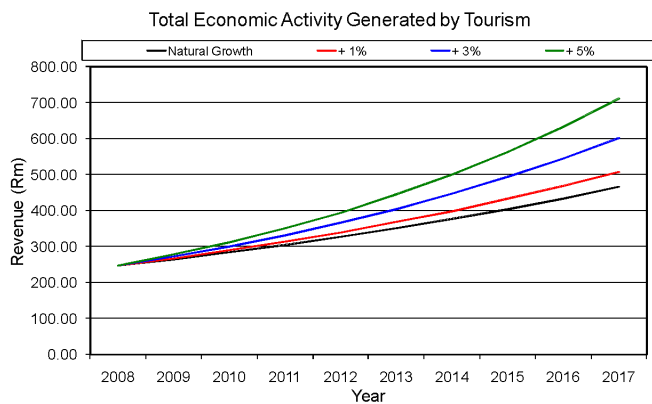


Figure 3: Economic impact of tourism: the projected total economic activity generated by tourism in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2016.

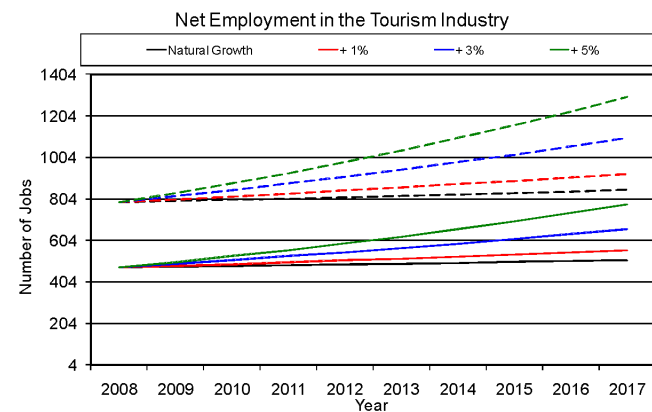


Figure 4: Economic impact of tourism: the projected net contribution of the tourism industry to employment in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2016. (Solid lines - W TTC / Accenture TSA average cost of creating a job; Dashed lines - cost which is 30% lower).

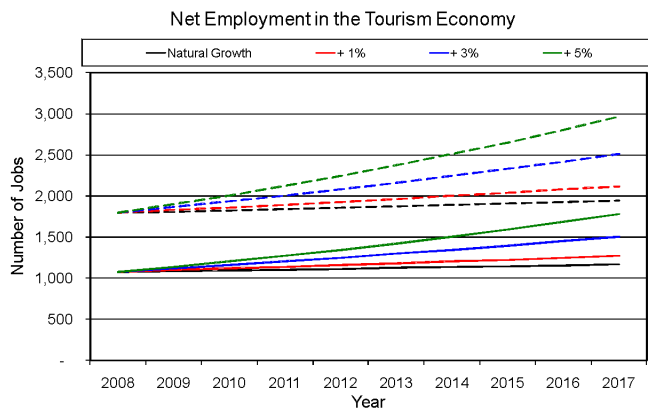


Figure 5: Economic impact of tourism: the projected total contribution of the tourism economy to employment in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2016. (Solid lines - WTTTC / Accenture TSA average cost of creating a job; Dashed lines - cost which is 30% lower).

From the model it is calculated that tourism currently contributes as follows to the local economy of Chris Hani:

- R65.3m in direct tourism spend;
- R166.1m contribution to the GDP by the tourism economy;
- R247.2m total economic activity generated by tourism (i.e. total demand);
- supports 473 jobs in the tourism industry;
- supports a total of 1,078 jobs in the tourism economy (including the tourism industry);
- Supports the equivalent of 72 SMMEs in the tourism economy, outside the tourism industry.

Progress Made so Far in Tourism Development

The District is currently focusing its tourism activities on branding and marketing the various activities available. In addition cultural and heritage sites are being marketed through the implementation of a Chris Hani Liberation Heritage route. The Chris Hani Liberation Heritage Route Icon Site Guide has been developed, launched and distributed nation-wide including the development of marketing materials for each of the individual routes; Sisulu, Ndonga and Calata. A tourism centre has been developed in Queenstown and is operational. The District has developed Tourism Integrated Plan during 2010-2011 financial year and ensured the revival of local tourism structures such as the Intsika Yethu Local Tourism Organization, Middleburg Karoo Tourism, Cradock Karoo Tourism, Lukhanji Tourism and the District Tourism organisation.

The Liberation Heritage Route (LHR) was started by the National Heritage Council, the Eastern Cape Department of Arts and Culture, and the Nelson Mandela National Museum in the beginning of 2006. The LHR is about the reconstruction of the history of the liberation struggle and the exploration of this history starting from the Eastern Cape. The key objectives of the Liberation Heritage Route include the reinforcement of a national integrative identity whilst accepting cultural uniqueness and diversity, and to translate the wealth of heritage knowledge and resources into economic capital. It is about the narrative of events as part of the preservation of national memory for continuity and national identity. The Liberation Heritage Route will interpret the past to serve the needs of the present and the future.

Chris Hani district municipality has embarked on a tourism development initiative of promoting tourism through the identification of heritage sites such as the liberation routes, places of importance, tombs, caves, and places with special, aesthetic, historic, scientific and environmental values.

Achievements of CHDM LHR Heritage Route to Date

- 56 Icons identified and described in Icon Site Guide
- In addition to the Icon Site Guide, a Site Inventory of all Heritage Sites, including non-Liberation Heritage Sites has been developed and is currently in circulation
- Mapping of Icon Sites has been done
- Three Routes defined and described: Sisulu, Calata and Ndondo
- Institutional Framework put in Place (Reference Group at District Level; 8 Steering Committees at Local Municipality level.)
- Heritage Awareness enhanced at grass-roots level through processes of Icon identification, prioritisation and documentation.
- Community Facilitators have been trained, and are thoroughly familiar with the Heritage processes generally and the Heritage resources of the LMs more specifically
- Promotional DVD Has been developed and distributed
- 56 Information sign boards for Icon Sites been developed and erected
- Directional Signage for 40 Icon sites have been erected
- Directional Signboards – 9 National Sites; 13 Provincial Sites
- Training of Tour Guides and Tourism Personnel
- Promotional Material for Tour Guides (One-Day Packages)
- Construction of a giant Statue of Chris Hani at Sabalele Village which is his birth place

Chris Hani Month Celebrations

The CHDM Council resolved to declare the month of April as “**Chris Hani Month**” and be celebrated annually. In order to commemorate this month a number of events are held at various municipalities that constitute the greater CHDM. The events range from launching of projects at local municipalities, sport activities, delivering of Chris Hani Memorial lectures with various themes promoting Local Economic Development through Tourism. The events are structured in such a way that they are in line with government priorities.

OBJECTIVES

- To honour and commemorate the life and death of Chris Hani
- To preserve and conserve Social Memory
- To increase Tourism products(Event s Tourism)cultural industries within the District
- To promote the Local Economic Development of the area
- To educate and create awareness on youth about significance of the Liberation Struggle and the Liberation Icons
- To profile and Market CHDM as a liberation heritage tourist destination
- To promote and market CHDM LHR
- To promote social cohesion, fight against crime and drug abuse within communities

Achievements of Chris Hani Month to Date

- Construction of fully equipped Library at Zigudu High and purchasing of sport equipment for the school
- Purchasing of fully equipped Mobile office at Gqoboza Jss, purchasing of sport equipment for the same school
- Donation of study material to schools(Bathandwa Ndondo High School, Gqoboza and Zigudu Combined School
- Profiled and Marketed CHDM as a liberation heritage tourist destination
- Education and awareness(4 Memorial Lectures have been conducted) on the significance of Liberation Struggle and Icons
- Unveiling of tombstones for the graves of parents of Comrade Chris Hani
- Guided tours of the Liberation sites and other sites of interests have been done

- Entertainment of locals
- Emergence of the Chris Hani Jazz Festival
- Local Economic Development of the area
- Construction of Sabalele Multi Purpose Centre at Chris Hani Birth place which encompasses Museum, Early Childhood Centres, Library, Community Hall and some offices which are used by stakeholders like SASSA etc.
- Construction of 7 km tar road to Sabalele Multipurpose centre

Heritage Sites

One hundred and two sites were identified in the Chris Hani District Municipal area, categorized according to their nature, namely whether they are human generated structures or natural artifacts. Out of these, the Chris Hani Liberation heritage route has identified iconic sites and a booklet has been printed containing these sites.

Number of sites in each category.

Human Generated Artifacts	
Historical buildings	25
Monuments and memorials	6
Museums	9
Graves	5
Rock Art	6
Living Heritage	7
Open Land	7

2.4.2 CHRIS HANI DEVELOPMENT AGENCY

The Council of Chris Hani District Municipality took a decision to establish a Regional Economic Development Agency that would act as a mechanism to fast-track major economic development programmes and to assist the District Municipality in addressing the many economic challenges it confronts. Its function would be to drive economic development within the district by playing a private partner role in sourcing funding, undertaking and owning financially viable projects for the betterment of the district.

The strategic focus of the agency will lead the following:

- Functional irrigation schemes and efficient use of irrigation scheme infrastructure
- Participation and tangible economic benefit to rural communities
- Emerging farmers producing the minimum sorghum production for bio-ethanol pilot plant
- Quality meat production as business case for local abattoirs and meat processing from the region
- Efficient use of state resources and infrastructure
- Value chain beneficiation from the agro-industrial value chain
- Sustainable Enterprise Development establishment and job creation

The council's decision to establish a development agency was based on an investigation of the feasibility and/or viability of establishing the CHDM Development Agency. This was done by

looking at the lessons learnt from the development agencies that are doing well in the Province to those that are not performing well. The investigation was completed and led to the recommendation to the Council for the establishment of a Development Agency as an option to assist in fast tracking economic development in the area. Strides had been undertaken by the Council as the Agency within its first years of existence managed to appoint a fulltime staff and a permanent Board for 5 years consisting of 6 members as it is on establishment phase. For the past years 2017 -2019 one of their main focuses was to manage skills development fund which is to support well performing students within the district on financial aid during their tertiary education mostly on scarce skills field, Implementation of RAFI programme etc.

Mandate of the Chris Hani Development Agency

The new mandate of the Chris Hani Development Agency is outlined as follows in the Memorandum of Agreement between the Chris Hani District Municipality and the Chris Hani Development Agency:

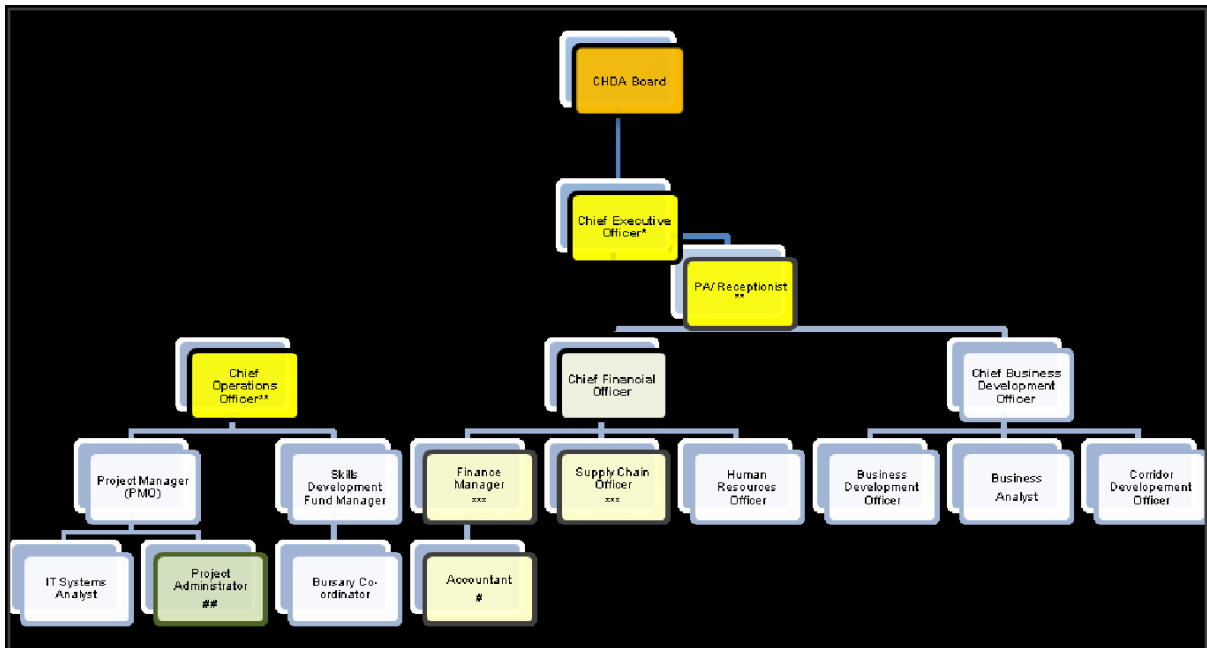
- Focus on the realization of the agro-industrial value chain linked to the SEZ model
 - Leverage investment into irrigation schemes and maximize infrastructure potential thereof
 - focus on the agro-value process
- Build research and economic modelling capacity to provide advisory support to economic project implementation.
- Focus on investment facilitation and support/ empower communities to engage with private capital to ensure balanced socio-economic beneficiation
- To be charged with the administration and management of the Community Skills Development Fund on behalf of the District Municipality;

Name of the Development Agency

The Development Agency is registered officially at CIPC as the Chris Hani Development Agency Pty (Ltd). It has about 9 members of the Board is currently runned by a fulltime CEO, CFO and a COO on senior management.

Organisational Arrangements

The macro structure of the CHDA is appended hereunder:



2.5 ENVIRONMENT & TOPOGRAPHY

Climate

The climate varies from Arid to very cold high veld and falls mainly into 2 climatic zones according to the “Agricultural Development Programme for the Eastern Cape’ – 1986, namely:- Arid and Semi-Arid Moderate Midlands, and Arid and Semi-Arid Cold high lying land.

Rainfall

The rainfall varies dramatically over the area depending mostly on altitude and distance from the coast. In the western arid areas, the average annual precipitation is between 200mm and 300mm whereas in the eastern high lying areas of Cofimvaba it is 700-800 mm. The greater part of the area is, however, arid to semi-arid and receives less than 400mm per annum.



Rainfall distribution is poor and dry spells are a frequent occurrence. In his study, J.H van Wyk comes to the conclusion that the rainfall of the former Transkei shows little variation and can therefore be classified as reliable.

He points out, however, that the variation of rainfall during the early summer months makes early planting of agronomic crops risky. (Wood & van Schoor, 1976).m

It is a summer rainfall area with 70% - 80% of the precipitation occurring during the summer months in the form of thunderstorms. These storms are often of high intensity and are sometimes accompanied by hail. Only 20 - 30% of the rainfall occurs during the winter month, which usually results in snowfalls on the Chris Hani District Municipality plateau and the high lying mountainous areas of the Compassberg and Winterberg. The further west, the poorer the rainfall distribution, with severe droughts occurring fairly frequently. The rainfall in the eastern area (Cofimvaba and Ngcobo) is more evenly spread, except for the early summer months when "dry" spells can be expected, which makes the early planting of agronomic crops risky (Wood & van Schoor, 1976).

Evaporation

Evaporation in the District is much higher than the average annual rainfall. The area thus experiences a negative water balance. The evaporation in the arid western area is 2 146 mm per annum, whereas it is approximately 1 700 mm per annum in the Lady Frere and Cofimvaba Districts. This phenomenon complicates crop production as it requires moisture conservation for dry land cropping and sophisticated irrigation management.

Temperatures

The temperature is characterised by extremes during the summer months, the maximum temperature often exceeds 40°C in the lower lying areas in the western (arid) section of the study area. Minimum temperatures in the winter months in the high lying areas are often well below zero and frost and snow is a common occurrence throughout the area. The average commencing date for frost in most of the area is the Mid -April and the average last date for frost is the Mid October. Frost can, however, occur at any time of the year in the Molteno District. This area experiences the largest inter-diurnal variation (change from one day to the next) in temperature. (A.J. Roets & Associates, 1999).

The temperature in the eastern part of the District is a bit more moderate with frost occurring from Mid- May to Mid -September.

Prevailing winds

During the summer months, the prevalent wind direction in the study area is north-westerly (berg winds) whereas south-easterly to south-westerly winds prevail during the winter months. Wind, however, is not regarded as a limiting factor in the study area.

Geology & Soils

The District consists mainly of Beaufort sediments intruded by Dolerite. These comprise Shale, Mudstone and Sandstone. The soils in the District area are mainly from the Beaufort and Molteno series of the Karoo sequence. As a result, the soils are poorly developed, shallow or duplex (rocky), which are mostly not suitable for crop production. In the valleys, however, deeper soils do occur. In the Fish River Valley as an example, there are 15 soil forms of which the Hutton, Clovelly and Oakleaf forms (Binomial Classification) are dominant.

Soil salinity is, however, a major problem in the irrigation areas in the Cradock, Hofmeyr and Tarkastad Districts.

The soils of the more arid areas of the study area are generally shallow and consist mainly of the Mispah, Glenrosa and Swartland forms. In the flood plains, watercourses and plains, deeper soils of the Oakleaf, Dundee and Valsrivier form are more common.

Topography, drainage and vegetation

The District is part of what is described as gradual “step” topography. The “steps” are formed by the Winterberg mountain range in the south and the Stormberg range north of Sterkstroom.

The Stormberg Mountain range runs from east to west dividing the area into the high lying Stormberg plateau in the north and the generally lower altitude area in the south.

The Winterberg range with an altitude of 2 370 m above sea level extends into the southernmost section of the area. The altitude of the Compassberg to the west of the Stormberg range is 2 502 m, whereas the Stormberg plateau is $\pm 1\ 800$ m above sea level. The altitude of the lower lying area in the Cofimvaba District is ± 600 m above sea level. The greater part of the area, however, lies between 500 m and 1000 m above sea level.

The main drainage systems are the tributaries of the Great Fish, Great Kei Rivers and Mbashe river systems, which drain into the Indian Ocean. The western section of Chris Hani District Municipality consists mostly of mixed Nama Karoo veld whilst the eastern section consists mostly of moist upland grassland. What is important from a conservation aspect is the valley thicket occurring along the Kei and Mbashe River systems and the pockets of afro-montane forest occurring north of Ngcobo.

Conservation Areas within CHDM

The known conservation areas in the Chris Hani District Municipality are listed in the table below. Only two of these conservation areas are under the direct control of the municipality, namely Lawrence de Lange and Longhill (Enoch Mgijima). In addition, a National Park (Mountain Zebra National Park), a number of private nature reserves (i.e. Blanco) and three natural heritage areas (i.e. Benghoil & Bushy Park, Carnarvon and Mhoge) are located, at least in part, within the Municipality.

The formal protected area network is relatively extensive with the Mountain Zebra National Park (SANP) and the Commando Drift and Tsolwana provincial reserves. The early selection of protected reserves in the CHDM was based on ad hoc decisions to protect specific mammals rather than objective criteria based on biodiversity mapping. Control of all indigenous forests in the Eastern Cape including the CHDM, was handed over to the Directorate of Nature Conservation of the Eastern Cape Province authorities in 1996, and management plans for all forests are still in preparation. Formally protected water sources include a number of large water catchments, including the dams: Grassridge, Lake Arthur, Commando Drift, Xonxa, Lubisi and Ncora.

Water Resources

The CHDM falls within four river systems:

- The Great Fish River draining the central / western area southwards;
- The Kei River draining the central / eastern area southwards;
- The Mbashe River draining the eastern area southwards;
- The Orange River draining to the North.

Of these the Fish and Kei Rivers are the most significant rivers in terms of the catchment areas in the CHDM. The total surface water available in the district has been estimated from the Eastern Cape Water Resources Assessment as follows:

- Potential maximum yield (including dams and transfers) = 1013.5 Mm³ / annum
- Probable total consumption and losses = 775.8 Mm³ / annum
- Available surface water resource = 237.7 Mm³ / annum

It is clear that across the whole district, there is a positive surface water balance and that approximately 23,4% of the potential yield is still available for use, providing drought conditions do not exist.. It is however worth noting that the resource is concentrated at the major dams and rivers and as would be expected is not readily or cheaply accessible to all potential users located a distance from these resources.

DAMS, WETLANDS AND SPRINGS

Chris Hani is characterized by a number of major dams, which serve the towns and the various irrigation schemes.

The major dams in Chris Hani are:

- The **Grassridge Dam** between Cradock and Middelburg used as a balancing dam
- The **Lake Arthur and Commandodrift Dams** near Cradock used for irrigation
- The **Xonxa, Lubisi and Ncora Dams** between Lady Frere and Ngcobo used for irrigation.
- Xonxa Dam is currently used to support Enoch Mgijima, Emalahleni with water as it has been founded that it has a potential to do that, so water is sourced from there to Queenstown as Enoch Mgijima area has been discovered to be challenged.

Most of the wetlands occur in the Inxuba Yethemba municipality followed by the Emalahleni and Enoch Mgijima areas (4 each). The Engcobo, former Inkwanca and former Lukhanji municipalities only have one listed wetland. Wetlands occur in the catchments above the Commando Drift, Elands drift, Grassridge, Lake Arthur and Xonxa Dams.

A number of wetlands are located upstream of the dam immediately west of Dordrecht and above what appears to be the Thrift Dam on the Black Kei, although not marked as such on the topographical map (3226BC).

All the riparian wetlands are located within Eastern Mixed Nama Karoo vegetation, with the exception of three found within Moist Upland Grassland (Lemoenfontein, Qumanco and Snowdale-Success) and four within South-eastern Mountain Grassland (Clarke's Siding, Dordrecht Town, Driefontein 188 and Geluksvlei). Springs are an important source of water in the district. They are also used for recreational purposes such as at the Cradock Spa. A number of endorhic pan wetlands occur in the district, two each in the Enoch Mgijima (Coldstream pan, Die Pan wetland complex) and Inxuba Yethemba (Helderwater pan, Rooikop) municipalities and one in the Enoch Mgijima municipality (Rotterdam wetland complex).

The Helderwater pan, Rooikop wetland and Rotterdam wetland complex are located within Eastern Mixed Nama Karoo, whereas the Coldstream pan and Die Pan wetland complex are found within South-eastern Mountain Grassland.

Artificial Wetlands in the form of dams, excavations, solar salt extraction works and wastewater treatment works occur to varying extents throughout the district. Solar salt extraction works have the most restricted distribution, being limited to an area west of Hofmeyr. They are all therefore located within the Enoch Mgijima. All these salt works are located within Eastern Mixed Nama Karoo. Although they have been classified here as artificial wetlands they are largely based on existing features, namely Landpan, Middelpa and Soutpan.

Environmental Challenges

Government and the District Municipality have long neglected environmental protection. This has led to many environmental disasters in the past, which could have been avoided if environmental policies had been in place and enforced.

Lack of clean and unpolluted water is a major environmental problem in Enoch Mgijima former Tsolwana in particular Thornhill area. Limited access to clean water affects mainly Emalahleni, Intsika Yethu, Sakhisizwe, Engcobo and former Lukhanji. Former Inkwanca and Inxuba Yethemba suffer from lack of a guaranteed water supply, which should be rectified in the near future. Limited access to water impacts upon the ability of people to practice good personal and food hygiene. The old and people with disabilities are particularly affected as they have difficulty in gaining access to water. The growing of crops is limited as there is no water to spare for the crops, which creates many nutritional problems. Stock farming may also be limited due to insufficient water being available that has a notable impact upon people's livelihoods.

Limited and poor sanitation creates numerous environmental problems, such as water pollution due to the waste being washed into the rivers by rain. Such water pollution is often directly attributable to a variety of diseases which children playing in these contaminated areas pick up. The smell from improper sanitation also affects quality of life for residents. The greatest challenge facing government and local government in particular is how to minimise harmful environmental practises that contribute to global warming and ultimately climate change. A summit was recently held on this topic in the District to promote awareness of the problems created by global warming.

Chris Hani District Municipality has produced an Environmental Management Plan (EMP) which was adopted by Council in 2013-2014 and has been aligned to the current council(2017-2022) in order to point out areas of concern, the plan is reviewed for compliance and alignment annually so as to address current situation. The plan highlights areas of the environment which should be conserved and protected.

Animal and vegetation species and cover are mapped and identified. In addition present and future environmental problems are identified per local municipality as well as all renewable resources. It highlights that:

- The DM appoint dedicated environmental staff which has since been done
- The DM develop an integrated environmental management system

-
- The DM implement pollution control measures such as air pollution monitoring stations
 - The DM assist to develop the capacity of its LM's to deal with environmental issues
 - The DM undertake environmental impact assessments (EIA's) for all of its current and future project which is done currently by the municipality on all its projects that require EIA

However the District Municipality has been struggling to finance the implementation of this plan especially regarding pollution control mechanisms.

2.4.3 SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT

2.1 Water Services & Sanitation

The Chris Hani District Municipality is a Water Services Authority in all local Municipalities within the district in terms of powers and functions as developed by Municipal Structures Act, 117 of 1998. It therefore tasked with addressing a water services backlog. Water supply in larger towns is treated and subject to operational and compliance monitoring while there are small and remote rural communities whose supplies are seldom monitored.

The DM is a legislated WSA for its entire area of jurisdiction hence it has completed an assessment of alternative water service provision mechanism, as required by Section 78 of Municipal Systems Act. CHDM shares its borders with Ukhahlamba, O.R.Tambo, Amathole and Cacadu of which some villages that are under jurisdiction of CHDM gets some water from those District Municipalities. An example of villages using water resources from other districts are villages at Tsomo as some are under Amathole and others under Chris Hani and importance of inter municipal planning has worked as the area is serviced by Chris Hani although it's under Amathole District Municipality And vice versa.

All its 6 local municipalities were Water Service Providers but CHDM Council has resolved to take back the function of Water Provision due to various challenged experienced and this has infact been agreed upon and a Council resolution is in place in that regard. Prior this Council decision strong and healthy relationships with the LMs had resulted in the appointment of critical and technical staff that were deployed to different LMs.

These people have assisted in strengthening LM's water service provider staff and also ensured that staff inherited from Department of Water Affairs is managed at the LM level. This has also resulted in the improvement of the operational budget expenditure and vehicles and trucks amounting to R27 million were purchased. As a result an improved customer care relation and limited downtime has been observed. By due to the taking back of the function these staff deployed will be further absorbed through a clear HR system and be amalgamated to the staff of the district. This is in fact a process and will be managed by all parties involved.

The district has sixteen Waste Water Treatment works and five of that are Pond and one is a packaging plant and further has 26 Water Treatment Works and out that four are Boreholes and two are packaging plants.

2.2 Water Services Development Plan

With the publication of the *Water Services Act* (Act 108 of 1997), all South African water services authorities were required to prepare a Water Services Development Plan (WSDP). The WSDP is a business plan setting out the way in which a specific Water Services Authority delivers water services to individuals and businesses in its area of jurisdiction. It also describes the current and future consumer profile, the types of services that are provided, the infrastructure requirements, a water balance, organisational and financial arrangements to be used, an assessment of the viability of the approach, and an overview of environmental issues. Following these analyses, important issues that may impact on the provision of effective and sustainable water and sanitation services need to be identified and strategies must be formulated to improve service provision.

As a WSA the Water Services Development Plan, was developed submitted to Council, for the 2017-2022 IDP WSDP for 2017-2022 and adopted by May 2017 financial year with final IDP 2017-2022 and its being reviewed annually . WSDP in general addresses the following matters

- Service Level Objectives
- Water Resources
- Water Conservation and Demand Management
- Bulk Infrastructure
- Institutional Arrangements
- Organisational Support,
- Financial Management & Tariff Policy

As tabulated on Situational Analysis above it shows the percentage of water infrastructure backlog within the district as information and research conducted by HIS Markit Rex 2017. It depicts that Engcobo has more backlog followed by Intsika Yethu Municipality with Enoch Mgijima being the least with water backlog. The overall figure of the backlog has not changed significantly year-on-year , what has changed it the distribution of the backlog between municipalities due to the demarcation boundary changes.

This means that most of the CHDM water infrastructure backlog has shifted to Engcobo Local Municipality area. This means that there is a newly developed WSDP has to reflect these changes and to speak to how best to address the backlog going forward. The above interpretation has been sourced from STATS SA Survey 2016 which shows the water backlog figures per municipality sourced from STATS SA Survey 2016. The Water Services Development Plan (WSDP) which was adopted currently utilises Stats SA figures from the 2016 Community Survey estimate that currently 76% of the total population of Chris Hani District Municipality (CHDM) is served with water services, whilst 55% are served with sanitation services.

According to the WSDP of 2014-2015 which has relied on household figures of the 2016 Statssa figures delivers the following figures contained in the table below.

Source: Chris Hani Water Services Development Plan 2016

WATER

	Households		Percentage	
	Served	Unserv ed	Served	Unserv ed
Emalahleni	13,746	20,569	40%	60%
Enoch Mgijima (Inkwanca)	3,912	-	100%	0%
Intsika Yethu	24,516	26,245	48%	52%
Inxuba Yethemba	13,256	-	100%	0%
Enoch Mgijima (Lukhanji0	42,434	14,555	74%	26%
Ngcobob	10,353	26,889	28%	72%
Sakhisizwe	7,564	7,081	52%	48%
Enoch Mgijima (Tsolwana)	3,357	4,219	44%	56%
ECDMA13	24	-	100%	0%
TOTAL (2015)	119,162	99,558	54%	46%

The major challenge is meeting the backlog targets as set out by the national government due to the insufficient capital funds (i.e. MIG allocations).The collapsing infrastructure in towns is not included in the backlog.

Looking at the Sanitation Backlog as informed by official STATS SA Community Survey 2016 the below Pie Chart shows Intsika Yethu and Engcobob as municipalities within the district with more/high backlog and the least being Enoch Mgijima Municipality.

The CHDM has identified and quantified all villages with water and sanitation backlogs within their area of jurisdiction and put them into clusters. The District Municipality could not meet the targets it set of eradicating buckets due to financial and capacity constraints and as a result has committed itself in ensuring that it provides free basic services to its communities. Due to the allocated powers and functions the provision of basic level of services is limited to water and sanitation. Backlogs have made it difficult to provide these services in areas which do not have infrastructure especially in the former Ciskei and Transkei areas. The funding with respect to MIG falls short in eradicating the backlog. The WSDP presents a number of possible developmental scenarios. Given the available and potential resources and capacity, the most viable scenario envisages increasing resources so that the backlogs are addressed by 2014 but due to latest info it is envisaged that the backlog would be addresses by 2025 due to its huge volume.

Chris Hani DM has also developed a Water Services Backlog Eradication Strategy, whereby all areas with backlogs have been identified and quantified up to the village level. The affected villages have been grouped into nine clusters (i.e regional schemes).

It is noted that there is a need to find alternate sources of funding if we are to increase our rate of delivery. More investment is required in utilising surface water resources. In addition the monitoring of the usage of groundwater requires improvement. A worrying challenge is the minimal pollution contingency measures in place in the district. In addition far more attention

has to be paid towards ensuring and implementing water conservation and demand management.

Some of the greatest challenges in eradicating the backlogs are:

- ▣ MIG Allocated funds do not roll over to the next financial year
- ▣ MIG Funds not spent are forfeited
- ▣ MIG Funds are strictly to be spent only on approved projects that meet the MIG conditions
- ▣ MIG Projects must also be recommended by the respective sector departments
- ▣ Contravention of MIG conditions are regarded as unauthorized expenditure and are not reimbursable by MIG unless approved by MIG
- ▣ Serious drought conditions
- ▣ Limited staff with technical expertise wanting to work in the rural areas of Chris Hani District Municipality

Blue Drop Drinking Water and Green Drop Wastewater Quality Assessment and Compliance

Regular water quality testing at each of the water treatment works in the District is completed by operators as part of their daily routine. The results are recorded at each plant and are forwarded to the District for processing, interpretation and remedial action taken (if required). Monitoring of water quality at the point of consumption is undertaken by Environmental Health Practitioners (EHPs) employed by each municipality in the District.

These EMPs sample water at a number of sampling points throughout each municipality and measure a number of water quality parameters.

- EColi
- pH
- Turbidity
- Total Dissolved Solids (TDS)
- Conductivity
- Free Chlorine
- Nitrates
- Sulphate
- Flouride

In the event that a sample fails to comply with the required standards, it is retested before remedial action is taken. For the eColi test, water is taken from an unsterilized tap and after it has been burned to sterilise the tap. This will give an indication if any pollution enters the water at the tap or prior to the tap.

Comments by Green Drop Inspectors:

“The Green Drop assessment revealed that wastewater management within this municipality ranges from acceptable to entirely unacceptable.

Management of the Komani wastewater system proved to be promising; within this system relatively good scores were achieved across the board except for incident management,

treatment capacity and asset management. A far less convincing performance was recorded at each of the remaining systems. This poor performance necessitates the Department to require the Water Services Authority to provide an explanation together with a turn-around plan within 30 days subsequent to the release of this report. (This to inform the appropriate intervention)

Special attention is required at Tsomo, Indwe, Cradock, Lady Frere, Middelburg and Comfimvaba since all of these systems reached the undesirable maximum risk rating.

This means that it is squarely within the critical risk category; the situation will not turn around without a concerted planning and implementation effort from municipal decision makers and management.

Green Drop Findings:

A lack of operational information indicates ineffective management of the wastewater systems in general; this severely compromised the Green Drop performance of Chris Hani District Municipality and Water Service Providers (Local Municipalities):

Officials indicated a budget for operations and maintenance but could not produce any evidence of expenditure. This prevented the assessors of having complete confidence in the efficacy levels of asset management.

The general lack of information bar one of the systems Chris Hani is responsible for, it is recommended that the compilation of asset registers and investment in operational monitoring will be prioritised, together with process optimisation in a serious endeavour required for effluent quality compliance with authorization limits”

Conclusion:

“The Regulator is not satisfied with the overall performance of wastewater services management in Chris Hani DM. The WSA has to submit a Corrective Action Plan to DWA within 30 days of release of the Green Drop Report.”

Comments by Blue Drop Inspectors:

“Chris Hani DM is another Eastern Cape Water Services Authority that impresses with its drive to improve drinking water quality management. An overall score improvement from 53.1% to 73.5% speaks volumes of the officials’ commitment in this regard. This is sincerely a commendable performance under challenging circumstances.

Nevertheless there would remain areas with dreadful microbiological compliances i.e. in systems such as Cala and Khowa (Elliot). Compliance percentages in these two systems are well below 50% and it can be expected that these communities are at risk. The municipality is required to inform the Department’s regional office within 30 days as from the release of this report on an action plan for urgent improvement of treatment efficiency levels in these areas.

The Blue Drop inspectors noted: “The Water Services Providers responded very well to the deficiencies identified during the Blue Drop Assessment and come well prepared for the Confirmation Interviews. The WSPs were strongly supported by the Chris Hani District Municipality. The District Director personally led the interviews and made sure that each of his

WSPs was represented in large numbers. This illustrates the commitment of the District towards the Blue Drop Certification Programme.”

Findings:

The worst performing systems would be the Rural Systems within the jurisdiction of Intsika Yethu Local Municipality.

Interventions required to address identified ‘Blue Drop’ compliance gaps

It is clear from the Blue Drop Assessment that, while the Municipality has made great progress in improving its water quality monitoring system; specific areas that require additional interventions include:

- Drinking Water Quality testing and compliance in rural areas (especially Intsika Yethu)
- Water Safety Plans in some areas (i.e. rural areas)
- Implementation of the comprehensive testing programme that will fully comply with SANS 241
- Build Capacity and reduce reliance on service providers for support and testing

Roads and Storm water

The road network in the Chris Hani District consists of a hierarchy of national, provincial and municipal roads. Two national routes pass through the Chris Hani District in a north-south direction i.e. the N10 and N6. The local Trunk and Main roads link the larger towns and villages and mostly run in an east-west direction. The best example is the R61, which runs from Cradock in the west through Komani to Mthatha in the east. The total length of the provincial road network amounts to approximately 43 465km. This is made up of approximately 5 102 km (12%) of surfaced roads and 38 363km (88%) of gravel roads. Only 707 km of the total network of nearly 8 900 km in Chris Hani is surfaced.

The overall condition of the road network in the Province and in the Chris Hani District has not improved, mainly due to insufficient funds for maintenance and inherited backlogs. Gravel roads require regular maintenance especially with heavy rains and high traffic volumes as can be seen in the photograph above. From an economic point of view, gravel roads suppress economic development since they lead to high vehicle operating costs and often lead to the damage of crops transported.

The District is responsible for maintaining identified roads in the Inxuba Yethemba area on an agency basis if the Department of Roads and Transport. As the custodian of the secondary roads in the North Western side of the district. It has met this responsibility in a stalwart manner with the Department of Roads & Public Works and is firmly recognized in the Office of the Premier as one of the trendsetters in Road Construction and Maintenance.

The District Municipality (DM) in particular the Roads Section team managed to successfully secure again a new 3 year Service Level Agreement (Road Maintenance Contract) with the Department of Roads & Public Works starting from the beginning of April 2013. The Contract is limited to Provincial Proclaimed Roads within the Inxuba Yethemba and Some Enoch Mgijima Municipality Area. The project started with a budget of 67.5 Million by 2009 and currently believed to increase. An allocation of R22,5 Million was committed for the 2011/12 financial year, continuing with R25 Million for the 2012/13, 2013/14 and 2015/16 fiscal years respectively.

The Roads Staff has been commended by DRPW, the Agricultural Union and the Roads Forum for their professional implementation of the programme as their roads are of a high quality and are maintained on par with the private sector. The program is aimed at all road users particularly the local communities, tourists/visitors, Agriculture and National and provincial funded projects to cater for an Ethanol factory in Cradock. Municipalities that are not part of the Service Level Agreement are serviced by the Department of Roads & Public Works.

RURAL ROAD ASSET ANAGEMENT SYSTEM (RRAMS)

Assist rural DM's to set up RRAMS on behalf of LM's and collect road and traffic data in terms of RISFSA. National Treasury only provide funding for road infrastructure (MIG) to local, district and provincial authorities that have an approved RRAMS in place.

Its Objectives is to ensure efficient and effective investment in roads, development and implementation of RRAMS, Collection of traffic data, road and bridge inventory and condition data, Create employment opportunities, Develop RRAMS and road maintenance planning capacity at DMs and LMs, Use of RRAMS for planning road infrastructure development and maintenance Road centerline set (GIS), Visual condition data (roads & bridges)

SANRAL covers a majority of the paved road network system (1 202.06 kms) in the Chris Hani Municipality as compared to the EC DRPW (336.6 kms). In addition, EC DRWP has a large proportion of unpaved roads that cover a distance of 7963.0 kms. With reference to local municipalities, the Enoch Mgijima Local Municipality has the most paved road network system (235.2 kms) as compared to the others; Emalahleni LM (13.7 kms), Engcobo LM (13.4 kms), IntsikaYethu LM (6.7 kms), InxubaYethemba LM (109.9 kms) and Sakhisizwe LM (14.9 kms). However, there is a significant increase in the number of unpaved road network systems in the same local municipalities with IntsikaYethu LM having the highest number (1699.3 kms).

The second highest is Enoch Mgijima LM with a distance of 1407.0 kms. Other respective municipalities have the following distances of unpaved road network system; Emalahleni LM (782.2 kms), Engcobo (872.9 kms), Inxuba Yethemba LM (143.9 kms) and Sakhisizwe LM (451.0 kms). If put together the total of unpaved road network system amongst these municipalities amounts to a total of 5302.3 kms as compared to 393.8 kms of paved roads.

Engcobo Local Municipality has the largest proportion of good condition in terms of paved roads (89%) as compared to the other local municipalities. Meanwhile, Enoch Mgijima LM recorded the highest number of fair conditions of paved road network systems (56%) amongst

these six local municipalities. Sakhisizwe Local Municipality (34%) had the highest number of poor conditions of paved roads and recorded very poor conditions respectively (4%). Yet again, in Komani the majority of the roads are in a very poor condition and in some cases in a poor state. This means, there are very few roads that are in a good condition.

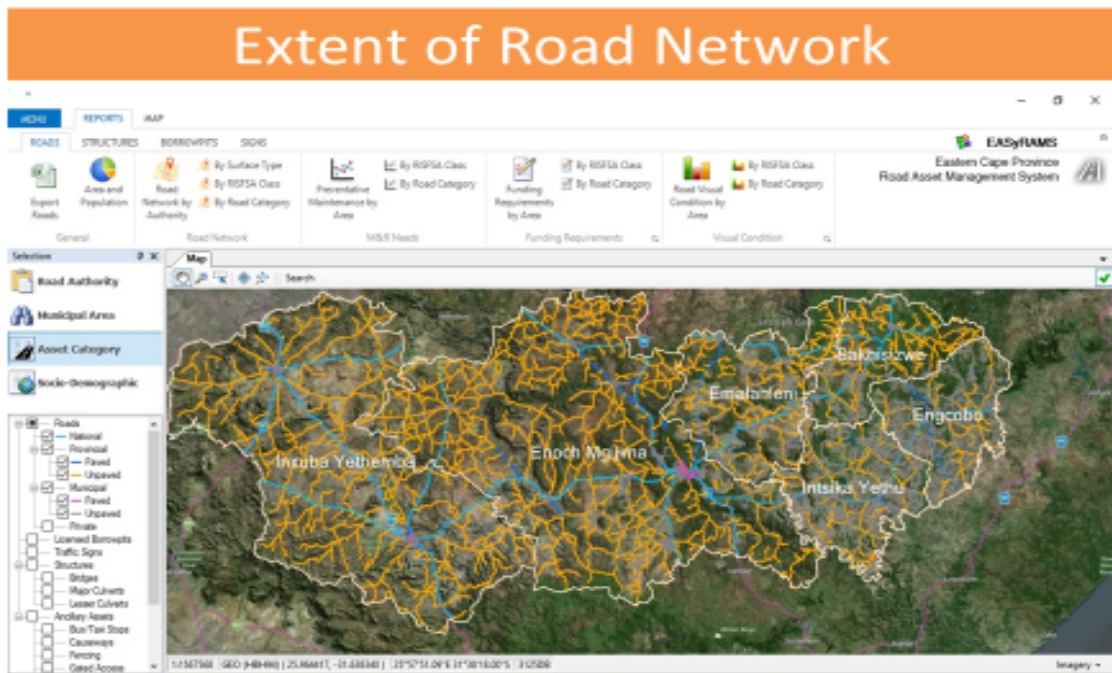
When looking at the paved network needs of each municipality, these three needs were taken into consideration; rehabilitation, special maintenance and periodic maintenance. The main needs of the Emalahleni Local Municipality are periodic maintenance (45.9%) and rehabilitation (16.1%). In Engcobo LM, findings indicate that there is need for periodic maintenance (6.8%). Meanwhile Enoch Mgijima LM paved road network system needs periodic maintenance (53.4%), rehabilitation (25.4%) and special needs (2.3%). An assessment of Intsika Yethu LM shows that most of the paved roads mostly need periodic maintenance (22.8%), special maintenance (8.7%) and rehabilitation (3.1%). Paved roads in Inxuba Yethemba LM mostly need periodic maintenance (54.2%), rehabilitation (32.3%) and special maintenance (1.1%). In Sakhisizwe LM, paved roads need rehabilitation (38.7%). In total, a majority of these local municipalities (50.7%) need periodic maintenance of their paved roads as compared to rehabilitation (26.8%) and special maintenance (1.9%). The cost associated with doing a periodic maintenance of the paved roads in all these municipalities is well above R176, 25 million while costs associated with rehabilitation is above R676.12 million and special maintenance is tagged at R23.34 million respectively.

Concerning the condition of unpaved roads, Emalahleni LM has the highest proportion (97%) of very poor conditions. Engcobo LM has the highest number of fair condition (16%) and good condition (11%) of unpaved roads. A majority of these municipalities as per the findings of this measurement are in the very poor conditions (74%) category. The needs of unpaved roads were categorized into three needs; construction, regravelling and reshaping. A closer look at each municipality indicates that Emalahleni LM mostly needs construction (68.0%) and regravelling (32.0%). In Engcobo LM regravelling is mostly needed (49.5%) as compared to construction (21.6%) and reshaping (4.1%). Regravelling of the unpaved roads is mostly needed Enoch Mgijima LM (51.7%) while construction (31.6%) and reshaping (11.8%) are also a need. The needs of IntsikaYethu LM concerning the needs of unpaved roads are mostly based on construction (58.9%) as compared to regravelling (23.2%) and reshaping (12.5%). Inxuba Yethemba mostly needs regravelling (89.1%) and construction (9.5%) meanwhile a small proportion needs reshaping (0.1%). The Sakhisizwe LM's needs are regravelling (41.8%), construction (35.1%) and reshaping (19.9%). Overall, a majority of the local municipalities need construction (44.2%) as compared to regravelling (39.2%) and reshaping (9.2%).

The costs associated with the construction of the unpaved roads in these local municipalities is well above R1.32 billion, while regravelling and reshaping will cost R722.62 million and R14.32 million respectively. The total cost of unpaved network needs in all the municipalities is an estimated R 2.06 billion.

Furthermore, this took into concern some of the structures found in these local municipalities. This mainly entailed looking at two structures, i.e. bridges and major culverts. A total of 27 bridges and 67 major culverts are found in these six local municipalities. Emalahleni LM has 3 bridges and 2 major culverts, Engcobo LM 7 bridges and 17 major culverts, Enoch Mgijima LM 10 bridges and 24 major culverts, IntsikaYethu LM 5 bridges and 16 major culverts,

InxubaYethemba LM 1 bridge and 2 major culverts and Sakhisizwe LM has 1 bridge and 6 major culverts.



11

OPERATION & MAINTENANCE WITHIN CHDM

The O&M unit is tasked with maintaining the infrastructure within the district of which some of the functions of the unit includes:

- Routine Operation and Maintenance Procedures
- Start and Daily Operations
- Emergency flags
- Equipment Inventory
- Spare parts Inventory
- Equipment repair and Supply information
- Emergency Response and Action Plans
- Water Quality Monitoring
- Water Quality and Regulations Violation response Procedures
- Employee Training
- Monthly Inspection Reports and Observation Report
- System Description which includes
 - (a) Source
 - (b) Treatment
 - (c) Distribution
 - (d) Storage

The technical guidelines assisting in the development of Operation and Maintenance Plans (O & M) for Water and Sanitation are developed so that they are in conjunction with conservation

and demand management as they are in the course of development. The O & M Plan has been developed to satisfy the Licensing of Water Supply and Waste water Treatment system operator Regulations including the development of reporting all daily procedures of maintenance done on each and every Municipal asset and also a description of water supply source, treatment, storage and distribution. This plan is intended to ensure that the system operates in a manner that satisfies all laws, rules and regulations and that all employees are acquainted with their individual responsibilities. The Unit has its own budget to run the programmes of maintaining its operations.

Climate Change and Drought Mitigation

After CHDM was declared as a drought affected District, the Department of Water Affairs allocated a Drought Relief Funding and the District Council adopted an action plan to address the crisis in 2010/11. Subsequent to that the Municipality has developed a Climate Change Adaptation Strategy which was adopted by Council by 2012-2013. Some of actions taken by council include the following decisions:

- That to allocate the funds per Local Municipality.
- Funds have been utilised to test, drill and equip boreholes and also to protect the springs.
- Ground water protocol has to be conducted in all 8 local municipalities.
- WSPs were required to use the existing CHDM tender for ground water protocol to fast-track the drought action plan implementation process.
- CHDM to purchase 12 water carts for water supply which where needed
- Springs are to be protected as alternative water supply.
- The Drought Relief Programme is to continue throughout.

The drought situation was further elevated on the 2010 Water and Rural Development Summit. By the month of March 2012 the institution conducted a Climate Change Summit so as to discuss climate change issues.

Libraries

There is a significant lack of libraries within the District, resulting in school children and other learners being unable to access information they require for their studies. It is noted, however, that some progress is being made in this regard. Intsika Yethu Municipality with DSRAC has also built the library in Cofimvaba Town for the purposes of assisting learners with information. Secondly Through the liberation Heritage programme another library has been built at Sabalele Village with the collaboration of Chris Hani District Municipality and DSRAC, the library is packed with books to assist the learners around the area of Sabalele.

Sports & Recreation Facilities



The District offers a wide display of sports from the more adventurous such as white water rafting, horse endurance trails to the more sedate such as bowls. Indigenous sporting activities such as horse races and stick fighting are promoted and competitions held throughout the rural areas.

Many sport clubs and codes have a proud tradition and have been going for many years. However, there is a significant lack of sports and recreational facilities within the District, especially in the former homeland areas. This may be directly attributed to the policies of the former government, which did not take into cognisance the health and welfare of people living in the then homelands. As a result many schools do not have their own playgrounds or sporting facilities.

Community Halls

Community halls provide multiple opportunities, 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. As informed by powers and functions allocated to municipalities the district municipality is not allocated those powers to provide and build community halls as the function resides with LM's, but flowing from the discussions between DM and LM's it has been advised that community halls be built at each ward within the LM's and be used by ward councillors as their offices because they are closer to the people and therefore reachable. The building of these community halls is a function of Local Municipality as the district is focusing on mostly Municipal Health, Water and Sanitation.

STATUS CORE OF HUMAN SETTLEMENT IN THE DISTRICT

One of the key responsibilities of the Housing Unit in the district is to providing support and guidance to local municipalities that are faced with capacity challenges and financial constraints in housing delivery; to co-ordinate infrastructure projects that are directly affecting housing (sanitation and water) etc, to eliminate duplications; to assist in the monitoring of housing project etc.

In trying to address those local challenges that are facing the District in terms of housing development, CHDM ensures that housing forums are coordinated every quarter and it is chaired by the portfolio council responsible for housing in the district.

The forum is comprised of portfolio heads and officials that deals with housing; infrastructure and town planning in the district and all its 8 local Municipalities; the Department of Human Settlement in the Province and the Region; Sector departments are also invited to form part of the forum.

Chris Hani District Municipality was granted a Developer Status for the construction of permanent emergency houses in the entire district by the Department of Human Settlement. There is currently a backlog of 1300 disaster houses to be developed in the district, of that 427 have been approved thus far as follows:-

- Intsika Yethu LM = 67
- Enoch Mgijima LM = 143

- Emalahleni LM = 49
- Sakhisizwe LM = 65
- Engcobo LM = 73
- Inxuba Yethemba LM = 30

SUPPORT ON HUMAN SETTLEMENT DEVELOPMENT PLAN:

Capacitating of LMs

To provide capacity and support to LMs and other stakeholders with regard to housing delivery in line with Housing Act. Guide LMs on how to develop their Human Settlement Sector Plans, assist in the monitoring of housing projects, give support on planning and implementation of subsidy projects towards integrated settlements, Coordinating the formulation and review of Human Settlement policy and legislation. CHDM plan intends to address the following issues; ensure that housing project benefit the local economy through all the housing programmes in the district. It will ensure that local people are the first preference in terms of employment in the housing project and that building material for the projects is purchased on the local suppliers of the district.

These human settlement programmes are all driven by an existing Human Settlement Steering Forum which involves all Local municipalities in the district: -Human Settlement Portfolio Heads; Municipal Human settlement Managers/officials; Department of Human settlement in the district and other stakeholders are invited when it's necessary.

Main functions of the HSSF

- To discuss housing challenges and housing demands as to get solutions
- To discuss progress reports submitted by the LMs on their housing projects.
- Identify ways of providing capacity to those LMs that are lacking and also discuss other related housing issues.

Telecommunication

Telkom is currently expanding its public phone infrastructure in the rural homeland areas with the result that the majority of Chris Hani residents do have access to some sort of telephones.

Cellular phones cannot be used in all areas of the District due to the mountainous terrain, which disrupts television, radio and cell phone reception. The investment into telecommunications infrastructure is further hindered by vandalism and theft. Cellular and television providers should be lobbied to increase their network coverage in these areas so that consumers can experience a more satisfactory service.

There is still very limited access to fax and computer / internet facilities. GCIS has recently completed a survey whereby they wish to install a multi-purpose facility that will give community members access to all tele-communication facilities in each municipality.

The only existing facilities of this nature are currently located at the Qamata Great Place in the Intsika Yethu Local Municipal area, Thusong Centres and at Ngcobo town.

OVERVIEW OF CHDM TRANSPORT MASTER PLAN

When considered from a transport perspective, the Chris Hani District is of importance not only to the local socio-economic climate, but also to the country as a whole. There are two national roads passing through the district in a north-south direction i.e. the N10 and N6 as well as two rail lines. The two rail routes links Port Elizabeth and East London to the interior. The main east-west road corridors are along the R61 from Cradock, through Queenstown and beyond, the R359 from Komani through Lady Frere and Cala to Khowa(Elliot) and the R56 from Komani through Sterkstroom, Molteno and Steynsburg to Middelburg.

The CHDM Transport Master plan has been carried out to prepare the District meet the demand for safe transport services and facilities. The Master plan positions the District to offer maximum accessibility to the amenities offered in cities and towns throughout the District and the many tourist facilities in the neighborhood. The Master plan intends to provide guidance on the infrastructure requirements to improve major roads and key facilities in towns, signage to guide visitors and public transport services and facilities.

The district is currently committed to the implementation of the Transport Master plan. Therefore the intention will be a joint effort with local Municipalities contributing to implementation in their areas.

The structure of the CHDM Transport Master plan includes the following chapters:

- Travel Demand and Situational Analysis
- Data Collection and Assessment
- Transport Operational Plan:
 - Infrastructure Plan
 - Public Transport Plan
 - Aviation Plan
 - Rail Plan
 - Local Mobility Plan
 - Information and Signage Plan
 - Safety and Security Plan
 - Transport Management Plan
- Branding and Marketing
- Contingency Plans
- Implementation and Evaluation Plan

The CHDM Transport Master plan also contains a clear set of recommendations to prepare the District to compliment the transportation services. By preparing this Master plan, the District shows its commitment and pursues the implementation of the Plan as a matter of priority.

Taxi services

There are 21 registered taxi associations operating in the 16 towns situated within the Chris Hani District. According to the Registrar there are approximately 1 600 active members in the different associations.

This figure excludes operators who are using sedans and bakkies/LDV. It is evident that there are some differences between the Registrar and Taxi Associations due to the frequency of the update of the Registrar's database.

From the records of the Registrar, there are currently 304 registered taxi routes in the Chris Hani District. Bakkie taxis comprise a significant percentage on the routes i.e. +/- 60 % and are dominant in Engcobo, Cofimvaba, Cala and Tsomo. The sedan operation is largest within the Enoch Mgijima Municipality and particularly Komani.

Due to the large number of passengers using taxis in the District, as well as the flexibility of the taxi industry, taxis are the most prominent form of local public transport. The type of vehicles operating in the field varies from the typical minibus, to light delivery vehicles (LDVs) and sedan or passenger cars. There are also many more routes between settlements than there are within settlements. This can be explained by the fact that most of the settlements in Chris Hani are small and thus there is not a great demand for motorised travel within the settlement boundaries. Most daily activities can be accomplished on foot since the distance to be travelled is relatively small in comparison to the greater distances between settlements.

Bus Services

There are currently 29 bus operators in CHDM according to the local ECDRT office but only 11 of these have operating permits and the buses only operate in four of the eight district municipalities. The buses operate on 49 routes of which nine are subsidised. Operations on the subsidised routes were suspended due to feasibility and/or un-roadworthy vehicles. Africa's Best 350 scheme has brought 18 new buses to the CHDM routes.

Long distance travel

There are marked increases in the number of long distance journeys undertaken during holiday periods such as Christmas (December-January) and Easter (April school holidays), whereas during out-of season times there may be no services on those routes, depending on the mode. Long distance routes include a number of important destinations and include both road and rail based services. There is a close relationship between local and long distance public transport services – passengers from outlying areas would be transported on a local service to reach a main settlement and from there transfer onto a long distance service.

Even though long distance travel in Chris Hani resembles a corridor and feeder system, there is little coordination between and within the schedules and frequencies of modes and equally little consolidated information available on long distance travel.

Freight Transport

In Chris Hani, the main freight movement corridors are mainly along the national routes. Cargo is transported nationally through the district from/to the coastal towns of East London and Port Elizabeth primarily to/from Gauteng. The freight is moved by either road or rail. There are no major freight generators within the Chris Hani District other than the typical economic activities in the larger urban area, such as Queenstown.

The movement of freight has become more and more road based in the past few decades. The busiest route being the N10 carries more than 100 long/large heavy vehicles per day. This amount to approximately 10 interlinks per hour along the route.

Rail freight

There are two primary railway lines passing through the Chris Hani District in a north-south direction. They are the East London – Bethulie route (passing through Komani, Sterkstroom and Molteno) and the Port Elizabeth – Cradock – Carlton route. There were also a number of other lines in the district but these are not in use or the lines have been lifted.

Rail Services

The Shosholoza Meyi operated by Transnet Freight Rail operates along two north-south routes through the municipality. The two routes are the following:

- Johannesburg – Bloemfontein – Cradock – Port Elizabeth
- Johannesburg – Bloemfontein – Cradock – Port Elizabeth
- Johannesburg – Bloemfontein – Molteno – Sterkstroom – Komani –
 - Cape Town – Colesberg – Molteno - Sterkstroom – Komani – East London

The area is served well with rail service. These services are mostly passenger services but carry limited freight.

Air Services

There are not scheduled air services to and from any airports/airfields in the Chris Hani District. There are several airstrips near the larger towns. All the airstrips are unsurfaced, except the Komani⁶ airfield, which has one surfaced runway. There are a total of 10 airfields/airstrips located in Chris Hani. The airfields are mostly used for recreational and tourism activities.

Non-motorised Transport

Planning for non-motorised transport (NMT) has historically been neglected even though it is an important method of transport. The main issues witnessed during the assessment process were the unavailability of safe pedestrian facilities, such as walkways and shelters, and accommodation for people with disabilities.

Walking is a major mode of transport in the CBD areas. The surveys indicated that the highest numbers of pedestrians are found in the CBD's of Komani, Cofimvaba, Engcobo, Lady Frere and in Cradock and Middelburg. Pedestrians face many problems due to the limited availability of pedestrian facilities.

Scholar Transport

The importance of intervention in a scholar transport system has its roots in the fact that education levels are low throughout the District, with a literacy rate of 47.1%. It has been found that one of the reasons that contribute to the low levels of education is the lack of convenient access to schools resulting in long travel times, mostly by walking to school.

The issues that the Chris Hani District faces with respect to public transport are the following:

- Multiple small taxi operators that are tied to geographical locations are inflexible and are difficult to coordinate and integrate in a larger system
- Buying power of individual taxi operators is very low.
- Vehicle capacities are not necessarily suited to the demand
- Rail and subsidised buses operated at regional level and are not integrated into local planning
- Operator and regulatory fixation with vehicle type and layout discriminates against passenger volumes / needs and does not provide operational flexibility
- The overloading of heavy vehicles is a major contributor to the premature failure of road pavements.

- Gravel roads often become impassable in wet weather, isolating settlements that can only be reached by such means. .
- The large number of stray livestock on roads.
- Poor management and supply of transfer facilities.
- Derelict passenger rail lines and stations
- Insufficient vehicle testing and licensing facilities
- Unavailability of public transport facilities (including for the disabled)
- Lack of cooperation between Public Transport Operators and the Municipal Authorities
- Lack of Institutional capacity at Local and District level to manage transport planning and implementation.
- Insufficient supply of taxi related information, especially bakkie and sedan operations.
- Outdated information at the Taxi Registrar
- Lack of pedestrian and non-motorised transport facilities
- Lack of accident database for the Chris Hani District
- Lack of District Road Maintenance Programme
- Inadequate pedestrian signs and markings and off-loading areas especially within CBD areas
 - Limited traffic calming measures within areas of high accidents
 - Low visibility of traffic officials and law enforcement
- Insufficient supply of taxi related infrastructure
- Public transport in the rural areas is reliant on bakkies
- By-laws limiting the operation of hawkers on side-walks are not implemented or proclaimed.

Recommendations

- Public transport should provide connectivity where private transport is unfeasible
- Each settlement condition requires a particular development and transport approach
- Strong land use management should be accompanied by integrated transport provision to achieve more compact, efficient settlements and transport services
- Tourism potential should not be ruined by uncontrolled settlement growth or insensitive transport connections

2.6.6 MUNICIPAL HEALTH SERVICES

Municipal Health encompass the following services as detailed in the Constitution of the RSA, part B of schedule 4, and National Health Act, 61 of 2003:

(1) Water

Monitoring water quality and availability, including mapping of water sources. Enforcement of laws and regulations related to water quality management. Ensuring water safety and acceptability in respect of quality (microbiological, physical and chemical), and access to an adequate quantity for domestic use as well as in respect of the quality of water for recreational, industrial, food production and any other human and animal use. Ensuring that water supplies are readily accessible to communities and to the planning, design, management and health surveillance. Ensuring monitoring of and effective waste water treatment and water pollution control, including the collection treatment and safe disposal of sewage and other

water borne waste and surveillance of the quality of surface water (including the sea) and ground water. Advocacy on proper and safe water usage and waste water disposal. Water sampling and testing in the field and examination and analysis in a laboratory.

(2) Food Control

Food safety in respect of acceptable microbiological and chemical standards and quality of all food for human consumption and optimal hygiene control throughout the food supply chain from the point of origin, all primary ground, or raw products production up to the point of consumption. Food inspection at production, distribution and consumption area. Informal Street trading monitoring. Food premises inspection and control of statutory nuisances.

Enforcement of food legislation and Codex Alimentarius. Food quality monitoring programmes and principles through various techniques e.g HACCP audits. Promote the safe transportation, handling, storage and preparation of foodstuffs used in the Primary School Nutrition programme (NSNP), Prisons and Health establishments, Airports etc. Promote safe handling of meat and meat products including meat inspection and examination at abattoirs. Promote the safe handling of milk and milk products

3) Waste Management

Waste management and general hygiene monitoring including:

Ensuring proper refuse storage, collection, transportation and transfer, processing and materials recovery and final disposal. Liquid waste management including sewage and industrial effluents.

Ensuring the proper storage, treatment collection, transportation, handling and disposal of health care waste and hazardous waste. Sampling and analysis of any waste or product (sewage) refuse or other wastes. Investigations and inspections of any activity relating to the waste stream or any product resulting there from. Advocacy on appropriate sanitation.

Control of the handling and disposal of diseased animal tissue. Ensuring safe usage of treated sewage sludge and the health and safety of reclaimed waste. Ensuring waste management including auditing of waste management systems and ensuring the “cradle to grave” approach is adhered to.

(4) Health Surveillance of Premises and these includes –

Environmental Health Impact Assessment including housing projects and indoor air quality monitoring. Assessment of factors including ventilation, lighting, moisture-proofing, thermal quality, structural safety and floor space. Assessment of an overcrowded, dirty or unsatisfactory condition in any residential, commercial, industrial or other occupied premises.

Monitoring all buildings and all other temporary or permanent physical structure for residential, public or institutional use (including health care and other care, detainment, work and recreation including travel, tourism, holiday resorts and camping sites) as well as the facilities in connection therewith and the immediate precincts thereof. Ensuring the urban and rural land-use planning and practices that are conducive to sustainable development through sound environmental health impact and other assessments. Ensuring prevention and abatement of any condition on any premises which is likely to constitute a danger to health.

Ensuring the health safety of the public passenger transportation facilities such as busses, trains, taxis, boats and airplanes as well as all other facilities in connection therewith.

Ensuring compliance with the principles of agenda 21, Healthy Cities approach to integrated service rendering and the practical minimizing of any detrimental environmental health risk.

(5) Surveillance and prevention of Communicable diseases which excludes Immunizations.

Health and hygiene promotion aimed at prevention of environmentally induced diseases related communicable diseases. Collection, analysis and dissemination of epidemiological data and information. Use of Participatory Hygiene and Sanitation Training (PHAST) approaches for effective control measures at community level. Epidemiological surveillance of diseases. Establishment of effective Environmental Health Surveillance and Information System at different spheres of governance. Develop environmental health measures with protocols with reference to epidemics, emergencies, diseases and migrations of populations.

(6) Vector control monitoring which includes: -

Identification of vectors, their habitats and breeding places. Vector control of public health interest including the control of arthropods, molluscs, rodents and other alternative hosts of diseases. Removal or remedying of conditions resulting in or favouring the prevalence or increase of rodents, insects, disease carriers or pest. Residual spraying of premises and surrounds. Investigate zoonotic diseases and other vector borne diseases in the working and living environment. Surveillance of imported cargo and livestock for the prevalence of disease vectors. Serological tests of rodents, dogs and other pets.

(7) Environmental Pollution Control

Including: -

Ensuring hygienic working, living and recreational environments. Identification of polluting agents and their sources, like air, land and water. Conducting environmental health impact assessment of development projects and policies, including Major Hazardous Installations. Identifying environmental health hazards and conduct risk assessment and mapping. Accident prevention e.g. paraffin usage. Approval of environmental health impact reports and commenting on Environmental Impact Assessment applications. Ensuring clean and safe air externally (ambient and point sources), including emission inventories monitoring, modeling and toxicological reports reviews and complaint investigations. Control and prevention of vibration and noise pollution. Prevention and control of land pollution detrimental to human, animal or plant life. Ensuring compliance with the provisions of Occupational Health and Safety Act and its regulations including anticipation, identifying, evaluating and controlling of occupational hazards. Preventative measures required to ensure that the general environment is free from risk health. Ensuring the registration, permitting, monitoring and auditing of all industries, activities, trade, etc, which involves the control of internal impacts on the worker and external impacts on the community and the environment. Infrastructure integrity management including pipelines and tankage. Ensuring emergency preparedness under abnormal operating conditions and disasters jointly with other role players. Develop sustainable indicators appropriate for monitoring the effectiveness of environmental management systems of industry.

(8) Disposal of the Dead

Control, restriction or prohibition of the business of an undertaker or embalmer, mortuaries and other places or facilities for the storage of dead bodies. Regulating, control and prohibition of graves, cemeteries/ crematoria and other facilities for the disposal of dead bodies. Manage, control and monitor exhumations and reburial or disposal of human remains.

(9) Chemical Safety

Including: -

Listing of all operators, fumigation firms, formal and informal retail premises, which deal with the manufacturing, application, transport and storage of chemicals. Permitting and auditing of premises e.g. Scheduled Trade permit. Facilitating pesticides and/or chemical safety advice, education and training.

(10) Noise Control

Assessment of the extent of noise pollution and its effect on human health. Facilitate noise control measures. Measuring of ambient sound and noise levels.

(11) Radiation (Ionizing and Non Ionizing) Monitoring and Control

Including: -

Ensuring that ionising and non-ionising radiation sources are registered with Department of Health. Ensuring that the registered ionising and non-ionising radiation sources meet the license conditions. Monitoring the safe transportation of radioactive material to ensure compliance. Ensuring that radioactive sources are licensed with the Nuclear Energy Council of South Africa. Ensuring that all radiation material wastes from hospitals and other licensed establishments are properly disposed of. Ensuring safety against any form or sources of electro-magnetic radiation.

(12) Control of Hazardous Substances

In terms of control/monitoring the following is undertaken by the district:-

Ensure that substances are correctly labeled. Ensure that all active ingredients are indicated.

Ensure that warning signs are indicated. Ensuring that precautions are taken during storage/transportation and appropriate protective gear is utilized during handling. Ensure that all substances are registered with the Departments of Agriculture and Environmental Affairs.

To ensure control of substances to prevent injury, ill-health or death by reason of their toxic, corrosive, irritant or flammable nature. To control the importation, manufacture, sale, operation, application, modification or dumping of such substance. To undertake licensing and registration of premises. Inspection of premises to ensure safety, storage, compliance, precaution measures, etc. Ensure sampling is done according to approved procedure. Ensure that all labeling regulations are complied with. Check on all stock records and ensure hazardous substance register is up-dated. Ensure that empty containers are disposed of according to statutory requirements.

Background and Status of Municipal Health Services in the District Municipal area

The significant role that Environmental Health Services play in the economy and health systems of South Africa has been overlooked for many years and we hope that this process will open more doors for dialogue to promote and develop the service and the profession to serve its purpose to ensure that our communities live, work and recreate in accordance with their constitutional right, in a healthy and safe environment.

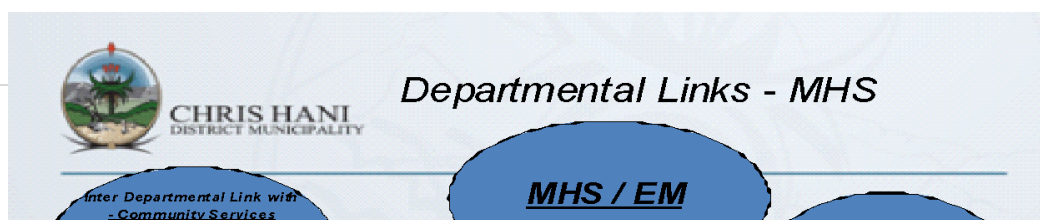
Environmental Health Services were in the past and in some cases still are fragmented with the different service providers such as local, district and metropolitan municipalities as well as the provincial department of health that rendered the services in the same areas, everybody mainly focusing in another angle of environmental health. Governments aim was to rationalise the health services and therefore they introduced a local government based District Health System as the vehicle to render Primary Health Care services to the communities. Therefore the Constitution made mention of the term municipal health services as a local government function. The latest developments in the delivery of environmental health service by local authorities are influenced and directed therefore, by the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), that first promulgates three categories of municipalities, namely A – metropolitan municipalities, B – local municipalities and C –district municipalities. It also makes mention of municipal health services under Part B of Schedule 4 of the Constitution, which is a responsibility of the Metropolitan and District Municipalities in accordance with section 84(1) of the Municipal Structures Act, 1998 (Act 117 of 1998) and section 32(1) of the National Health Act, 2003 (Act 61 of 2003). Municipal health services are also included in the term health services in the last mentioned act.

Nevertheless, the term municipal health services that are allocated to metropolitan and district municipalities, includes a list of selected environmental health services (EHS) activities and aspects. Therefore, the metropolitan and district municipalities are the authorities to implement and render municipal health services. In view of the latter, our Council had in 2006 conducted section 78 assessment in order to fully inform the process of transferring municipal health services from category B municipalities and the Province back to where they belong in terms of the afore mentioned pieces of legislation. Since that time, to date, this process presented a number of financial and human capital challenges. As a result, the transfer of staff although done it had some challenges which are to be ironed for good.

The matrix above will take cognisance of the population ratio as dictated by the national norms and standards, which categorically states that one (1) EHP per 15 000 population.

Internal stakeholder relations

The diagram below shows the relationship this unit has with other departments within CHDM that continuously support this unit in an endeavour to achieve its fundamental objectives and goals. This relationship is existing despite challenges that are however manageable.



Sanitation Resource Centre

The main purpose of the centre is to promote safe sanitation within the district and also educate communities on health and hygiene practices.

2.6.7 ENVIRONMENTAL MANAGEMENT

This Environmental Management unit is legislatively informed by the National Environmental Management Act 107 of 1998 wherein its function is to address environmental management and climate change related issues. Critical to this unit is the development of a district wide Climate Change response Strategy. This will be done in collaboration with all other interested and affected stakeholders. The strategy will address adaptation and mitigation measures in an attempt to conserve the natural resources that exist within the district. This unit strides to ensure realization of Section 24 of the Constitution wherein it is stated that everyone has the right to an environment that is not harmful to their health or well-being; and to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that prevent pollution and ecological degradation, ensuring conservation and ecologically sustainable development and use of natural resources.

1. Waste Management

Chris Hani District Municipality is not performing the task of refuse removal. The refuse removal services are performed by the local municipalities and in this case the 6 local municipalities performing this task of refuse removal are Enoch Mgijima, Sakhisizwe, Inxuba Yethemba, Ngcobo, Emalahleni and Intsika Yethu local municipalities. The local municipalities provide high quality standards of waste management services considering their rural nature and economic stress. Waste is collected on a daily basis in town and in urban residential areas and townships the waste is collected twice a week.

There are refuse receptacles in a form of skips and rubbish bins in towns and the refuse removal vehicles, tractors and trucks are in good conditions. The waste is disposed in the landfill sites which are managed at local municipal level.

Waste Management Planning and Projects

CHDM assisted all the 6 local municipalities by developing the Integrated Waste Management Plans. This means that all local municipalities within CHDM have integrated Waste Management Plans which are currently under review. Through CHDM's partnership with the national Department of Environmental Affairs (DEA), Multi recycling facility and buyback Centre on Waste Programmes are being implemented in all 6 municipalities in the region. These programmes mainly focus on waste collection, recycling & sorting of waste, awareness campaigns as well as landfill sites management. The DEA provided funding and support towards licensing of Cradock landfill site and rehabilitation of the Whittlesea, Hofmeyer and Dordrecht waste sites. Several EPWP programmes are implemented in municipalities towards

cleansing, establishment of buy back centers and recycling. CHDM Municipal Health Services also assist local municipalities by means of conducting quarterly reviews on compliance matters of landfills to improve compliance to the Waste Act. All local municipalities are also assisted on clearing and rehabilitation of illegal dumps site into recreational parks.

1. Greening and Land Care Programmes

In relation to greening, CHDM has resolved to 'green' its events by planting trees as means of striving to counteract the carbon footprint. Trees are planted for the purpose of greening especially in towns, villages and schools.

As part of greening and land care, CHDM is implementing job creation projects for correcting environmental degradation by means of eradicating invasive alien plants and encroaching species like *Euryops* (Lapesi), Black and Silver Wattle. The Wattle Eradication Programme and or Land Care Management Programme are implemented in certain areas of Ngcobo, Enoch Mgijima, Sakhisizwe, Emalaheni and Intsika Yethu municipalities. The greening and environmental rehabilitation programs have also been expanded to include research and a management program for Satansbos at Inxuba Yethemba municipalit. The main objectives for land care and greening programmes are as follows:

- Alleviate poverty through responsible environmental management
- Create employment for the communities
- Promote behavioral change with respect to environmental management
- Protect the environment and ensure the safe use of land

2. Environmental Education and Awareness Programmes

Awareness programs are conducted on environmental quality management, land care and sustainable development in relation to climate change. Observation of environmental days like Arbor Day, World Environment Day and Water Week helps in raising the awareness in terms of identified themes for those programs on an annual basis. Environmental education programmes are also conducted in schools. The impact of these capacity building sessions cannot be overemphasized as we can see that CHDM is now ready to address the scourge of climate change and make it beneficial to the citizens of this region through greening, recycling, and renewable energy initiatives. Environmental education programmes are also conducted in schools.

3. Environmental Planning and Management

The Council adopted the CHDM Alien Invasive and Bush Encroaching Plant Management Strategy in 2017. In June 2018 the Chris Hani DM Council adopted the CHDM Environment and Climate Change Strategy and the CHDM Environmental Management Plan. The Air Quality Management Plan is under review and it is anticipated that the plan will be adopted before the end of the 2018/19 financial year. The Integrated Waste Management Plans for the District will be reviewed in the current financial year 2018/19.

4. District Wide Environment and Climate Change Forum

In February 2014, CHDM hosted a District Wide Institutional Strategic planning session in preparation for a 5 year IDP (2012 – 2017), wherein climate change was prioritized by all Departments in the name of mainstreaming. Subsequently, a climate change summit was convened on February 2012 with a resolution to functionalize a district climate change forum. It is against this background that the Environment and Climate Change Forum has since been operational. The forum focuses on a wide scope of environment and climate change aspects affecting the district including local municipalities pertaining to:

- Education, awareness and capacity building
- Compliance, Legislation and policy (requirement and formulation)
- Biodiversity
- Waste Management and Air Quality
- Climate Change
- Air Quality Management
- Project Management (Environmental related projects)

CLIMATE CHANGE

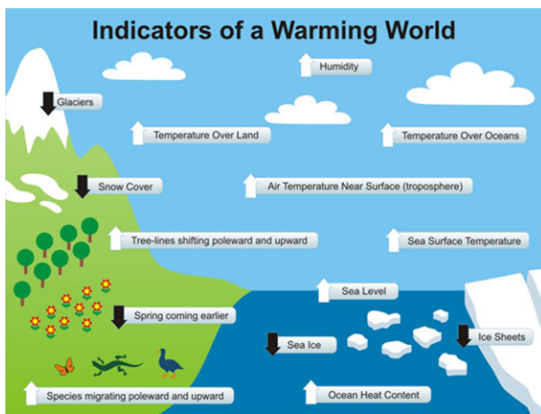
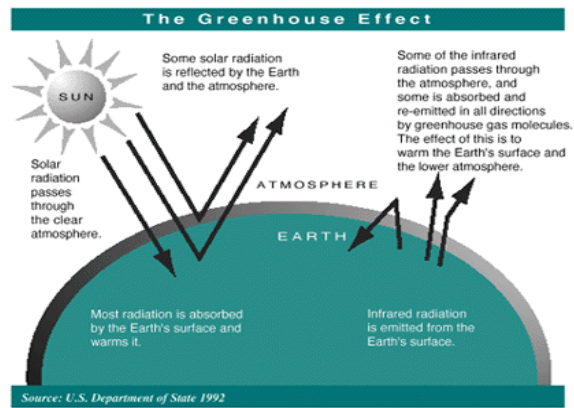
Climate change is defined as the statistical significant and lasting change in the characteristics of the climate system. Besides natural processes, climate change may result from human activities, as is the case with the current climate change concerns. The major concern as a significant of climate change is the increased emission of greenhouse gases, e.g. Carbon Dioxide, Methane, Nitrous oxide and Halocarbon gases that contain fluorine, chlorine and bromine – mainly used in aerosols.

The Impact of Climate Change and International Efforts to deal with the Challenge:

A key characteristic of the current climate change is global warming which refers to the general increase in surface temperatures across the world. The main concern and urgency about dealing with climate change is that the process is irreversible. Scientific evidence gathered from different research activities around the world strongly indicate that the climate is changing and the main contributor to these changes are human activities.

The use of fossil fuel, e.g. coal, in energy generation is one of the major producers of greenhouse gases which are destroying the atmosphere resulting in the increase in surface temperature due to ozone depletion. Other factors that contribute to the climate change include the use of aerosols, cement manufacture, animal agriculture and deforestation.

The international community is alarmed by the current rapid change in climate, which is leading to **global warming**, and this has led to international consultation and attempts to reach consensus on measures that need to be adopted to reduce the impact of climate change, at forums such as **the United Nations Framework Convention on Climate Change (UNFCCC)**, the **Kyoto Protocol** (1997) and **COP-17** which was held in South Africa in 2011 has not really yielded the intended results.



Some of the noticeable effects from climate change in South Africa include the change in the type, distribution and coverage of vegetation which has affected agricultural activities, especially in rural areas like Chris Hani District Municipality (CHDM) and areas with semi-desert especially the Eastern Cape Province. South Africa is already experiencing some effects of change in climate such as the recent extreme weather patterns e.g. very hot and cold seasons and heavy rains and flooding, with droughts hitting other parts of the country, these do not follow the known or anticipated climatic conditions.

The Need to Urgently Adapt and Mitigate the Impact of Climate Change:

Climate change requires that all nations, act now and together without exception. The impact of changes to the climate stretches beyond territorial boundaries. There is consensus among researchers that, adaptation policies and programmes need to be implemented without delay on a multi-scale level to reduce the envisaged crisis and disasters that are associated with climate change. According to some experts the projected climatic changes for Africa suggest a future of increasingly scarce water, collapsing agricultural yields, encroaching desert and damaged coastal infrastructure.

South Africa is a water scarce country, and this natural resource is seriously threatened by the current global warming that characterizes climate change. At provincial and local government levels including District like CHDM, this will require more collaboration in seeking solutions and adapting so that the contributing factors to this phenomenon are reduced.

It is envisaged that the impacts of climate change ‘will be magnified or moderated by underlying conditions of governance, poverty and resource management, as well as the nature

of climate change impacts at local and regional levels'. In 2008, the Secretary General of the Organisation for Economic Cooperation and Development (OECD), Angela Guirra, made the following statement, during a Conference on "Competitive Cities and Climate Change", "In our cities, citizens, industries and institutions must respond to the challenges of technological change and globalisation. In our cities, as elsewhere, we must deal with the social implications of change (...) Urban areas could (also) play a central role in successfully addressing global environmental challenges (...) Cities generate almost 70% of total gas emission. **There is no doubt that improvements in urban design, housing stock, traffic congestion and accessibility, disaster prevention and waste management, are crucial component of a strategy to combat global warming.** If cities fail to deal effectively with environmental challenges, our planet is in serious trouble". - Competitive Cities and Climate Change. OECD Conference Proceedings, 9-10 October 2008, Milan, Italy.

The relevance of this statement can never be under estimated as we see the urgency of the need for all of us to act decisively in dealing with what has been described as one of the man-made security threats of this century. Experts gathered at the OECD 2008 Conference proposed that:

"Strong and effective urban policies that enable cities to benefit from globalising processes require flexible, multi-level forms of inter-governmental joint action. The need for a multi-level governance framework for urban development policies is particularly critical for addressing climate change. City and regional leaders are generally best suited to design strategies for addressing their own local climate change risks. Likewise, local governments are needed as partners to implement nation-wide climate change response policies, while at the same time designing their own policy responses that are tailored to local contexts."

It is within this background and within the context of South Africa's experiences and unique conditions that it has been deemed fit to develop and spearhead the programme on Climate Change within our CHDM, as part of a District wide adaptation strategy. The National Department of Environmental Affairs is in the process of finalizing that Climate Change Bill which will further assist the Country in addressing issues of Climate Change.

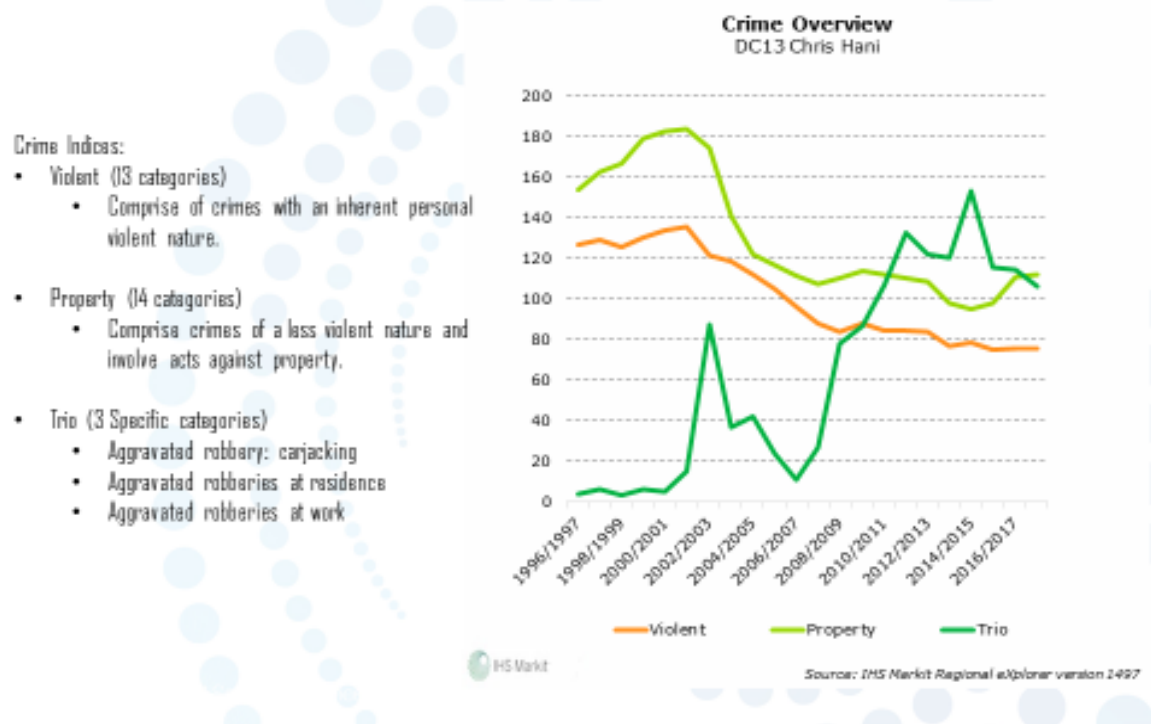
2.6.7 Safety and Security

Whilst crime remains a serious issue within the District, the SAPS are undertaking numerous strategies through which to combat crime. SAPS records the incidence of crime on a daily basis, and utilises this information to manage the crime situation in the region. The most significant rises in crime as indicated by the chart below are in indecent assault, residential burglary and theft not covered in other categories.

Crime Statistics that's has been released by SAPS have indicated that there is a rise in certain crimes.

9) Community Perspectives

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Some of the key challenges faced by SAPS in addressing crime relate to the poor quality of some roads which lead to police stations. This is most notable in rural areas. The result is such that it is difficult for the residents of the area to access police stations. In addition, infrastructure capacity – particularly with regards to the holding cells is an issue. There is currently insufficient jail accommodation in the area. As a result, many convicted prisoners are kept in holding cells.

It is noteworthy that the SAPS boundaries and those of the Local and District Municipalities do not coincide. As a result, the coordination of activities is often a challenge.

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.

2.6.8 Disaster Management & Fire Fighting Services

CHDM has a well-established Disaster Management Centre which was officially opened in 2005. It operates with some average staff and with limited resources, on the communication side this has since been addressed as a world class communication system has been installed

and deals with disasters in terms of issuing of early warnings, receiving calls and dispatching response vehicles and making Incidents Reports. Within the district there are six Satellite Centers in that are located in strategic municipalities which are operating with three officials each which are equipped with information communication systems and linked to all emergency responses agencies and it the responsibility of these centers to conduct vulnerability and risk assessment as they are closer to communities.

These satellite centers are not fully equipped with all proper infrastructures and district is making in-roads in terms of addressing the bottlenecks. The officials in those satellite centers are responsible for educating the communities on disaster management risk reduction practices as embodied in the Disaster Management Act 57 of 2002 and Disaster Management Framework of 2005 respectively.

So as part of their daily operations they are to undertake these programmes of conducting community vulnerability and risk identification. In response to the climate change challenges, the district will conduct a scientific risk assessment in the next financial year that will inform the development of a Disaster Management Plan. The municipality adopted its Disaster Management Plan in 2012-13 and is annually reviewed and adopted by council together with all other sector plans and is the one that guides and inform how disasters must be managed and addressed looking into the Spatial sphere of the district as chapter 4 of the IDP document broadly explains the Spatial Development Framework of the district. Disaster Management Plan for the period 2017-2022 has been developed and adopted by council.

Within Disaster Management Centre Firefighting services are located at there, though the district is responsible for hazardous and veld fires it has also extended its services to the local municipal areas where resources are not available or insufficient to perform the services effectively. The district is on a mission of determining the roles and responsibilities of this function between category B municipalities and Chris Hani DM as this will give effect to formalization of working relations between these spheres of government as some functions tend to overlap between CHDM and its LM's, but this does not mean the function won't be undertaken as there is a co-operative agreement in between municipalities. Chapter 3 of this IDP indicates how this process will unfold.

For the year 2015-2020 CHDM has developed CHDM District Fire Services Plan with the understanding that Chris Hani District Municipality is prone to many human- induced and natural veld, forest and mountain fires which occasionally leads to loss of live-stock, lives or injuries, property, economical loss and environmental degradation (damage the natural resources base or adversely alter natural processes or ecosystem. In the past decade, these fire occurrences have become more frequently and severe. A detailed analysis is on the plan itself which can be assessed on municipal website.

HIV & AIDS EPIDEMIC

The issue of HIV&AIDS Coordination needs to be clearly articulated as contained in the National Strategic Plan on HIV and AIDS, STIs and T.B., DPLG framework and SALGA country plan of HIV&AIDS within the local government environment. This has been explicitly explained under the section of demographics above.

HIV AND AIDS PREVALENCE WITHIN CHRIS HANI DISTRICT MUNICIPALITY

Antenatal Sentinel HIV and Syphilis Prevalence Survey for Chris Hani District Municipality show that HIV and AIDS prevalence was 27.1% in 2006, then increased to 30.2% in 2007, then decreased to 27.0% in 2008 and remained at 27.0% in 2009 but increased to 30.1% in 2010. HIV and AIDS prevalence among CHDM employees and councilors was found to be 16% in the baseline survey conducted by Epicentre in February 2009. CHDM continues to invest in its communities and its workplaces through implementation of community and workplace HIV&AIDS programs. In the workplace programmes within CHDM education and awareness programmes are conducted internally at departmental and at institutional level.

HIV and AIDS workplace committees within CHDM and in the local municipalities have been established and they assist in planning and implementing HIV and AIDS workplace programmes. Peer educators as part of internal programs also assist in identifying departmental needs and implementation of departmental HIV and AIDS programmes. Peer educators also capacitated to provide counseling and support to their peer within the departments. They also assist in condom distribution and monitoring of consumption of condoms. The prevention programmes are aimed at preventing new HIV, STI and T.B. infections and re-infections to those already infected HIV Testing and Counseling Services are continually offered to the employees and councilors in line with programmes and events conducted to encourage employees and councilors to know their health status which includes HIV, STI's and T.B. These programmes are implemented as informed by HIV/AIDS, STI & TB Workplace Policy which has been adopted by Council towards end of 2013-2014 financial year.

The education programmes also focus on the human rights and as well as responsibilities of employees. Employees are informed about policies and other legislations to empower them to know their rights and responsibilities and to be able to exercise these in the context of HIV and AIDS. Other programmes which are conducted are care and support programmes which are aimed at providing support to the employees and councilors infected and affected by HIV and AIDS. These programmes are implemented in partnership with internal and external stakeholders such as Wellness programme, Special Programmes Unit and other stakeholders. Individual employees are able to access individual counseling from HIV and AIDS section or Wellness Programme. Referrals are also made to external services. National and International calendar events are also commemorated however the focus is more on implementing programmes for maximum impact.

Chris Hani District Municipality HIV and AIDS unit also provides technical guidance and support to the Local Municipalities and other stakeholders within the district for the implementation of internal and external HIV and AIDS programmes. Partnerships have been made with all the local municipalities within Chris Hani District Municipality for both internal and external HIV and AIDS programmes in implementing programmes such as Sexually Transmitted Infections and Condom use promotion, Candlelight memorial and World AIDS day. A policy for Mainstreaming of HIV and AIDS by all departments within Chris Hani District Municipality, its local municipalities and district wide has since been developed and it involved all stakeholders in the process and they will be capacitated for its implementation. All these programmes are aimed at reducing the impact of HIV and AIDS within the district.

CHDM also coordinates implementation of integrated HIV and AIDS programmes within the communities through forums such as District AIDS Council, Local AIDS Councils and Ward AIDS Councils. LACs have been established and inducted in all local municipalities. Ward AIDS Councils have been established and inducted in six local municipalities. These forums ensure integrated planning and implementation of HIV and AIDS programmes within the communities. Some of the programmes of DAC are research conducted during door to door campaigns which is aimed at identifying service delivery needs of communities as well as educating household on a numbers of issues such as health and social issues, HIV and AIDS, social grants and other issues. The District AIDS Council (DAC) has conducted door to door campaigns in the seven local municipalities.

DAC also provides capacity building for its stakeholders on identified capacity needs. As part of DAC programmes, partnerships have been held with various stakeholders such as Chris Hani Choral Music Society, Chris Hani Council of Churches, Department of Sport, Recreation, Arts and Culture and Walter Sisulu University.

Policies and Strategies developed to address and mitigate impact of HIV/AIDS within the district and these were adopted by council.

- HIV and AIDS Workplace Policy adopted in 2007 and later reviewed in 2013-2014 and adopted by Council.
- HIV and AIDS Strategic Plan Document for Workplace Programme developed in 2010, adopted by council.
- District HIV and AIDS Strategy Document 2008 – 2011 has been reviewed in 2012 and adopted by council.
- Mainstreaming of HIV/AIDS, STI & TB Mainstreaming Policy which has been adopted by Council towards end of 2013-2014 financial year.

Key issues within HIV/AIDS Workplace Strategic Plan developed in 2010 are:

Levels of HIV infection among the participants, according to five-year age bands, are tabulated on the strategy. HIV infection levels were highest among employees below age 50 years.

Due to the fact that the Chris Hani District Municipality has a relatively older workforce (with about 60% of the employees tested being over age 40 years) it can be expected that many employees with HIV infection may be moving into the later stages of infection and that increasing numbers will be getting sick.

Stigma levels are high, with 99% of the employees surveyed believing that they will lose their job if they disclose their HIV status. This means that the municipality's HIV and AIDS policy needs to be better communicated, and that there is a need for HIV and AIDS-related training among management personnel in order to enable communication and implementation of the policy.

The employees appear to face high levels of exposure to HIV; 2 out of 3 of those surveyed reported that they had nursed a person with HIV. Thus, there is a need for more HIV and AIDS-related training for municipal employees.

Among the municipality's employees, the peer educators are not effectively training their peers, and meanwhile they require tool kits to training their peers. This is a serious gap in the current peer education programme.

The employees generally believe that the municipality's HIV and AIDS workplace programme is of value, but they would like it to focus more on HIV and AIDS-related treatment and life skills. About 50% of the employees surveyed knew their HIV status.

Overall, the employees would like VCT offered annually through the workplace. Several other health problems were reported by the employees: 88 reported having high blood pressure, 17 had asthma, 20 had diabetes, and 54 said they had symptoms of TB. Mental illness is perhaps the fastest-growing disability problem. The survey found significant levels of mental illness among the municipal staff who participated. A large number of employees reported symptoms of stress and depression. About 70 employees said they suffered from stress, did not sleep well at night, have headaches, or are tired all the time. About 30 employees said they were depressed. More than 50% of the employees reported money problems and consequently needed financial training. The results also indicate that gambling is a problem as a large percentage of the employees reported that they gamble.

CHRIS HANI DISTRICT HIV AND AIDS MAINSTREAMING STRATEGY

The strategic plan document guides Multisectoral coordination of HIV and AIDS programmes within the district through the District AIDS Council (DAC). The DAC is a multisectoral, multi-stakeholder structure that is coordinated within the CHDM. It is located in the office of the Executive Mayor, Chaired by the Portfolio Councilor for SPU, Public Participation and HIV and AIDS and administratively coordinated within the office of the Director, Health and Community Services by the HIV and AIDS unit. The DAC has subcommittees that are formulated according to the priority areas mentioned above. The sub-committees ensure the implementation of the council programmes and projects that are related to HIV and AIDS within the entire district.

The Strategic Plan focused on 8 Priority areas in response to HIV & AIDS within the Chris Hani District Municipality area of jurisdiction.

Priority 1: Prevention, Education, Awareness and Condom distribution

Priority area 2: Care and support for people living with HIV and AIDS (PLWHA)

Priority area 3: Care and Support for orphans and vulnerable children (OVC)

Priority Area 4: Circumcision

Priority area 5: Access to Human Rights and Justice

Priority area 6: Research, Monitoring and Evaluation

For the year 2015-2016 financial year CHDM did a major review of the HIV, AIDS, STIs and TB Mainstreaming Strategy. This workplace strategy is one of the Chris Hani District municipality's contribution in the broader national and provincial integrated response to the challenges posed by the HIV and AIDS pandemic and its purpose is to bring into life the CHDM HIV and AIDS workplace policy framework through development, co-ordination and implementation of appropriate HIV and AIDS workplace programmes that include:

-
- a) To help CHDM staff and partners understand the principles and stages in mainstreaming HIV and AIDS.
 - b) To develop a clearer understanding amongst staff and partners about integration activities and holistic mainstreaming.
 - c) To give practical advice about implementation, through user-friendly, adaptable steps towards mainstreaming

3 CHDM Anti-Poverty strategy

The institution developed its own Anti-Poverty Strategy taking a tune from the Eastern Cape Anti-Poverty strategy. The main purpose of the strategy is to work on identifying the challenges that are poverty related and put forward the fundamentals of what the district will consider as an appropriate responses to address those challenges in an comprehensive, multi – dimensional, sustainable and wellbeing manner.

The mandate to formulate the strategy derived from various platforms; the Chris Hani District Municipal Council took a resolution that the strategy be developed.

The overall objective of this strategy is to eradicate poverty. In fighting poverty the strategy will focus on the creation of economic opportunities and enabling or empowering communities and individuals to access available opportunities in the district.

The aim is ensure social assistance and provision of basic services and ensure sustainability of the program by equipping communities to support themselves. Most importantly we aim at resolving poverty through improving the economic situation of households, by ensuring and facilitating a coherent approach towards the implementation integrated programmes and strategies.

The strategy focuses on the following key elements:

- Comprehensive understanding of Poverty (definitions, determinants, indexes and measurements)
- Strategic targeting of areas, packaging of programmes that will have the strongest Poverty Reduction impact
- An acknowledgement of each department’s responsibility, and other stakeholders’ responsibilities in ensuring poverty eradication.
- Encouraging inclusive and participatory setting of targets and monitoring of outcomes or success indicators
- The facilitation of intergovernmental collaboration, resources mobilisation, allocation and interrogation

Expanded Public Works Programme & Community Works Programme

The institution is a beneficiary to the national programme of Expanded Public Works Programme and has developed a policy around EPWP which was adopted by Council in 2010 and reviewed annually. The policy identified Learnership and Job Creation as two key initiatives that CHDM can implement EPWP.

Learnership

From the programme 23 learner contractors had been appointed for the next intake of Learnership on EPWP. These contractors are appointed for the period of three years working in different project i.e. water and sanitation. The project Intsika Yethu Sanitation has been identified as one of the labour intensive project that will be done by these learner contractors. Learner contractors were awarded the project Intsika Yethu Sanitation in May 2011.

There were challenges with suppliers who do not trust contractors but 16 of them manage to finish the project in time. The other 7 are still busy on site. The contract duration for the project is 6 months which ended in February 2012. Due to the delays the contract duration was extended to end March 2012. Since Learnership involve labour intensive and training, contractors will resume with classroom training from the 2nd of April 2012 for them to qualify for NQF Level 4. The training will take 8 weeks and after that they will be working on another Sanitation project under Cemforce construction.

Job creation

Under the EPWP the municipality was allocated R10 037 000 million incentive grant for 2017/18 financial year. To earn this allocation, three directorates/ departments within the institution, IPED, Technical Services and Municipal Health Services, are participating on EPWP. CHDM has a target of creating 3832 work opportunities and 670 Full Time Equivalent (FTE's) for 17/18 FY. A total number of 6127 work opportunities have been achieved and 612 FTE's achieved in all EPWP projects as was reported to the Department of Public Works. The municipality has received an amount of R6 128 000 million for 2018/19 and for 2019/2020 it has been allocated R 4 642 000.

Since there are Municipalities that are failing to achieve their target due to limited funding, the Department of Public Works has diverted from the Schedule 8 (performance based) to Schedule 5/6 (conditional) grant, starting from 1 July 2013. Municipalities will be given 40% of their allocation upfront and for them to claim the rest they are expected to spend the 40% first. The Planning Unit also does a programme of Paving, Beautification and Greening through the concept of Small Town Revitalization where labour is sourced from the affected areas and a paid through EPWP incentive. For 2013-14 an amount of R10,5 Million was utilized on Paving and out of that jobs were created throughout the district in municipalities like Enoch Migijima , Inxuba Yethemba etc. Following year 2014-15 same amount of R10,5 Million was also utilized for the same concept. For 16/17 FY our allocation is R9,6 million with a target of 1200 FTE's.

Community Works Programme

Community works programme was launched as a pilot project under the auspices of the Presidency and Social Development in 2007 and was further included as EPWP new element in 2008. Its main aim was to provide a safety net by providing minimum level of regular work opportunities and to supplement the existing livelihood strategies and reduce poverty and deprivation amongst unemployed. For 2018-2019 participation rates were as follows

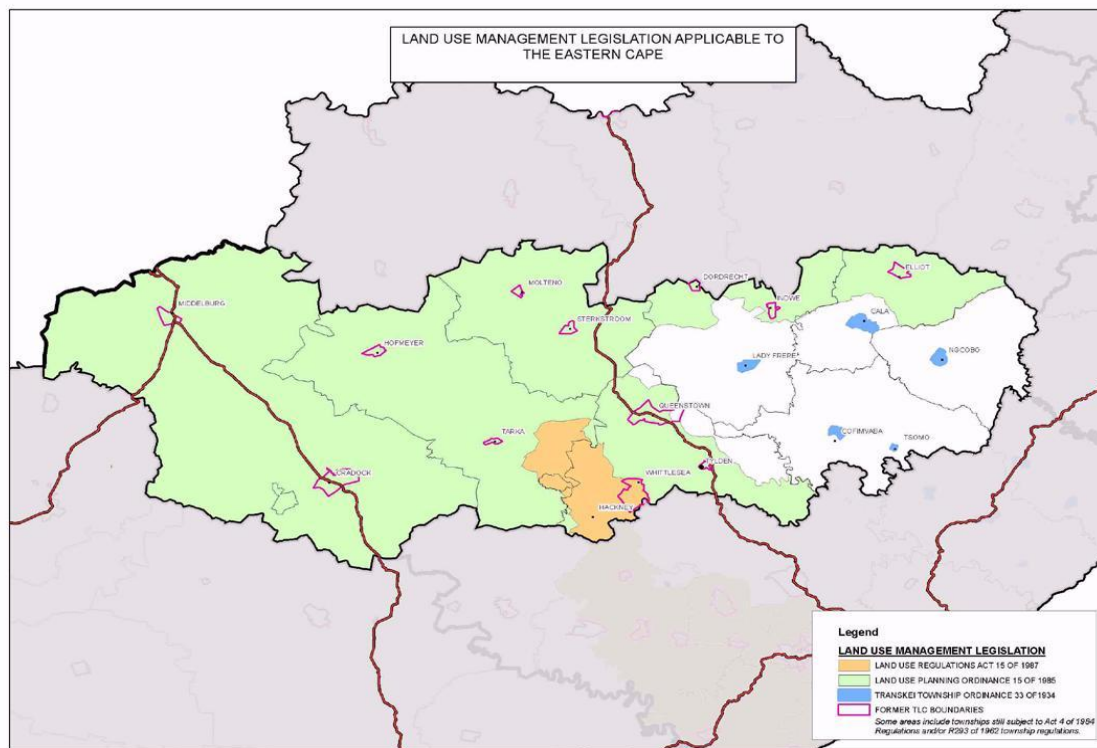
Intsika Yethu= 1200 Target Participants Rates with 1000 Original Participation Rate

Sakhisizwe = 1000 Target Participants Rates with 1000 Original Participation Rate

Engcobo = 1000 Target Participants Rates with 1000 Original Participation Rate

Enoch Mgijima=3000 Target Participants Rates with 3000 Original Participation Rate
Emalahleni=700 Target Participants Rates with 500 Original Participation Rate
Inxuba Yethemba=500 Target Participants Rates with 500 Original Participation Rate

2.7 SPATIAL ANALYSIS and RATIONALE (Refer to Chapter 4 detailed analysis of SDF)



The Map above illustrates the historic legislative environment that the district has been operating in prior to the new SPLUMA legislation. The implementation of the new SPLUMA legislation (including the establishment of enabling structures and procedures) provides an opportunity to create a more efficient and integrated settlement pattern in towns and settlement within the district. The district is further addressing spatial development challenges through its District Spatial Development Framework which has been adopted by Council. The Spatial Development Framework forms part of this IDP document.

2.7.1 Land Tenure and Ownership

The Chris Hani District Municipality comprises parts of the former Transkei and Ciskei homelands and former RSA (Cape Province). The most common form of tenure in the former Transkei and Ciskei areas is the communal land tenure system. Ownership of land in the urban areas and former RSA areas is held by Free-hold Title Deeds. A considerable amount of land in the area of the former homelands remain in state ownership. This situation results in difficulty in obtaining land and use rights for developmental purposes. There have been calls from communities in the rural areas to be given title to their land on an individual basis.

Spatial planning professionals working within the district are faced with developmental challenges due to the varying perceptions of communities and prevailing administrative

practices which are largely still based on past legal frameworks. This has led the district to focus on creating of spatial development plans and guidelines that outline the development direction of the key nodes within our area, namely SDFs, Precinct / Small town development plans and Land Use Management systems. Although these initiative have are new to our district, it serves as evidence that the district and its LMs' are committed to create an environment to promote economic growth in both the urban and rural environs, that benefits the residents, the business community and the Local municipalities.

2.7.2 Small Town Development

In its endeavor to define the district's spatial rationale, the CHDM Spatial Development Framework focuses on the strengthening of linkages between the different centers within the CHDM area and their relationship with centers outside the boundaries of CHDM. This led to the CHDM adopting the Small Town Development Approach that is aimed at accelerating development through alignment of economic activities to ensure value chain addition. The Small Towns Development approach looks at the redesigning of the town layout with the aim of ensuring the potential of the space in and around the town are fully realised.

The Chris Hani Regional Economic Development Strategy highlighted the need to identify and prioritise Small Towns along the economic corridors that have the potential to participate actively in the value chain of the different sectors and implement small town development initiatives.

At Intsika Yethu Local Municipality, Cofimvaba was identified as one of the towns that had the potential to grow as it is one of the main service centers on the R61 east corridor, this culminated in CHDM and Intsika Yethu local municipality with the assistance of Eastern Cape Local Government and Traditional Affairs embarking on the Small town Development plan for Cofimvaba and Tsomo town. Since 2012-2013 CHDM Council set aside about R10 Million to address the decaying towns within the district hence focusing on Paving, Beautification and Greening. The amount was spread within our towns with Inxuba Yethemba focusing at Middleburg Lusaka Village and Cradock. In Enoch Mgijima the focus was on fencing of the Mlungisi Cemeteries and beautification and greening of Hofmeyer, Molteno and Sterkstroom. By the year 2015-2016 the CHDM assisted Engcobo and former Tsolwana to develop their Small Town Revitalisation Strategies and from those strategies projects will be identified and implemented. For the Engcobo town, it is key to deal with congestion through construction of the Main Taxi Rank so as to remove them from the main road as well as beautification and paving all over the Engcobo Town.

A total budget of R25 Million was needed to develop the town of Engcobo and for 2015-2016 the council has set aside R7 Million for paving, beautification, street furniture, parking and hawker stalls within the CBD. For Tarkastad key is to pave sidewalks and beautify the town. Council further budgeted R10, 5 Million for the Small Town Revitalisation programme which would focus on paving and beautification of Hofmeyer, Lady Frere, Hofmeyer, Mlungisi, Molteno and Middleburg etc.

The Small Town Regeneration concept is aimed at creating a development plan with a 30 year future outlook of it growth potential and creating a plan that seeks to realise that potential.

The plan does not place the district and Intsika Yethu LM as the sole role players in the realizing the developmental objectives of the Cofimvaba and Tsomo towns, Tarkastad and Hofmeyer as well as Engcobo, but instead looks at creating plans to be used as a spatial guiding foundation that assists stakeholders/ investors to define their role in the overall growth/development of these towns.

The following reflect the aim behind Small Town Development:

- Strengthen the retail, business, industrial and employment role of the Town Centres.
- To develop the community, civic and educational roles of the two Centres as key attributes of vibrant Town Centres.
- Build on the unique function of each of the sub-centres serviced by these major Centres as a defining characteristic of these areas and a contribution to the Corridor Development initiative in the District.
- Improve connections between the sub-centres and encourage activities adjoining access routes between the major Centres and the sub-centres to create a more physically contiguous and integrated Town Centre service area.
- Consolidate the individual roles of the Centres so that they can better serve the sub-centres, and act as destinations for sub-centre communities by providing an extensive and unique range of retail, community and leisure opportunities.
- Encourage new housing in and around the Town Centres that increases the range of housing choices.
- Create an attractive and distinctive built environment that supports the range of activities of the Town Centres.
- Create a positive urban image for each part of the Town Centres through the design of buildings and spaces.

COFIMVABA Small Town development Conceptual framework



Source: Cofimvaba Small town Development plan

On 7 and 8 April 2016, the Karoo Small Town Regeneration (STR) and Regional Economic Development (RED) Conference was convened by SALGA in collaboration with local and district municipalities from the Western Cape, Eastern Cape (Chris Hani District Municipality and Inxuba Yethemba), Northern Cape and Free State in Beaufort West. In addition to the municipalities a number of key national and provincial stakeholders, together with a number of institutions of higher learning were in attendance. A Conference Declaration was drafted mandating SALGA to specific actions and activities facilitating a regional approach towards planning and the economic development within parts of the Karoo across the four provinces. Post the 2016 Conference, SALGA together with key stakeholders have worked to implement these actions and activities, which in turn form the **Karoo STR and RED Initiative**.

Building on the inaugural Conference held last year, the 3rd Karoo STR and RED Conference was held in De Aar on 10 and 11 July 2018. **Karoo STR and RED Initiative** is intended to be a strategic partnership between public, private, academic, non-government and community-based organisations. This is unique in that it is the first of its kind in South Africa as it is centered on formal collaboration (inter-municipal cooperation) within a specific biophysical functional region (namely the Karoo) which spans across four provinces (Eastern Cape, Northern Cape, Free State and Western Cape).

The purpose of the Initiative is to foster planning and development within the Karoo through leveraging resources in municipalities across the four provinces. Furthermore, the Initiative enables more structured processes for collaboration amongst municipalities. This allows municipalities to collectively negotiate for better development outcomes by ensuring local communities of the Karoo benefit from dividends derived from catalytic investments. It also aims to influence government planning priorities within the Karoo. Amongst the objectives of the conference are as follows:

- ✓ Present progress on outcomes of the 2017 Conference Declaration;
- ✓ Formalise inter-municipal co-operation;
- ✓ Create a platform to engage catalytic projects within the Karoo,
- ✓ Co-ordination of Karoo programmes and projects;
- ✓ Ensure alignment of planning across municipalities within the Karoo Regional Initiative;
- ✓ Sharing of stakeholder initiatives within the Karoo;
- ✓ Improved socio-economic impact of catalytic projects/investments; and
- ✓ Foster development through leveraging resources amongst Karoo Municipalities.

Chris Hani District Municipality Council has adopted the Karoo Small Town Revitalization Concept as they are the beneficiary through the Inxuba Yethemba Local Municipality as it's on the Karoo Region.

2.7.3 Land restitution and redistribution

The Land Reform Area Based Plan is a sector plan of the Municipality, to be implemented in partnership with the Department of Rural Development and Land Reform, the Department of Agriculture, and Chris Hani District Municipality. The Area Based Plan is a plan aimed at ensuring the achievement of local land reform objectives and targets in a coordinated and integrated manner with other development initiatives.

The Land Reform ABP Vision is:

A transformed farming community that is:

- *Reflective of a racially diverse rural population living in harmony, with tenure, social and economic security;*
- *Agriculturally productive in all municipal areas, producing food for the population in an economic and environmentally sustainable manner.*

Transformed communal settlement and land areas that are:

- *Reflective of households with secure and defined tenure rights, which are protected by law;*
- *Reflective of an efficient and effective system of administration of the land and the management of the use of the land;*
- *Agriculturally productive, with allotments and commonages producing food for the household and, and where appropriate, on a commercial basis, in an economic and environmentally sustainable manner.*

Objectives and Targets for the Municipal ABP are:

REDISTRIBUTION

- a. In terms of the national policy objective of achieving a 30% redistribution of white owned farmland:
- b. In terms of the national policy objective of productivity on redistributed farms: Farms redistributed achieve at least 80% of envisaged production output estimated in the Project Business Plan, and generate at least 75% of envisaged beneficiary income estimated in the Project Business Plan within 5 years from land occupation by the beneficiaries, with output and income steadily increasing from its baseline in year one.

COMMUNAL LAND MANAGEMENT

The key Focus Areas for land reform in the communal land areas have been identified as:

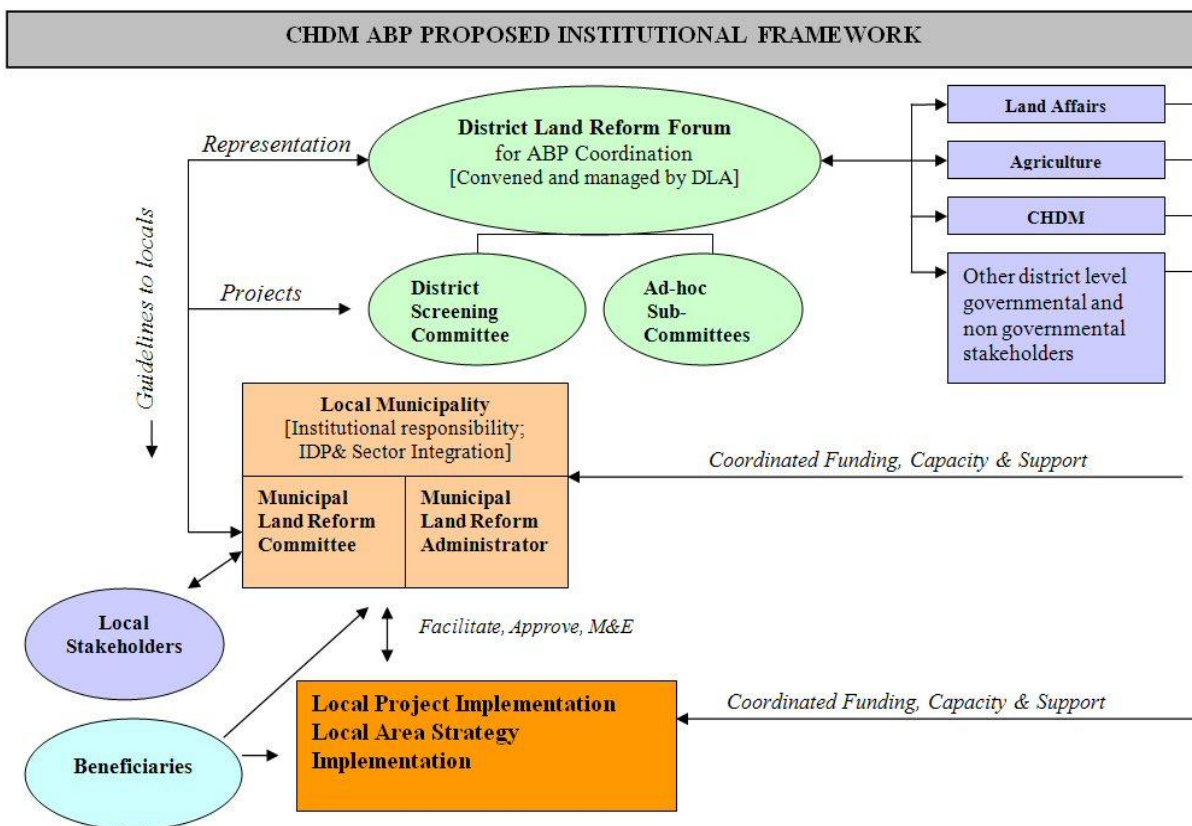
1. Land Administration (by which is meant, in this ABP, dealing with the key issues of land allocations, and recording and managing land rights in communal land areas);
2. Tenure reform or, more specifically, land rights clarification, upgrading or formalization (achieving recognized security of tenure); and
3. Dealing with issues of settlement planning and land use management (for example, to better permit natural resource utilisation for economic development and/or manage such natural resources to ensure appropriate land use and prevent resource degradation).

Strategies applied to deal with these focus areas are:

1. To implement a targeted programme of Local Planning Processes in areas prioritized by local municipalities.
2. To secure management support from the District Municipality and the Department of Rural Development and Land Reform for Local Planning Processes projects.
3. To establish a capacity building programme in support of local planning projects being implemented.

The Institutional Framework for Implementing the ABP is:

- a. Establish local land reform offices with a Land Reform Administrator
- b. Establish and convene the local Land Reform Committee
- c. Participate in the District Land Reform Forum
- d. Implement and manage the Small-Scale Farmer Support Programme



All projects are subject to implementation funding from the Department of Rural Development and Land Reform, and (for relevant aspects) from the Department of Agriculture or other Departments.

2.7.4 Land Administration Concerns

There is much concern about land administration in terms of land allocation, the recording of issued land rights, the management of land use processes in rural settlement areas, in the former Ciskei and Transkei area.

This result from the breakdown of the formal system in the communal land areas which has resulted in informalisation of practices whereby various role-players like, traditional Authorities, Department of Agriculture, ward Councilors, allocate land and record such allocations. The problem of land administration has repercussion on land management because it results in conflict between land uses in the rural areas. The issues are further clarified in the attached SDF.

Development issues

All the land for development in the urban areas is owned by the Municipality and private individuals whilst the State owns the rural land in the former Transkei and Ciskei. Whilst land is available for development, it is not quantified, ownership issues are unclear and zoning schemes and spatial development frameworks are outdated and inadequate in providing direction for future and current development needs.

Land tenure issues whereby ownership of land in the urban areas and former CPA areas is held by free-hold Title Deeds but in the rural areas is generally communal is creating tension and delays in development projects. This current fragmented land tenure system and the different planning legislation aligned to it creates difficulty in:

- accessing of land for development, primarily for housing, grazing or farming
- More effective utilization of existing land, addressing land rights, provision of title deeds and management and rights on the municipal commonage.
- Developing an effective land administration system

MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT

Institutional Transformation and Organizational Development deals with the institutional arrangements that have been put in place to ensure that the municipality responds to the development needs of the communities on the one hand, and that it is able to effectively and efficiently deliver on its legislated powers and functions on the other hand.

MUNICIPAL POWERS AND FUNCTIONS

The Chris Hani District Municipality is a category C2 municipality mandated to perform those powers and functions vested in District Municipalities as contemplated in schedules 4 and 5 of the Constitution of the Republic of South Africa, Act 108 of 1996. In addition to these powers and functions as contemplated in the Act, the CHDM is mandated to perform such functions and powers as determined by the MEC responsible for Co-operative Government and as gazetted by the province. In relation to this, therefore, the core mandate of the CHDM is the supply of bulk water and sanitation infrastructure, disaster management, municipal planning, municipal health services, tourism, local economic development and maintenance of provincial roads as per the agreement entered into between the CHDM and the Department of Roads and Public Works. The table below depicts those powers and functions vested in the district and those allocated to the various local municipalities within the district jurisdiction.

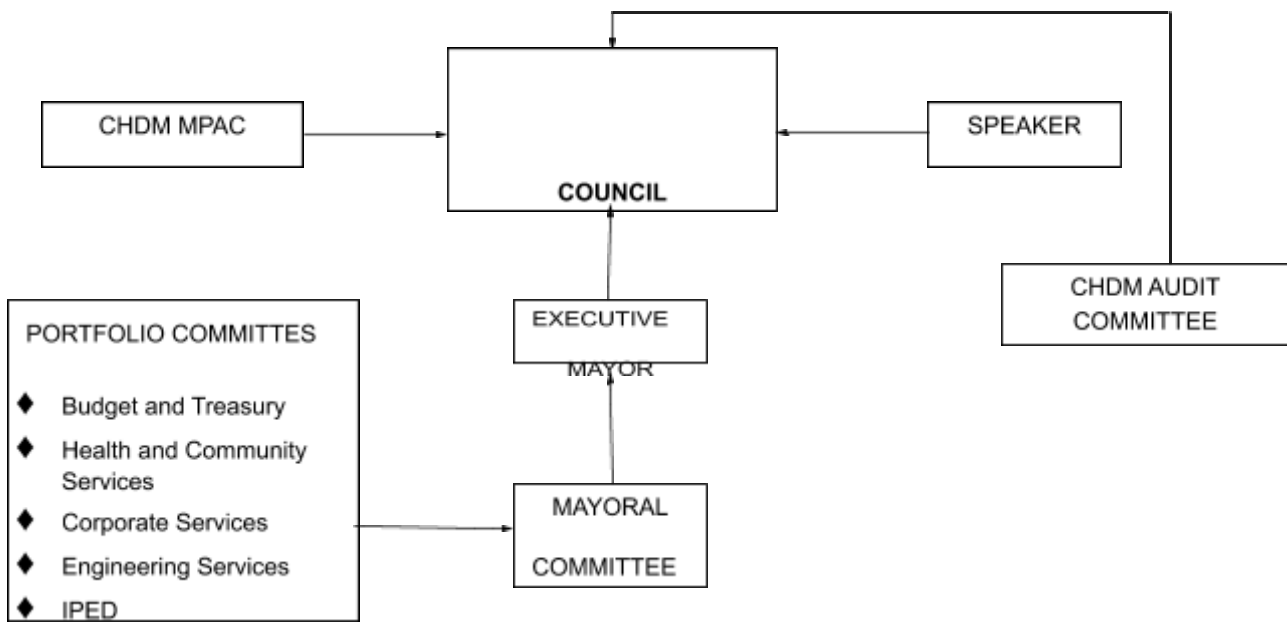
FUNCTION	CHRIS HANI DM	ENOCH MGIJIMA LM	INTSIKA YETHU LM	ENGCOBO LM	SAKHISIZWE LM	EMALAHL ENI LM	INXUBA YETHEMBA LM
Air pollution	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Building regulations	N/A	Yes	Yes	Yes	Yes	Yes	Yes

Child Care facilities	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Electricity reticulation	N/A						
Fire Fighting	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Local Tourism	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipal Planning	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipal Health Services	Yes	No	No	No	No	No	No
Municipal Public Transport	Regulation	Yes	Yes	Yes	Yes	Yes	Yes
Storm water	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Trading regulations	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Water (potable)	Bulk supply	Yes	Yes	Yes	Yes	Yes	Yes
Sanitation	Bulk supply	Yes	Yes	Yes	Yes	Yes	Yes
Billboards and the display of adverts in public places	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Cemeteries, Crematoria and funeral parlors	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Cleansing	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Control of public nuisances	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Control of undertakings that sell liquor to the public	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Fencing and fences	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Licensing and control of undertakings that sell food to the public	Yes	No	No	No	No	No	No

Local amenities	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Local sport facilities	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Markets	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Municipal abattoirs	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Municipal parks and recreational facilities	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Municipal roads	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Noise pollution	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Pounds	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Public places	N/A	Yes	Yes		Yes	Yes	Yes
Refuse removal, refuse dumps and solid waste disposal	Management of solid waste sites	Yes	Yes	Yes	Yes	Yes	Yes
Street trading	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Street lighting	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Traffic and parking	N/A	Yes	Yes	yes	N/A	N/A	N/A
Licensing of vehicles	N/A	Yes	Yes	Yes	N/A	N/A	N/A
Road maintenance	Yes (Agent: DORT)	N/A	N/A	N/A	N/A	N/A	N/A
Libraries	N/A	Yes	Yes	Yes	Yes	Yes	Yes

POLITICAL GOVERNANCE

The Chris Hani District Municipality utilises the Mayoral Executive System where the exercise of executive authority is through the executive mayor in whom the executive leadership of the municipality is vested and who is assisted by a mayoral committee. Recently the CHDM has applied to MEC COGTA-EC for the position of Deputy Executive Mayor, this has been informed by the level on which the municipality is as it qualified. As such that request has since been approved. The Council of CHDM has various Section 79 committees (the portfolio committees as well as the Municipal Public Accounts Committee [MPAC]) each chaired by a Councillor elected from within Council and an audit committee established in terms of Section 166 of the Municipal Finance Management Act. The Speaker of Council is the chairperson of Council, convenes and presides over Council meetings. The diagram bellow illustrates the political structure of the CHDM.



The CHDM Council has a total of 42 Councillors of which 25 are on Proportional Representation (PR) and 17 Councillors that are Direct Representatives from Local Municipalities within the District. Seven of the PR Councillors are members of the Mayoral Committee. There are also 07 Traditional (6 Males & 1 Female) Leaders that sits on a council which represent their areas. The table below depicts the composition of Council in terms of party representation of the PR Councillors:

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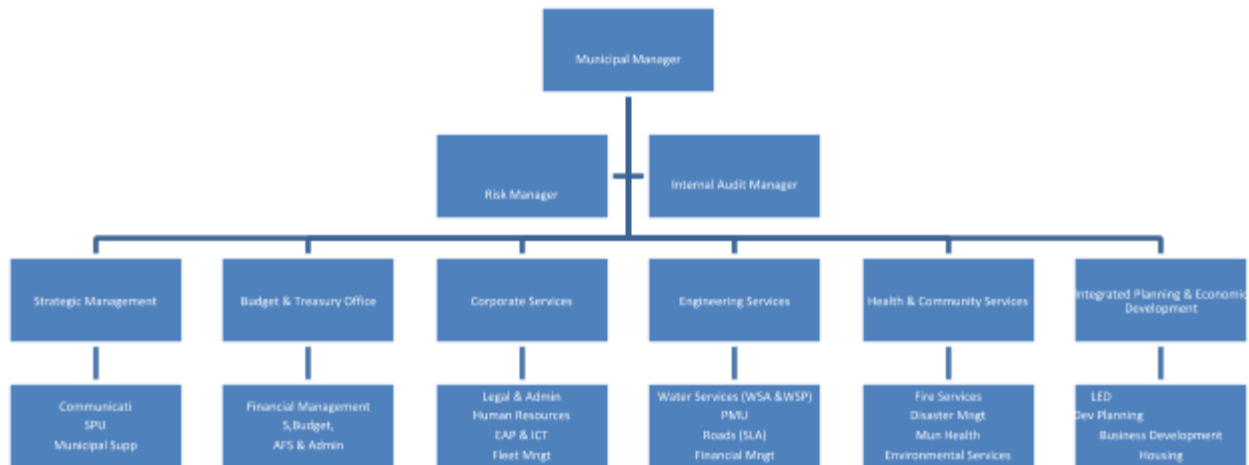
Councillor demographics and Political Parties

Political Party	Total Number of Councillors	Male Councillors	Female Councillors
ANC	32	13	19
DA	4	4	
EFF	2	1	1
UDM	4	2	2
Total	42	20	22

ADMINISTRATION

The Municipal Manager is the Head of the administration and Accounting Officer as defined in the Municipal Structures Act 117 of 1998. The responsibilities of the Municipal Manager include managing the financial affairs and service delivery in the municipality and is assisted and supported by the Chief Financial Officer and the Directors of respective departments as well as the Strategic Manager. The CFO, the Directors of the respective departments as well as the Strategic Manager are appointed in terms of Section 56 of the Municipal Systems Act. Currently there are two vacancies position of Municipal Manager and Director Engineering. Positions are gender balanced as out of four Section 56/57 two are Males and the other three are females. The political leadership and the administration complement each other to achieve the objectives of the IDP.

The diagrams below reflect the administrative structure of the institution.



HUMAN RESOURCE

The Municipality is committed to an efficient human resources system and has reviewed a number of policies to ensure the effective development, compliance and welfare of employees. Currently, the municipality has in its employment 855 workforce all with clear Job Description of whom majority are employed in the core departments which are Engineering Services, Health and Community Services and Integrated Planning and Economic Development. All these positions are funded by the institution. Out of a total number of employees there are also contract employees. All CHDM workforce including Councillors are guided by the Code of Conduct of the institution which was developed and adopted by council. The municipal organogram is reviewed annually as informed by objectives of the municipality within that financial year. The institution is also implementing an internship programme and has 50 Interns which are allocated within the district in all six local municipalities. All these interns are funded by EPWP.

The current approved organizational structure together with the proposed positions that will ensure attainment of the objective entailed in the IDP is attached at the back of the document for ease of reference. The process of prioritization, engagement, alignment and integration will be embarked on with all the relevant stakeholders.

Employment Equity

The Municipality strives to meet the Employment Equity targets to comply with the Employment Equity Act and redress past imbalances. 100 % of Section 57 employees are black (inclusive of African and Coloured) and 50 % of Section 57 employees are female. The Council of the Municipality has adopted an Employment Equity Plan for implementation for 2017-2022 period with clear numeric targets to be achieved in each year of the plan. The reviewed plan is reviewed annually and adopted by council together with all other policies for implementation in the next financial year. Current demographics of the workforce in terms of gender representation are as follows: Males 574 and Females 281. The institution makes submissions to Department of Labour around Equity targets.

Human Resource Development

Human resources policies were approved by Council and are being implemented and some of them are to be developed and redone due to some gaps identified due to operational requirements and legislative imperatives. The need for development of new human resources policies has also been identified. Policies that are had just been adopted by council during the current financial year include the following, Subsistence & Travelling Policy, Study Assistance Policy, Skills Development Policy and Health and Risk Assessment, OHS, Declaration of Interests, Staff Attraction and Retention Policy etc. All these are reviewed annually and are presented to all relevant stakeholders for inputs and comments. Amongst those still to be developed include Succession Plan Policy when need arises.

Work Place Skills Development Plan was adopted by Council and review annually for each financial year and is currently being implemented. A new WSP has been developed and submitted to Local Government Seta.

The Municipality also implemented a number of skills development-related programmes, which include:

- Implementation of the Workplace Skills Plan;
- Internships Programme
- Study Assistance Programme;
- National Treasury Minimum Competency Requirement

The Internships programme provided Graduates with practical learning experience from communities within Chris Hani area of jurisdiction. The Internship programme was made possible by the Engineering Department through the Expanded Public Works Programme which is funded by Public Works.

The municipality has implemented its approved Workplace Skills Plan in the previous financial year 2018/19. Seventy nine [79] employees have received training within this financial year at a cost of R 1,042,886.00 during the mid-year. A total of nine [9] training interventions were implemented.

In line with the Government Gazette No 29967 on Minimum Competency Level, the municipality has commenced with the implementation of the regulations in that:

- Managers and Senior Managers, Councilors were capacitated through Wits Business School
- 5 managers and 2 Councilors in the past were capacitated through the Wits Business School.
-

Internships, Learnership and Experiential Training

Out of one hundred and eighty [180] interns that we had in the past financial year, one hundred and four [104] unemployed graduates concluded their two year internship programme and 76 participants left the programme before conclusion of the contract for various reasons. Currently there are fewer active interns within the institution and are receiving exposure in the working environment and provide assistance in service delivery.

Study Assistance for Employees

As part of building capacity of the workforce the District is providing study assistance to those employees who wish to further their studies. The above is of assistance to both the employee and the organization in that when the skills of employees are enhanced also the level of performance or productivity is also improved. Within this current financial year more than ten [10] employees have received assistance to further their studies in the following fields:

- Financial Field
- Engineering
- Human Resources
- Administration

LABOUR RELATIONS

The Labour Relations division is to foster degree of cooperation through various structures which are formed by its own internal stake holders and to minimize the causes of unnecessary conflict or restrictive practices and to

maintain sound Labour relations between unions and management .i.e to create micro and macro institutional structures which seeks to address the institutional challenges. To enhance productivity of the organization through advising and having workforce which is informed about all work related issues.

Labour relations division has the authority to manage grievances, handling disciplinary hearings, facilitating Labour disputes and to facilitate local Labour forum

Disciplinary Hearings

The Labour Relations officer handles and provide services of prosecution on various cases within the district and also support Local Municipalities.

Local Labour Forum

There abovementioned structure serves as a consultative structure between labour and management and is functional. The structure is made up of Councilors, Managers and both two recognized union in the sector as prescribed in the Collective Agreement on Organizational rights which are SAMWU & IMATU.

EMPLOYEE ASSISTANCE PROGRAMME

EMPLOYEE WELLNESS

Employee wellness programme is an institutional strategic partner and enabler in realisation of IDP objectives by improving the employee, councillors and traditional leader's well-being & productivity through provision of the following integrated preventative, rehabilitative and after care programmes:

Counselling interventions were implemented for 166 employees, traditional leaders, councillors and their immediate family members. Group therapy sessions on how to deal with trauma, grief/loss and depression, stress management were implemented. These sessions contributed to improved work-life balance, emotional and psychological resilience.

Organizational wellness programmes

The organization has gone through political and administrative changes that affects the functioning of the institution, hence implementation of change management and team building programmes was effected for 300 employees.

Healthy lifestyle and health management programmes

Healthy lifestyle programmes were implemented for 150 employees and councillors at Komani, Emalahleni and Ngcobo .Through the healthy lifestyle programmes, there are noticeable improvements in weight loss, improvement in management of illnesses such as diabetes and hypertension, improvement in energy and sleeping patterns.

Substance abuse programme

The substance abuse programme is aimed at prevention, rehabilitation and to provide support to employees and councillors with substance abuse challenges as guided by substance abuse policy and strategy. There 80 participants in the programme, participating in outpatient, support groups and after care programmes. Success stories such as reduction in alcohol abuse, reduction in absenteeism, improvement in financial management and productivity have been achieved through this programme.

KAPB survey & medical assessments, Mainstreaming and capacity building programmes

Anonymous Knowledge Attitude practises behaviour survey and medical assessment was conducted for 527 employees , councillors and traditional leaders focusing on HIV&AIDS, cholesterol, diabetes , hypertension, financial management and job satisfaction. The survey revealed that there is insufficient knowledge on cholesterol, diabetes and hypertension in the ages between 25-35yrs whereas the older generation from 40-60years are more aware.

Mainstreaming and capacity building programmes were implemented for 275 employees and councilors and the focus was on educating employees, councilors and traditional leaders on STI, STD, TB, domestic violence, relationships and diabetes.

OCCUPATIONAL HEALTH AND SAFETY

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

- Policy procedure manual for management of injuries on duty was developed
- Training of SHE Reps and Incident investigators
- Installation of first aid kits in cars
- She awareness and educational programmes for high risks offices such as water and roads.

- 580 employees were provided with PPE
- Provision of advice on compliance with OHSA to managers and the institution
- Provision of medical and administrative assistance to employees and councillors with injuries of duty.
- Technical support to Local Municipalities on how to improve their wellness programmes

CHALLENGES

- Delays in the Compensation fund in registering the claims for Occupational injuries
- Insufficient personnel to implement the programme
- Health risks assessments of high risks occupations
- Lack of medical aids for employees
- Management of incapacity and chronic illnesses

INFORMATION COMMUNICATION TECHNOLOGY

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

- Constitutions of the Republic
- Municipal Systems Act
- MFMA
- SITA amendment (Act 38 of 2002)
- Promotion of Access to Information
- Electronic communications and Transaction Act (27 of 2002)

Key functions of the unit are :

- Ensure effective ICT governance
- Enable effective operation of the municipality's support functions by ensuring development, implementation and maintenance of appropriate systems.
- Provide the necessary, secure and sustainable infrastructure based on the most appropriate technology
- The Municipality needs access to accurate and timely information at all times for executive and management decision support

- To improve the management of 3rd party vendors (suppliers) by the efficient application of SLA's
- Increasing efficiency and effectiveness through continuing assessment, quality improvement and accountability to stakeholders
- To Support Local Municipalities in ICT related matters

ICT GOVERNANCE

CHDM Council towards in 2013-2014 financial year has adopted an ICT Governance Charter (Framework) in order to have effective governance. The CHDM adopted Prince2 as an ICT project management methodology embedded in the ICT Governance Framework. Prince2 provides a structured framework for managing organizational projects and is not limited to ICT projects. The DM established an Information Communication Technology Steering Committee (ICTSC) with terms of reference. The ICTSC was established as a governance mechanism in line with generally adopted IT governance frameworks such as COBIT, COSO & King reports. The steering committee meets quarterly. Other ICT governance structures as outlined in the ICT Governance Framework, namely the Business Architecture Forum and Information Security forums are to be established.

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

- ICT Network Policy and Plan
- Disaster Recovery Policy and Plan
- Internet, Email and Intranet usage policy
- Computer Equipment Acquisition policy

The latter two are due for review:

- ICT Risk Management Policy
- Mobile Device Management Policy

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

NETWORK INFRASTRUCTURE AND SECURITY MANAGEMENT

The District Municipality has 5 remote sites that are connected by a wireless network. The unit maintains the network infrastructure to ensure a robust network with minimum downtimes. An ICT network audit is conducted every two years and a report is produced with recommendations to ensure that the network infrastructure meets at least minimum industry standards and security measures are in place. The CHDM revamped its main server room to ensure compliance with required server room industry standards. The server room at Bells road has since been moved to the 1st floor and revamped to meet server room industry standards. The District Municipality has a Service Level Agreement with a Service Provider to provide second line support to the unit and a contract with a wireless infrastructure service provider to ensure minimum system downtimes. A contract has been signed with Telkom to provide VPN supreme service which is a WAN solution managed and maintained by Telkom with improved scalability, flexibility and reliability attached to a Service Level Agreement.

INFORMATION SECURITY, ACCESSABILITY AND MANAGEMENT

The District Municipality has a website with address www.chrishanidm.gov.za managed by the communication section. The CHDM also has an intranet for internal access to information and systems. The Disaster Recovery Plan (DRP) is in place and implemented in phases. A disaster recovery site was established at the disaster management center. The CHDM will be acquiring the services of a Cloud services provider as the next implementation phase of the DRP to further ensure Business Continuity in case of a disaster. The CHDM is in the process maximizing the use of SharePoint portal to use its Document Management capabilities to ensure that the DM has an Electronic Document Management System (EDMS) to ensure compliance. The District Municipality ensures that it keeps up with the latest in terms of Microsoft application. The District upgraded its Microsoft Office from Office 2007 to the latest Microsoft Office 2013. An upgrade training was undertaken to avoid frustration on the users and the ICT unit in terms of support.

Legal and Admin Function

The mandate of this unit is to provide is to manage administration and legal services. The unit also provide legal support service to senior management, departments and Council on the exercise of powers and functions and decision making through analysis and evaluation of attitudes of the municipality. It's governed by the following legal framework, Municipal Systems Act, Municipal Finance Management Act, Constitution of the Republic of South Africa, High Court Rules, and Magistrate's Court Rules. To ensure security within the institution Biometrics were installed in buildings to ensure safety of employees and councillors and safety plan is in place in implemented. On legal matters, Legal claims register is monitored and updated continuously as a well as some matters of litigation between CHDM and some other parties do take place, key being SAMWU who represent its members challenging the institution.

Workshop on litigations for managers was conducted by a registered firm who are our attorneys of record for purposes of equipping them. Matters of council are fairly attended as Council resolution register is continuously updated and the IT Software will be installed by Business Connexion. Developed council calendar, council diary and council resolution register.

Fleet Management

The unit of is responsible for Management of Fleet of the institution as a result Reviewed Fleet management policy is implemented and monitoring is continuously done, 95% pass rate of employees who were taken to Enoch Mgijima driving licence testing centre, for evaluation of their driving skills before using council vehicles. The institution has bought more than 100 vehicles which are dispersed to six Satellites offices for utilisation by Water Services which is our key function.

RECORDS MANAGEMENT

Facilitation of disposal of old records in line with legislation was done. 50% of unsuccessful applications for employment from 2008 to 2011 were disposed. Electronic Document Management System will be installed by the institution but it remains a challenge.

2.4.4 MUNICIPAL FINANCIAL VIABILITY and MANAGEMENT

The Municipal Finance Management Act 56 of 2003 (MFMA) prescribes that the Council of a municipality must for each financial year approve an Annual Budget for the municipality before the start of that financial year. Section 16 (2) of the same Act stipulates that in order for the municipality to perform what is prescribed, the Mayor of the municipality must table the Annual Budget at a Council meeting at least 90 days before the start of the financial year. The processes involved during the 90 day period enable transparent engagements amongst the Communities, Councilors, the Executive and Administration to finalize the budget. The consultative and Public Participation processes also promote oversight over the adoption and implementation of the budget. The departmental budget statements provide Council with information on how different departments within Chris Hani District Municipality (CHDM) intend to spend the funds that will be appropriated by Council, to enable Council and communities keep departments accountable for their delivery commitments contained in the Service Delivery Budget Implementation Plans (SDBIP) and to ensure that Council Committees effectively perform their oversight functions.

1. REVENUE MANAGEMENT

Chris Hani District Municipality is largely 68% Grant dependent. Our major source of revenue is on Water as a Water Services Authority and Water Services Provider. This function was in the past been done by LM through contract signed as LMs were given WSP function, this has since been overturned due to end of contract or agreement. Collection rate is very minimal as most of our communities are indigent and therefore not paying for services. We have received a support from COGTA through their Municipal Infrastructure Support Agency (MISA) which is assisting us in reviewing our Revenue Enhancement Strategy. The Revenue Enhancement Strategy is therefore implemented but due to above mentioned challenge of indigency we still face some difficulties on Revenue enhancement. Revenue Enhancement Strategy is to ensure that we assist the Municipality to improve revenue collection. By 2018/19 Collection rate at was very minimal due to some challenges. This will inform the municipality on ways of addressing recovery and enhancing revenue through

- Billing
- Enforcement of By –laws
- Data Cleansing
- Reviewal and implementation of revenue related policies
- Management of indigent consumers
- Installation of Meters

The major sources of revenue consist of:

Operational Grants

- Equitable Share
- Finance Management Grant (FMG)
- Expanded Public Works Programme (EPWP)
- Rural Roads Asset Management Grant

Other Operational Programs

- Roads Subsidy
- Lapesi Program

Capital Grants

- Municipal Infrastructure Grant (MIG)
- Regional Bulk Infrastructure Grant (RBIG)
- Water Service Infrastructure Grant (WSIG)

Other Capital Programs

- Accelerated Community Infrastructure Program (ACIP)
- Department of Housing Unblocking Program

There are other incomes sources which are not significant are listed below

- Interest from investment
- Rental Income

REVENUE ENHANCEMENT STRATEGY

The purpose of this strategy is to ensure that all possible avenues are explored to Maximize the receipt of any monies available to Council by way of intergovernmental transfers and Grants or Donations, including expanding the billing database and maximize income opportunities on every registered serviced site within the CHDM' jurisdiction.

The second component of this strategy focuses on strengthening and building capacity within credit control and debt management practices and processes of Council, ensuring the attainment and exceeding of collection rates in line with key budgetary requirements. The third component of the strategy focuses on maximize the registration of households eligible for participation within the Free Basic Services programme of Council, this component is aimed at arresting spiraling debts associated with this user group, and limiting consumption of services in line with the FBS allocation threshold. Financial performance as per the adopted mid termed assessment (2018/2019) reveals that maximize on is poised to achieve the anticipated revenue inflows underpinning the budget framework adopted, being minimum of 20%.

The targeted debt collection rate over the 2018/19- 2019/2020 MTREF is positioned at 20%.

CREDIT CONTROL AND DEBT COLLECTION POLICY

The Policy sets out to control and manage the recovery of outstanding debt due to Council. This policy is in place and is subject to regular updates .The policy lays down the basis for distribution of accounts, collection procedures, interest and penalties to be charged in the event of non-payment, with strong focus on management reporting requirements pursuant of key legislative requirements and performance management. Giving effect to the administration of this policy, Council through the appointment of a revenue specialist has invested in a Revenue Management and Debt collection System fully compliant with Municipal Bylaws and objectives of the policy framework, the system effects have result in macro approach to debt management and collection being effected, in an effective and efficient manner, maximize the return on investment and per household.

TARIFF POLICY

This policy sets key guidelines on what should be considered when pricing services and guiding principles for the compilation of water, sanitation, solid waste and electricity tariffs. This policy is subject to constant review, given significant reforms within the electrification and water sectors, which impact on the price cost of services rendered, and ultimately on the sustainability of trading services.

Through the policy framework adopted and implemented, Council has for the 2019/2020-2021 MTREF prioritized the continuation of the revenue protection strategy employed during 2018/2019 to further reduce existing losses of about 20% to an acceptable technical loss of 10%.

THE INDIGENT SUPPORT POLICY

The basic principle of this policy are captured by indicating that the policy is to ensure that the poor households are not denied their constitutional right of access to services, the Chris Hani District Municipality is required to implement an indigent support policy that makes adequate financial provision to ensure the provision of efficient and sustainable services to all residents within the area of jurisdiction.

The indigent support policy is an integral part of the CHDM tariff policy that is developed and implemented in a transparent manner to ensure the sustainability of local public services to all of its citizens at an affordable cost. The indigent policy is intended to provide poor households ongoing access to a specified level of services. The subsidies contained in the policy should not compromise the quality or efficiency of service delivery.

Critically as part of CHDM commitment to improve continued access to services and provide a basket of free services as part of the poverty alleviation programme, to this effect the service delivery targets have been amended to reflect this target, indigent support funding envelop has significantly increased to over the 2017/2018-2019/2020 MTREF. The indigent Relief Budget for the past two years is as follows:

2015/16	-	R11 888 160.00
2016/17	-	R 1 000 000.00

o WATER AND SANITATION TARIFFS

CHDM is in a process of developing New Tariff's for the year 2019-2020 financial year, such Tarriffs will undergo all required stages before being adopted by Council.

The Chris Hani District Municipality as a Water Services Authority and Provider delivers the service in the area of the six (formerly eight) local municipal areas within its jurisdiction.

The National Treasury is encouraging all Municipalities to implement tariff structure that reflect the following;

- Water tariffs that are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs that are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs that are designed to encourage efficient and sustainable consumption.

Chris Hani District Municipality as a Water Services Provider therefore has to raise sufficient own revenue from the rendering of water and sanitation services. Since the municipality has not increased the water and sanitation tariffs for past two years, the level of own revenue raised from the service is not sustainable to maintain, repair and ensure the sustainability of the water infrastructure assets that should generate a revenue base for the municipality in order to cover operational and capital costs. The proposed tariff increase below is based on the guidelines provided by the National Treasury for the 2018/2019 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK. In terms of the proposal, the increase should be linked to the consumer price index (CPI) which is estimated to be 6.1% for 2019/ 2020.

The tariff will be applicable for the following period; Starting date: 01 JULY 2019 and ending date: 30 JUNE 2020

1. TARIFFS: WATER SUPPLY SERVICES AND INCIDENTAL CHARGES

The amounts due for water services for the 2019/2020 financial year will be paid on dates indicated on accounts which will be rendered from 1 July 2019.

- The Sewerage Charges will be linked to the account where either a waterborne sewer connection or septic tank sewer is available.
- Reference to “per month” in the tariffs is based on a meter reading period of 30 days with regard to the calculation of a charge for the free consumption portion.
- Use is the determining factor for tariff application but where a mixed use occurs on any given property the property zoning will be the determining factor in the tariff Application.
- ALL TARIFFS LISTED BELOW OR TO BE CALCULATED IN TERMS OF THIS SCHEDULE OF TARIFFS **INCLUDE VAT.**
-

2. WATER TARIFFS

Charges shall be levied in respect of each separate connection for water. The tariffs relating to consumption of water will be levied as from 01 July 2019 on all accounts linked to water and accounts opened after July 2019 will be levied for the applicable period of the year.

3. SANITATION TARIFFS

A flat rate shall be levied in respect of each household / business / institution relating to sanitation. The tariffs applicable for sanitation services shall apply from 01 July 2019 and accounts opened after July 2019 will be levied for the applicable period of the year.

4. CONSUMPTION TARIFFS BASED ON WATER RELATED SERVICES

The tariffs listed under this section shall be payable where water, used solely for household purposes, including temporarily connections for this purpose, has been supplied. In the case of hostels and old age homes, every 4 beds shall be deemed to be a residential unit. Where the Housing Department officially accommodates two or three beneficiaries (families) per stand, each beneficiary (family) is deemed to be a residential unit.

5.1 Domestic / Household Water Use

This tariff is only applicable to properties used exclusively for household purposes.

In the event that a small business is conducted as a primary right in terms of a Town Planning Scheme, or home enterprise in terms of the Council's policy, from a property used for household purposes, and the connection size is either a 15mm or 20mm connection, the tariffs in the table below shall apply. However, any connection which is greater than 20mm and the property is not exclusively used for residential purposes, shall be charged in terms of the tariffs. Spaza Shops, defined as an area of a dwelling unit and or associated immovable outbuilding not more than 20m² in extent, used by the occupant of such a dwelling unit for the purposes of selling basic household goods, is also included in this tariff, provided the connection size is either a 15mm or 20mm connection.

a. LINKAGE OF BUDGET TO IDP (LINKAGE AND ALIGNMENT)

Operations budget: the linkage between Budget & IDP are aligned and compliant as the committees are in place as the Steering committee it's called IDP/PMS/Budget Steering cause the three go together. All operations are incurred in terms of IDP. The capital allocation is mainly for the Water & Sanitation services as informed by Powers and Functions.

Capital expenditure consists of MIG, RBIG, WSIG, ACIP and WSOG which are 100% aligned to IDP as they are spent on water & sanitation services. CHDM Municipal IDP gives attention to building its own delivery capacities and IDP's have improved over the last few years and are generally aligned to PGDP in terms of agrarian transformation, human resource development, economic diversification and tourism, infrastructure provision, and fighting poverty. However, there are some important gaps in the context of provincial alignment (e.g. housing, EPWP etc). The Chris Hani IDP devotes considerable attention to building its own capacity and that of the local municipalities. Perhaps more attention could be given to how to improve co-operation with other arms of Government

2. ASSET MANAGEMENT

The institution currently operate with a less staffed Asset Management unit. Asset management is incorporated under Budget and Reporting which was making the scope of work to be performed by the section to be huge and complex.

Beginning of 2014/15 financial year this section has been splinted from supply chain management unit and new organogram has been developed and approved by the council and Asset Manager Position has been filled with some fewer positions under the unit filled as per new organogram. Currently we are using the external source with the few staff we had to assist in all the areas of assets (movable and infrastructure assets).

CHDM has an Asset Register which is updated on a monthly basis for the movable assets and we have also procured an Asset Software which is also assisting in the proper management of asset. The area that still to be strengthened is the management of Infrastructure Assets. Infrastructure asset register is only updated at the end of the financial year which sometimes possess challenge during the end of the financial year. An Asset Management Strategy has been developed in 2015/16 financial year and we do have an Asset Management Policy and was developed in line with 2017-2022 term of council. In the event of loss and stolen assets is reported to the asset manager and the asset register is updated. This is a plan to unify the asset management function and financial management system.

SUPPLY CHAIN MANAGEMENT

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

The unit has the following key priority areas:

- To ensure that the municipality has and implements a supply chain management policy, this gives effect to the provisions of the act.
- To ensure procurement of goods and services in a fair, equitable, transparent, competitive and cost effective and comply with the prescribed regulatory framework
- That all reasonable steps are taken to ensure that proper mechanisms are in place and separation of duties in the supply chain management system is implemented to minimise likelihood of fraud, corruption, favouritism and unfair and irregular practises.
- To ensure that all contracts/agreement are in writing and are procured in line with the Supply Chain Management
- To ensure that the supply chain management delegations are properly enforced and managed

- That the municipal bid structures are in place and effective, to ensure competitive bidding process.
- Ensure submission of proper, accurate and applicable reports as per MFMA
- To ensure the disposal of municipal assets in accordance with the applicable legislation.
- Ensure that municipal inventory levels are kept at an acceptable levels as per the Municipal SCM policy

The institution is implementing a Database Rotation system for the procurement for goods and services for the operational budget depending on delegation as per legislation, and is using an electronic order system for purchases. Also the bidding system is followed as per legislation in terms of capital appointments and according to the delegations. There are three bid committee structures that are active and have own set of dates that they normally follow to attend to matters.

The Bid Committees are: The Adjudication Committee *that* is comprised of HoDs, SCM Manager and is chaired by the CFO of the institution. Specification and Evaluation Committees are appointed by Municipal Manager in line with MFMA and as well SCM officials assist in sitting of these committees.

CHDM has the following elements of SCM that are fully functional:-

Demand management: This is the beginning of the supply chain, and must begin with a needs assessment, to ensure that goods or services are required in order to deliver the agreed service, that specifications are precisely determined, that requirements are linked to the budget and that the supplying industry has been analyzed.

Acquisition management: It is the management of procurement by the municipality to decide on the manner in which the market will be approached; to establish the total cost of ownership of a particular type of asset; to ensure that bid documentation is complete, including evaluation criteria.

Logistics management: This aspect addresses the setting of inventory levels, placing of orders, receiving and distribution of material and goods, stores, warehouse and transport management, expediting orders, the review of vendor performance, maintenance and contract administration.

Disposal management: A supply chain management policy must provide for an effective system of disposal or letting of assets no longer needed, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the MFMA.

Contract Management: This section addresses the validity of our contracts in terms of compliance and applicable deliverables. It also monitors any variations that may be incurred.

Risk management: Risk management is maintained in all elements of SCM by putting in place proper controls. Risk management includes identification of risks on a case-by-case basis;

Performance management: This is a monitoring process, undertaking a retrospective analysis to determine whether the desired objectives were achieved. Some of the issues that may be reviewed are: compliance to norms and standards; cost efficiency of procurement process (I e the cost of the process itself).

3. ACCOUNTING SYSTEMS ADMINISTRATION

The unit is under Budget and Treasury department and its main Objective is to maintain the financial management systems for the District Municipality and its Local Municipalities as well as Integration of data and or information between the systems that the district municipality use.

Unit uses various systems on a day to day basis. Systems that are in use are as follows

eVenus

The institution uses this financial Management System for:-

- Processing of payments
- General Ledger
- Bank control
- Assets and Fleet management

Cashdrawer

- For receipting all income received and general enquiries.

Pay Day Software

- The system helps us with Payroll, Human resources, Posts, Equity, Skills.

Bankit

- We use the system for uploading payments for creditors and salaries to our FNB account. Collection of money from our debtors and down loading the bank statements.

Supplier Database (Saratoga)

- This system does supplier database management including rotation of suppliers.

CaseWare

- This tool assists us in the preparation of GRAP compliant Financial Statements and it also generates financial reports as per National Treasury Guidelines i.e. S71 reports and Budget forms.

Asset Ware

- It is a financial tool for Asset tracking and Management

Time Zone

- Financial security system

This Unit of Accounting Systems Administration gives support to some of our local municipalities which are using the same accounting packages as the district. They get shared support, skills transfer and systems administration on the systems above with district municipality.

- Enoch Mgijima Local Municipality
- Intsika Yethu Local Municipality

4. ANNUAL FINANCIAL STATEMENT AND AUDIT

Budget and Treasury office have a section responsible for preparation of Annual Financial Statement and Audit Coordination. The key areas of this section are

- Preparation and submission of Annual Financial Statements
- Ensuring that audit is performed well by Auditor General and required information is submitted to them timeously
- Ensure that Audit Action plan is developed and implemented

MSCOA

Section 216(1) of the constitution states that national government must establish a National Treasury and prescribe measures to ensure both transparency and expenditure control in each sphere of government.

Uniform expenditure classification in the form of Standards Chart of Accounts (SCOA) have already been rolled out to the National and Provincial Government Departments. mSCOA was introduced in the Local Government sphere in 2014 and is currently being rolled out for full implementation on 01 July 2017.

The Minister of Finance promulgated the Municipal Regulations on Standard Chart of Accounts (mSCOA) on 22 April 2014. The objective of the regulations was to provide national standards with uniform recording and classification of municipal budget and financial information at a transactional level by providing a standard chart of accounts.

In accordance with these regulations, all municipalities and municipal entities are required to be mSCOA compliant by 1 July 2017.

CHDM CURRENT STATUS

- CHDM embarked on the project for mSCOA as from 1 July 2016 for early implementation on version 5.4
- 1 July 2017 CHDM officially went live on mSCOA version 6.1
- All required legislated implementation plans met.
- Audit file up to date.
- All Treasury submission done on time.
- Monthly reports are uploaded on LGPortal database monthly.
- Keeping up with Treasury changes on the project.
- CHDM employees have been informed about mSCOA change and requirements.

5.1 AG'S OPINION AND AUDIT ACTION PLAN

Municipality has shown no improvement on the Audit in the past four years as our audit opinion has remain unchanged as Qualification. Qualification has been achieved in the past four years and the institution is striving for Unqualified Opinion as we believe we can achieve that. To ensure that matters raised by AG are addressed promptly, CHDM has established Audit Task Team which sits weekly to make tasks easy for the Steering Committee. Key areas of focus that the institution needs to focus on are issues of Compliance, Performance Management, and Reconciliations of Grants which were not disclosed properly in the previous financial years. An action plan has been developed which details the process to be followed in rectifying the findings raised in the audit report. The AFS and Audit Coordination section is responsible for ensuring that the institution work on improving the audit opinion by ensuring that action plan is being implemented and report is prepared and submitted to council on progress.

Financial Policies of Chris Hani District Municipality

Financial Policies	
Title	Existence
Tariffs Policy	Yes
Credit Control and Debt Collection Policy	Yes
Fraud and Prevention Policy	Yes
Investment Policy	Yes
Supply Chain Management Policy	Yes
SCM Infrastructure Policy	Yes
Irregular and Fruitless Expenditure Policy	Yes
Asset Management and Disposal Policy	Yes
Indigent Support Policy	Yes
Budget and Virement Policy	Yes

Borrowing Policy	No
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2.4.5 GOOD GOVERNANCE and PUBLIC PARTICIPATION

Good Corporate Governance will underpins all the programmes and projects that will be presented in 2019-2020 IDP. Good governance dictates that the Municipality should conduct its business in an Open, Transparent and Accountable manner. For this to be realised, community participation is essential hence the municipality developed policies and strategies to liase and interact with communities, amongst those are Stakeholder Mobilisation Strategy, Public Participation Strategy, and Communication Strategy etc. The establishment of a caring environment requires emphasis not only on community participation, but also on customer care and responsiveness. With regard to Customer Care, the Municipality has embarked on a programme to engage customers with regard to their level of satisfaction with municipal services and the development of a new Customer Care Framework. In the current IDP review period, foundational work has been done in terms of the completion of a comprehensive survey of all types of customers. Soon thereafter, the focus will shift to embedding a robust system of customer relations management, anchored in clear service standards, customer responsiveness, and the monitoring and evaluation of ongoing customer perceptions and feedback. The revival of the Batho Pele Campaign will complement this effort and galvanise the institution to embrace a culture of putting people first.

1. COMMUNICATIONS

Government communication is a strategic and planned process aimed at ensuring effective dialogue between government and communities. The Communications unit was, thus established to realize the legislative imperatives as outlined, amongst others, in The Constitution of the Republic of South Africa, 1996, which gives every citizen a Right to Access any Information held by the state ; the Local Government Municipal Systems Act, 2000, which compels municipalities to actively engage with citizens and encourage participation ; the Municipal Finance Management Act, 2003, which emphasizes on publication and consultation with the communities on financial activities of the municipalities. The Unit exists to enhance communication with stakeholders and uphold municipal identity and image internally and externally, servicing all CHDM business units.

CHDM communication, therefore, must, encourage meaningful public participation through promotion of municipal programs; promote and articulate CHDM plans, policies and achievements; facilitate proactive communication on matters of disaster risk management, health and environmental issues; strengthen and improve internal communication systems; reinforce intergovernmental relations through coordination of communication programmes (District Communication Forum) and establish and maintain sound relations with the media. Hence it is imperative to develop a guiding document.

Integrated Communication Strategy

A Communication Strategy and implementation plan aligned to the term of Council has been developed and approved by Council for the 2017-2022 period. The strategy guides communication activities and is designed such that it supports all Key Performance Areas as articulated in the municipal Integrated Development Plan. The implementation plan is reviewed annually to allow for environmental factors that influence communication posture in the district which includes responsiveness and proactivity.

A comprehensive consultative process, involving all internal and external stakeholders, is undertaken to ensure production of an all-inclusive enriched document that prioritizes facilitation of information sharing with all stakeholders and community at large.

The objectives of the strategy are:

- ✓ To encourage open, honest and accountable two-way dialogue with our stakeholders and CHDM citizenry
- ✓ To strengthen and improve internal communication systems
- ✓ To promote a consistent corporate identity
- ✓ To market CHDM as a preferred investment destination and an institution of excellence.

The Strategy encompasses activities supported through the following communication elements:

- External Communication and Media Relations Management
- Internal Communication Management
- Marketing, Branding and Events Communication
- Website and Social Networks Management
- Coordination of District Communication Forum

District Communication activities are reported quarterly in the Technical and Political IGR Fora, whilst performance reporting is undertaken in line with municipal processes and time lines.

Communication and Media Policy

A Communication Policy has been developed and adopted by Council in 2017 and is being reviewed annually. The policy advocates for communication with the stakeholders and broader community of Chris Hani DM in an open, consistent and ethical manner in line with relevant legislation.

It regulates a coordinated communication with internal and external community of Chris Hani District Municipality to inform, empower and encourage participation whilst safeguarding the municipal identity.

Amongst others, the policy requires that:

- CHDM provides the public with timely, accurate, clear and complete information about its policies, programs, services and initiatives (including its IDP and Budget);
- Continuously ensure that the municipality is visible and accessible to the public;
- Ensure that municipal communication messages reach the higher trajectory of development and diverse needs; important and crucial issues for communities are identified and addressed through implementation of a clear Program of Action (POA);
- CHDM to consult with the public, listens to and takes account of people's interests and concerns when establishing priorities, developing policies and planning programs and services.
- CHDM continuously ensure that information service is managed in a citizen-centred and client-focused manner thereby putting people first.

Importantly, the policy suggest periodic public opinion research to assist Council in understanding the community in its diversity and manage citizen needs and expectations.

Presidential Hotline Queries

The unit is also charged with monitoring and coordination of hotline queries on line, facilitate responses and report.

Customer Care

Customer Care Unit was established as a foundation upon which to build excellence in customer service and make it part of the day-to-day corporate culture within the CHDM. The core business of the unit is deeply rooted on the Batho Pele Principles as entrenched in a series of policies and legislative frameworks as stated below:

The Constitution of the Republic of South Africa of 1996 (as amended); Section 32 of the Constitution provides for the universal right of access to information held by the State to facilitate the exercise or protection of any right by citizens e.g. the right to access public services in an equitable, convenient and cost-effective manner; The White Paper on the Transformation of the Public Service of 1995 (WPTPS); Public Service Regulations of 1999 and 2001; The Electronic Communications and Transactions Bill of 2002 to promote the harnessing of innovative IT based solutions to make service as well as information on services within and across government and municipalities more accessible in an integrated manner, particularly to people in under-served areas; E-Government Strategy of 2001 these include e-government services, electronic communications and transactions with public/private bodies, institutions and citizens and development of electronic transactions services, which are responsive to the needs of citizens and consumers.

Customer Care Objectives

- To maintain a high level of customer care that is responsive to the requirements of our customers.
- To set up effective and efficient customer care satellite offices across the district in order to build relations with our consumers.
- To provide a personal and caring service which will contribute to our customer satisfaction.
- To establish electronic systems to ease communication barriers, receiving and resolving customer complaints, queries and services.

Customer Care Strategy Implementation

The municipality has developed a 5 year customer care strategy with an action plan that provides a sequence of activities that will be performed for the customer care strategy to succeed. The action plan is focused on a district wide approach which recognises the importance of partnering with other units internally and other departments across all spheres of government to:

1. Conduct education awareness campaigns and public relations events

Awareness and educational campaigns are an important tool for CHDM in delivering its core functions; water and sanitation, municipal health services. Over the years water and sanitation resource management and collection of revenue has become an increasingly important issue in achieving our IDP objectives. However, without changes in the way CHDM customers use resources such as water; ecologically sustainable water resource management and enough infrastructure developments will remain impossible.

Our campaigns and awareness focuses mainly on two broad models;

- I. Public relations (PR)
- II. Advocacy and Educational Programs in schools

2. Ratepayers/Stakeholder/Community Liaison

The Customer Care Strategy emphasise the need of stakeholder engagement throughout the financial years as a tool to ensure sound customer care management. The strategy recognises that in order for CHDM to provide an effective and efficient customer care service, we require a strong driven stakeholder engagement and communication component supported and guided by the necessary technical and institutional components. Customer oriented stakeholder engagement focuses only on Ratepayers, not in isolation with broader stakeholder engagements as outlined in the public participation strategy.

The Customer Care Unit conducts at least 40 engagements to:

- I. Build relations and reduce the potential for future conflict
- II. Enable the CHDM and its stakeholders to share knowledge and expertise
- III. Inform, share knowledge and educate stakeholders about the CHDM functions and responsibilities

Complaints Management Procedure

Complaints Registration

All CHDM customer complaints/disputes/enquiries are registered with the customer care unit. Customers may contact the call centre 0800 100 100 or and/or email customer care@chrishanidm.gov.za

- Walk-in complaints/disputes/enquiries are registered with customer care satellite offices. Recorded either in the complaints register book and/or customer call centre. This means every employee should take reasonable steps to take complaints/disputes/enquiries from customers and redirect it to the call centre and/or customer care unit.
- Customer care satellite offices situated in all local municipalities have access to the call centre system at all times in order to register walk-in complaints and other complaints.
- Every complaint/dispute/enquiry is recorded, a reference number generated and an acknowledgement of receipt given to the complainant.

Assigning a Complaint

Communication quoting the complaint reference number must be given to the relevant technician/officer/plumber who will carry out the work required to address the complaint. A job card must be issued and marked with the reference number. Depending on the complexity of the matter coupled with the availability of resources, a complaint shall be attended according to the time lines as per customer service policy and charter

Unresolved Complaints/Disputes/Enquiries

All complaints/disputes/enquiries are resolved within stipulated time frames and/or not to the satisfaction of the customer shall be referred to the Mayoral Committee. The customer may as well write a letter of appeal directly to the Mayor. The Customer Care Unit must submit a report pertaining all complaints/disputes/enquiries to the Mayoral Committee for further investigation and intervention. The Mayoral Committee's decision is final and binding. There shall be no further investigation with the complaint.

2. SPECIAL PROGRAMMES UNIT

The Special Programmes Unit (SPU) is a developmental office coordinating the upliftment of designated groups (i.e. Gender, Youth, and People with Disabilities, Children and The Elderly) and ensures that all CHDM Directorates mainstream their programmes. The Special Programmes Unit is located in the Strategic Directorate.

This function is a legislative requirement guided by The Constitution of the Republic of South Africa, Act 108 of 1996, Section 9 that declares everyone is equal before the law and has the right to equal protection and benefit of the law. The Local Government Municipal Systems Act 32 of 2000 Chapter 4 which requires public participation of communities and Municipalities to take into account the special needs of designated groups. The Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000 and South Africa's National Policy Framework for Women's Empowerment and Gender Equality of 2000 that promote and protect women's rights towards achieving gender equality. The Integrated National Disability Strategy of 1997 requires us to drive the government's equity, equality and empowerment agenda in terms of those living with disabilities. The National Youth Policy of 2008 is a framework for youth development across the country which endeavours to ensure that all young women and men are given meaningful opportunities to reach their full potential, both as individuals and as active participants in society.

The Constitution of the Republic of SA, The South African Children's Charter, and Children's Act 38 of 2005 encourages government to develop a non-sexist, discrimination-free, equitable and inclusive society that protects and develops the human potential of its children.

The Older Persons Act 13 of 2006 seeks to promote the rights, prevent and combat the abuse of older persons. The District IDP which seeks to obtain the vision, mission and promote the values of a caring society.

STRATEGIC OBJECTIVES OF THE SPU

- To assist CHDM in monitoring and evaluation of the integration and mainstreaming of Special Programmes in the IDP and sector plans.
- To facilitate and coordinate the development of District Gender Policy, District Integrated Disability Strategy, District Youth Strategy and Coordinate and Monitor the implementation of Children's and Older Persons Rights Strategies.
- To coordinate the participation of vulnerable groups in development through their designated forums.
- To capacitate designated group's forums in order to manage their programmes and projects effectively.
- To promote civic education on legislation, policies and programmes affecting designated groups to strengthen social cohesion.
- To coordinate the commemoration of institutionalized days.

The unit develops a holistic policy that responds to the changing conditions of vulnerable groups in partnership with other stakeholders to ensure that they grow, develop and prosper as fully engaged responsive and productive citizens. It shall articulate the values of respect, participation, access, equity, diversity, redress, responsiveness, transparency, gender sensitive, team work and ubuntu. The unit shall develop and implement a responsive special programmes strategy with a clear programme of action that is aligned to the district IDP linked to the term of council. The strategy must be reviewed by all relevant stakeholders annually and be adopted by council.

The strategy highlights priority targets and interventions to be actioned for the betterment of the vulnerable groups in areas such as education and skills development, employment and economic development, health and wellbeing, social cohesion and public participation, information and communication, violence and abuse against women and children, access and integration of people with disabilities, arts, sports and culture.

The unit has a functional District Special Programmes Unit Forum to support, coordinate and mainstream the programmes in the departments and the IDP. This forum is made up by representatives from all local municipalities and the district. The district technical task team is established to support the local municipalities to plan and integrate their programmes adequately. The Special Programmes shall the requisite personnel to attend to the challenges of the designated as recommended by SALGA and COGTA.

The unit shall support and advise the local municipalities, monitor the implementation of the strategy, liaise with Chapter 9 institutions, advice and brief the political and administrative heads respectively on all matters affecting designated groups.

The SPU Section has identified areas which need to be resolved to ensure that youth, people with disabilities, the elderly, children and gender issues are addressed within the institution:

- Strategic focus responds to a need for skills development through education and training.
- Demographic analysis does not provide accurate picture about youth. It provides no information about the levels and types of disability. It provides no information about children. This unclear picture compromises targeted programming, impact benchmarking and evaluations.
- IDP does not provide a district skills profile. It only assumes the need for education and training on the basis of high number of youth in the district, without even quantifying that number. Information is neither disaggregated according to gender nor disability. In the absence of such skills profile training interventions are compromised in terms of impact benchmarking and evaluation.
- It is not clear how the 26% youth ownership of SMMEs is distributed across economic sectors in the district. The same is not said about women ownership, except that their dress-making enterprises make up 44% of the manufacturing sector. Nothing is said about disability. The determination of any support for promotion of enterprise development would be compromised if based on such inadequate planning information.
- IDP emphasizes the lack of recreational facilities for youth especially in former homeland areas. It is silent on recreational needs of women and people with disabilities, children and the elderly.
- Need to focus on land tenure is limited only to youth and women, to the exclusion of people with disabilities. This may lead to this group being excluded from housing beneficiation as well as land for commercial purposes.
- IDP silent on HIV/Aids and disability, children and the elderly. This may lead to inappropriate strategies and resource misallocation.
- IDP acknowledges need for appropriate baseline information for proper planning. It acknowledges need for policies, mechanisms, processes and procedures for mainstreaming. It acknowledges need for improving coordination.

3. Inter-Governmental Relations (IGR)

The function of the structure is to align the planning cycles of the different spheres of government to ensure that IDP is a reflection of national plans at a local level. CHDM has developed an IGR Strategy and for the financial year key is implementation of IGR Strategy as driven by IGR Core Team and adopted by council.

The Executive Mayor of the CHDM is convening the DIMAFO of the District. It is composed of :-

- All Mayors in 6 municipalities
- The Departmental officials in the District

The Technical IGR Forum also is operational as chaired by Municipal Manager of CHDM, this forum seats quarterly and is attended by all senior management of the institution as well as all sector departments' senior management. This forum discusses service delivery issues and issues discussed are alleviated to the District Mayors Forum for endorsement and for political buy-in, meaning it further informs the agenda of the DIMAFO.

- Technical advice on policy / program debate
- Develop an agenda
- Report on progress

The Executive Mayor attends the Premier's Co-ordinating Forum to raise issues that talk to Strategic positioning of the CHDM in the fight against poverty. The MM attends the Technical Forum with the Director General of the Province. SALGA is an integral part of all these processes as the organized body of the local government

Challenges:

- Failure by government structures to utilise Intergovernmental Relations as a planning tool;
- Lack of joint implementation of projects by government structures;

Risk Management

The District has developed and adopted Risk Management Policy which was adopted by Council and the unit headed by Risk Manager manages the process and the Municipal Manager assesses the implementation of Risk Management Plans. The progress on the implementation of risk management plans is monitored by the Anti-Fraud and Risk Management Committee. Some of the duties of committee includes the following Review the Risk Management Policy, Strategy, Fraud Prevention Policy, Fraud Prevention Plan, and Whistle Blowing Policy, Investigation Policy, Private Work and Declaration of Interest Policy. Review the Risk Appetite and Tolerance and recommend for approval by Council. Review the Institution Risk Identification and Assessment Methodologies to obtain reasonable assurance of the completeness and accuracy of the Risk Register. Committee also provides Oversight and ensuring that mechanisms are in place to monitor Fraud Risk and ensure that Fraud Risk is controlled within the acceptable and approved Risk Tolerance and Risk appetite of the municipality.

Internal Audit Function

The Internal Audit Unit of the Chris Hani District Municipality is established in terms section 165 of the Municipal Finance Management Act, Act 56 of 2003 ('MFMA') which states that each Municipality and each Municipal entity must have an internal audit unit. The mission of the Internal Audit Activity is to provide the Chris Hani District Municipality with a value adding internal audit function by assisting management in

controlling risk, monitoring compliance, corporate governance and improving efficiency and effectiveness of the internal control system.

The key objectives of the Internal Audit are:

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

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

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

The Internal Audit Activity is manned by capable Internal Audit practitioners who are members of the Institute of Internal Auditors. The IIA is the primary body for the internal audit profession; it maintains the International Standards for the Professional Practice of Internal Auditing and the profession's Code of Ethics. IIA members are required to adhere to the Standards and Code of Ethics.

The Performance and Audit Committee

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

- Internal financial control and internal audits.
- Risk management.
- Accounting policies.
- Adequacy, reliability and accuracy of financial reporting and information.

- Performance management and evaluation.
- Effective governance.
- Statutory compliance.

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

Functions of the Performance Audit Committee

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

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- Accountability
 - (i) The Chairperson of the Performance Audit Committee report to Council.
 - (ii) The Chairperson of the Performance Audit Committee prepares a statement, for inclusion in the annual report, commenting on performance management and performance evaluation.
 - (iii) The Chairperson advise and makes recommendations of any material findings to the Executive Mayor via the Municipal Manager.
 - (iv) The Chairperson of the Performance Audit Committee serves on the Assessment Panel for Section 57 Employees according to the performance regulations.
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4. Public Participation

A recent study by the Department of Social Development has indicated that residents in ISRDP nodes rate their local authorities higher than other spheres of government but cynicism is beginning to increase. There is a growing perception that all spheres are not doing anything to improve the lives of residents. In addition there is a growing sense of alienation i.e. that a person has no influence on their surrounds or community and a

growing lack of apathy towards attending community participation programmes like the IDP. It is therefore even more important that CHDM increases its public participation and feedback mechanisms. Reviewed Public Participation Strategy as adopted in 2014 Council meeting guides and inform all these initiatives.

CHDM currently runs IDP and Budget roadshows on a annual basis in all municipalities. In addition it hosts several public knowledge sharing days on health issues, hygiene, water and sanitation usage, supply chain management, disaster and fire prevention strategies and fire, occupational health and safety, LED, GIS and Planning. To strengthen the relations with Traditional Leadership the House of Traditional Leadership of the region is a stakeholder that sits on our Representatives Forum. In accordance with the Local Government Municipal Systems Act, the CHDM holds regular Integrated Development Plan (IDP) Representative Forum meetings in drafting its IDP. At the beginning of the planning cycle, advertisements are placed in the local newspapers calling for interested parties to contact the CHDM.

Once the IDP and budget have been drafted and tabled at Council, the CHDM places another advertisement calling for public comments. Copies of the document are lodged at all the Libraries within the district and at Local Municipalities. After this process, the CHDM further embarks upon IDP and Budget Roadshows to the communities’ at all local municipalities. This is done in conjunction with the support and assistance of the local municipalities who assist the CHDM’s officers, through their Ward Councillors, to mobilize the ward community members to attend the roadshow events. The Draft IDP is summarized and presented to communities in English and isiXhosa for comment and discussion. Records of these meetings are kept and a document is drafted to keep track of the responses and to disseminate to other government departments for follow up and actioning, where necessary, through intergovernmental forum meetings and Rep Forum.

Once all the comments and discussions have been taken into consideration towards an amended IDP and Budget, the above process is followed up by a Council Open Day, where Committees and members of the community are invited to a Council meeting. The amended/Draft IDP and Budget is again presented for the last time before they are submitted to Council for adoption. Council procedures are relaxed for the Council Open Day to allow the communities to speak and voice their comments after the presentations have been made. These comments are again collated into a document.

The IDP/Budget Road-shows are conducted annually and all Local Municipalities with the district are visited, the mayoral committee champions the initiative. Below is a proposed time schedule to be followed per Local Municipality in May 2019.

MUNICIPALITY/AREA	VENUE	DATE	TIME
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1.Engcobo Municipality	Local	Deberha Community Hall	<i>By the Month of May 2019</i>	10h00
2.Enoch Mgijima Municipality	Local	Thobi Kula Indoor Sports Centre		10h00
3. Sakhisizwe Municipality	Local	Cala Town Hall		10h00
4.Inxuba Local Municipality	Yethemba	Middleburg Hall		10h00
5. Emalahleni Municipality	Local	Emalahleni Town Hall		10h00
6. Intsika Municipality	Yethu Local	Cofimvaba Town Hall		10h00

CHAPTER 3

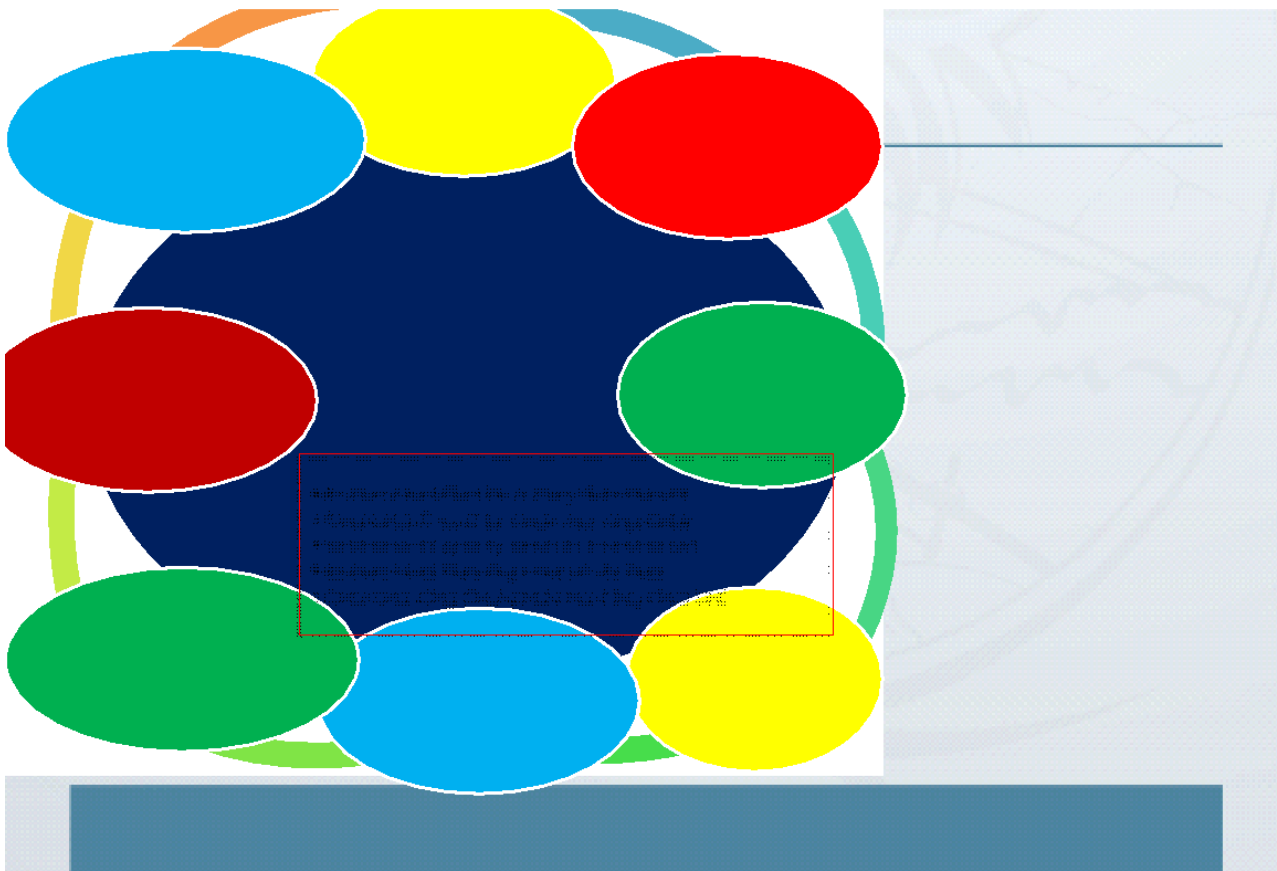
CHDM BROAD STRATEGIC OBJECTIVES

CHDM long term vision has been born out of Analysis of the Chris Hani Status Quo and developed through intensive participatory processes. Our Vision and Mission as well as Objectives, Strategies and Programmes are informed by the Development Agenda of the district which in one way or the other seem to be aligned to the National Development Plan 2030 as these programmes seek to address the three challenges that South Africa in general face , which are Inequality, Poverty and Job Creation. The NDP 2030 seeks to help us to chart a new

course. It focuses on putting in place the things that people need to grasp opportunities such as education and public transport and to broaden the opportunities through economic growth and the availability of jobs. CHDM through the IPED department also focuses on Economic and Social Growth which flows from the Constitution of RSA Sec 152 and Sec 153, the sections refers to promotion of Economic and Social Growth.

According to NDP 2030 everything is aimed at reducing Poverty and Inequality. Our view as CHDM same as the National government view is to shift the balance of spending towards programmes that help people improve their own lives and those of their children and the communities they live in South Africa can become the country we want it to become. It is possible to get rid of poverty and reduce inequality in 20 years. We have the people, the goodwill, the skills, the resources – and now, a plan. This IDP Review of 2019-2020 seeks to address exactly those three challenges. Furthermore the institution further believes that these objectives, Strategies and Indicators would lead to us focusing on the very same principles of ‘Back to Basics’ and Masiphathisane.

This is explained through a programme that CHDM Council together with its Councils of Local Municipalities has committed to follow.



Vision:

“Leaders in sustainable economic growth and improved quality of life”

Mission:

“To coordinate governance and quality service for vibrant communities”

Values:

C=Commitment
H=Humanity
R=Respect
I=Integrity
S=Sincerity
H=Honesty
A=Accountability
N=Nurturing
I=Innovative

In an effort to realize the institutional vision, CHDM has developed 5 Broad Strategic Objective as aligned to the National KPA. These are a way of responding to key issues confronting the municipality and as said are aligned to the 5 National KPA's (5 year Local Government Strategic Agenda).

The below Broad Strategic Objective were developed during the various strategic session of the institution and are to be applied for the period 2017-2022 and will be reviewed annually till 2022.

CHDM 5 KEY BROAD STRATEGIC OBJECTIVES LINKED TO 5 KPA'S

- 1. To establish and maintain a skilled labour force guided by policies to function optimally towards the delivery of services to Communities.**
- 2. To ensure provision of Municipal Health, Environmental Management and Basic Services in a well-structured, efficient and integrated manner.**
- 3. 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.**
- 4. To Ensure an Effective, Efficient and Co-ordinated Financial Management that enables CHDM to deliver its mandate.**
- 5. To create an Efficient, Effective, Accountable and Performance-oriented Administration.**

CHDM 2019-2022 STRATEGIC OBJECTIVES, KPIs and 3 year TARGETS**KPA No 1: Municipal Transformation and Institutional Development:**

- 1. To establish and maintain a skilled labour force guided by policies to function optimally towards the delivery of services to communities**

PROGRAMME OBJECTIVE	5YR OUTCOME	STRATEGY	KPI	KPI Code	Baseline	2019/20
To attract, retain and build a productive workforce	Increased productivity and improved service delivery	Implementation of Integrated Human Resources Management Programs	Number of IHRM programmes implemented	MT OD 1	09 Programmes	07 Integrated Human Resources Management Programs
		Implementation of Integrated Health, Wellness and Safety Programmes	Number of Integrated Health, Wellness and Safety Programmes implemented	MT OD 2	04 Programmes	06 Integrated Health, Wellness and Safety Programs implemented
To ensure effective Management of Municipal Assets.	Sustainable delivery of services	Implementation of Fleet Management Policy	Number of Municipal Vehicles Managed	MT OD 3	168 Vehicles in place	168 Municipal Vehicles managed
		Implementation of Facility Management Plan	% of works done in the construction of Chris Hani Village Phase 1	MTOD 4	Nil	50% of work constructed of Phase 01
			No of buildings Refurbished as per the FMP	MT OD 5	1 Building Refurbished	02 Buildings Refurbished
PROGRAMME OBJECTIVE	5YR OUTCOME	STRATEGY	KPI	KPI Code	Baseline	2019/20

To ensure effective Management of Municipal assets.	Sustainable delivery of services	Development and Implementation of Security Management Plan	Number of Security Management Plans developed implemented	MT OD 6	None	04 Security Management Plans Developed and implemented
		Implementation of ICT Work Study Report on Business Integration Technology enablement	Number of ICT Programmes Implemented	MTOD 7	4 ICT Programmes	4 ICT Programmes Implemented
To ensure effective Administration support and Legal services	Effective support to Council and Administration	Implementation of Administration support and Legal services programme	Number of Administration Support and Legal Services programmes implemented	MTOD 8	03 Administration and Legal Services programmes	03 Administration and Legal Services programmes implemented

KPA 2: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

2. To ensure provision of Municipal Health, Environmental Management and Basic Services in a well-structured, efficient and integrated manner.

PROGRAMME OBJECTIVE	5YR OUTCOME	STRATEGY	KPI	KPI Code	Baseline	2019/20	
To ensure Universal coverage of Water and Sanitation by 2022	Quality Drinking Water	Implementation of WSDP	Number of households served with Quality basic water supply	SDI-1	11848 Households	2177 h/h served RDP Standard	3912 Stand
			Number of water Reticulation projects completed	SDI-2	41 Water Reticulation projects completed	08 Water reticulation projects completed	10 Water project
			Number of Bulk Water Supply projects completed	SDI-3	22 Bulk Water supply projects completed	02 Bulk Water supply projects completed	10 Bulk project

			Number of Full SANS Audit conducted in all 28 Water Treatment Works	SDI -4	1 Audit Conducted on all 28 Water Treatment works	1 Full SANS Audit conducted in all 28 Water Supply systems	1 Full condu Water
			Number of Water Treatment works Completed	SDI-5	05 Water Treatment Works	01 Water Treatment Works	Nil Wa Works
			Number of households served with safe basic sanitation	SDI-6	13 433 households	799 h/h served	799 h/
			Number of Waste Water Treatment works completed	SDI-7	1 Waste Water Treatment works	2 Waste Water Treatment works	1 Was Treatm
			Number of of Proces Audit conducted in all 18 Waste Water Treatment Works	SDI-8	Process Audit conducted in all 28 Waste Wayer Traetment Works	01 Process Audit conducted in all 18 Waste Water Treatment Works	01 Pro condu Waste Works
To ensure maintenance of Roads	Sustained water resource	Implementation of Operations and Maintenance Plan	Number of Water Schemes Refurbished	SDI-9	26 Water Schemes refurbished	05 water Schemes Refurbished	03 wa Refurb
	Well maintained roads	Implementation of Water Conservation and Demand Management Strategy	Number of Consumer and Bulk water replacement programmes implemented	SDI 10	01 Bulk Meter replacement programme implemented	02 Water Conservation and Demand Management Programmes implemented	03 Wa and D Manag Progra imple
		Implementation of Roads SLA	Number of kilometres of roads maintained	SDI-11	2652 Km Blading and 30 Km for regravelling	2148 km Bladed and 30 km regravelled	2148 km reg

To ensure Universal coverage of Water and Sanitation by 2022	Safe Sanitation	Implementat ion of WSDP	Number of Waste Water projects completed	SDI-12	02 Waste Water Projects	4 Waste Water projects completed	7 Was compl
To facilitate implementation of Human Settlements programmes	Sustainabl e Livelihoods	Implementat ion of CHDM Integrated Human Settlement Sector Plan	No of Human Settlements programmes implemented	SD1-13	02 Human Settlement	02 Human programmes implemented	02 Hu implem

PROGRAMM E OBJECTIVE	5 YEAR OUTCOME	Strategies	KPI	KPI Code	Baseline	2019/2020	2020/2021
To provide municipal health services in accordance with relevant legislations	Healthy communities	Monitor compliance of waste water quality with relevant legislation	Number of Waste Water Samples taken for compliance in accordance with Regulations 991 and section 39 of National Water Act 36 of 1998 as amended for compliance by 30 June 2020	SDI – 14	12 Waste Water Sample points taken	144 Waste Water Samples Points taken in accordance with Regulations 991 and section 39 of National Water Act 36 of 1998 as amended for compliance by 30 June 2020	144 Waste W Points taken i accordance w Regulations 9 section 39 of Water Act 36 amended for by 30 June 20
		Monitor compliance of drinking water quality with SANS 241	Number of drinking water sample points monitored in accordance with SANS 241	SDI – 15	2220 Drinking water Sample points monitore d	2220 Drinking water samples points monitored in accordance with SANS 241	2220 Drinking samples poin in accordance 241
	Healthy communities	Monitor and support food premises in	Number of food premises monitored in	SDI - 16	2240 Food premises	2240 food premises monitored in line with Food, Cosmetics	560 food prem monitored in Food, Cosmet

		accordance with relevant legislation	line with Food, Cosmetics and Disinfectant Act 54 of 1972 as Amended		monitored	and Disinfectant Act 54 of 1972 as Amended	Disinfectant Act 1972 as Amended
To provide municipal health services in accordance with relevant legislations		Monitor and support funeral parlours in accordance with relevant legislation	Number of Funeral parlours monitored for compliance through inspections	SDI - 17	68 funeral parlours monitored for compliance	272 funeral parlours monitored for compliance through inspections	272 funeral parlours monitored for compliance through inspections
		Monitor compliance with White Paper on Basic Household Sanitation of 2001	Number of sampled sanitation structures inspected in line with White Paper on Basic Household Sanitation of 2001	SDI - 18	360 Sanitation structures inspected	120 sampled sanitation structures inspected in line with White Paper on Basic Household Sanitation of 2001	120 sampled sanitation structures inspected in line with White Paper on Basic Household Sanitation of 2001
To ensure effects of disaster and fire are prevented or minimized		Implementation of Disaster Management Plan	Number of Disaster Management Programmes implemented	SDI-19	2 programmes	2 Disaster Management Programmes implemented as per DMP	2 Disaster Management Programmes implemented as per DMP
	Reduced fire risks	Implementation of Municipal Structures Act Act 117 of 1998 Sec 84 (1)(j)	Number of Fire Services programmes implemented	SDI - 20	4 Fire programmes	4 fire services programmes implemented	4 fire services programmes implemented
To promote functional ecosystems and healthy environment for all citizens	Minimized effects of Climate Change	Implementation of District Wide Environmental Management Plan	Number of Environmental Programmes implemented as per District Wide Environmental Plan	SDI - 21	3 Programme	3 Environmental Programmes implemented as per District Wide Environmental Management Plan	3 Environmental Programmes implemented as per District Wide Environmental Management Plan

KPA No-3: LOCAL ECONOMIC DEVELOPMENT

3. 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.

PROGRAMME OBJECTIVE	5YR OUTCOME				Baseline	2019/20	20
		STRATEGY	KPI	KPI Code			
To ensure provision for the inclusive, developmental, equitable and efficient spatial planning by 2030	Transformed spaces and inclusive land use	Implementati on of SPLUMA	Number of Spatial Planning programmes implemented as per SPLUMA	LED-1	04 SPLUMA programmes	03 Spatial Planning programmes implemented as per SPLUMA	03 Spatial I programmes implement SPLUMA
		Implementati on of Small Town Revitalisation programmes	Number of Small Town Revitalisation programmes supported	LED-2	05 Small Town programmes	03 Small Town Revitalisation programmes supported	03 Small To Revitalisatio supported
To contribute to Economic Development and growth in the district as envisaged in the NDP	Improved regional economy	Implementati on of CHREDS	Number of Agricultural programmes implemented	LED-3	5 Programmes	04 Agriculture programmes implemented	04 Agricult programmes implement
			Number of SMME programs implemented	LED-4	3 Programmes	03 SMME programmes implemented	03 SMME p implement
			Percentage of budget spent on Local Businesses as per Preferential	LED-5	MFMA Circular & Contractor Development Policy	30 % of Budget spent on Local Businesses as per Preferential Procurement Monitored	30 % of Bu Local Busin Preferential Monitored

			Procurement Regulation Monitored				
		Implementati on of EPWP Policy	Number of Tourism & Heritage programmes implemented	LED-6	06 Tourism & Heritage Programmes	06 Tourism & Heritage Programmes implemented	06 Tourism Programmes implemented
			Number of Forestry programmes implemented	LED-7	03 Programmes	03 Forestry Programmes implemented	03 Forestry programmes implemented
			Number of Jobs Created through EPWP	LED-8	2200 EPWP Jobs	2200 Jobs created through EPWP	2200 Jobs created through EPWP

KPA 4 FINANCIAL MANAGEMENT AND VIABILITY

5. To Ensure an Effective , Efficient and Co-ordinated Financial Management that enables CHDM to deliver its mandate

PROGRAMME OBJECTIVE	STR OUTCOME	STRATEGY	KPI	KPI Code	Baseline	2019/2020
Ensure sound financial management	Sound financial Management and compliance with legislation	Compilation of Credible Budgets and financial reports	Number of credible budgets and financial reports complied and approved	FMV-1	4 Credible Budgets and 16 Financial Reports	4 credible budgets and 16 Financial reports approved
		Implementation of Revenue Enhancement Strategy	Number of Revenue Enhancement programmes implemented	FMV-2	04 Programmes	03 Revenue Enhancement programmes implemented
		Implementation of SCM Policy	Number of SCM programmes implemented	FMV-3	7 Programmes	07 SCM programmes implemented
		Implementation of MFMA Sec 65 and 66	Percentage adherence to 30 days payment of valid invoices and payment of salaries by the due date.	FMV-4	92% adherence to 30 days	100% adherence to 30 days payment of valid invoices and payment of salaries by the due date
		Compilation of GRAP Compliant Asset Register	Number of GRAP compliant Fixed Asset Registers and Inventory Management programmes implemented	FMV-5	1 GRAP Fixed Asset Register and 1 Inventory Register	02 Fixed Asset Register and Inventory programmes implemented
		Compilation of GRAP Compliant AFS	Number of GRAP Compliant AFS compiled	FMV-6	Audited 2017/18 AFS	04 GRAP Compliant AFS compiled

		Implementation of GRAP and MSCOA Compliant Financial Management systems	Number of GRAP and MSCOA Compliant Financial Management Systems programmes implemented	FMV-7	03 Financial Management System Integrated	03 GRAP and MSCOA Compliant Financial Management system programmes implemented
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KPA 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

5. To create an efficient effective accountable and Performance oriented administration.

PROGRAMME OBJECTIVE	5YR OUTCOME	Strategy	KPI	KPI code	Baseline	2019/20	2020/21
To enhance communication, Public Participation, stakeholder Informed Communities	Informed stakeholders	Implementation of Communication Plan	No of Communication programmes implemented	GGP P-1	05 Programmes	05 Communication Programmes implemented	05 Communication Programmes implemented
		Implementation of Public Participation Strategy	No of Public Participation Programmes implemented	GGP P-2	16 Public Participation Programmes	16 Public Participation programmes implemented	16 Public Participation programmes implemented
	Satisfied Customers	Implementation of Customer Care Management Plan	No of Customer Care Management Programmes implemented	GGP P-3	04 Customer Care Management Programmes	02 Customer Care Management Programmes Implemented	02 Customer Care Management Programmes Implemented
To ensure Clean Administration and	Good Governance	Development and Implementation of Risk-Based	Number of Risk based Internal Audit Plan developed and Implemented	GGPP -4	1 Risk Based Internal Audit Plan	01 Risk-Based Internal Audit Plan developed and implemented	01 Risk-Based Internal Audit Plan developed and implemented

Accountable governance		Operational Plan					
		Implementation of Risk Management Framework	Number of Risk Management Programmes implemented	GGPP -5	04 Risk Management Programmes	03 Risk Management Programmes implemented	04 Risk Management Programmes implemented
		Implementation of PMS Framework	Number of PMS Programmes implemented	GGPP -6	03 Programmes	04 PMS programmes implemented	04 PMS programmes implemented
To facilitate and coordinate integrated Special Programmes	Mainstreamed programmes	Implementation of STI, TB, HIV, SPU Mainstreaming and Youth Development Plans	Number of Special Programmes implemented	GGPP -7	03 Special Programmes	03 Special programmes implemented	03 Special programmes implemented
To ensure integrated approach to service delivery	Improved Service Delivery	Implementation of Integrated Service Delivery Model	Number of Integrated Service Delivery programmes implemented	GGPP -8	Integrated Service Delivery Model Implementation Plan	02 ISDM programmes implemented	02 ISDM programmes implemented
	Improved service delivery	Implementation of Municipal Support Model	Number of Municipal Support programmes implemented	GGPP -9	01 Municipal Support Model	01 Municipal Support Programme implemented	01 Municipal Support Programme implemented
		Implementation of IGR Strategy & IR Framework	Number of IGR & IR Programmes implemented	GGPP -10	1 IGR Strategy & 1 IR Framework	01 IGR & 01 IR Programmes implemented	01 IGR & 01 IR Programmes implemented
Development and implementation of Credible Plans aligned to NDP 2030	Improved Service Delivery	Development and review of Credible plans	Number of Service delivery plans developed, reviewed and implemented	GGPP -11	2012-2017 IDP	12 service delivery plans developed, reviewed and implemented	12 service delivery plans developed, reviewed and implemented

SECTOR DEPARTMENTS AND CHDM

2019-2020 PROJECTS

Department of Rural Development and Land Reform

LAND ACQUISITION

Project Name	Nature of Project	Ward & Locality
Pietkuil	Remainder of the farm Piet kuil No 26 measuring 448.1675 ha	Enoch Mgijima (Queenstown)
Process Hoek	Various Portions of Farm Process Hoek measuring 2005.1443 ha	Enoch Mgijima (Tarkastad)
Zurefontain	Various Portions of Farm Zurefontain measuring 2850.1450 ha	Enoch Mgijima (Molteno)
Ulin	Various Portions of the Farm commonly known as Ulin, measuring 1157.2862 ha	Sakhisizwe (Elliot)
Venterskraal	Various Portions of Farm Venterkraal, measuring 517.5566ha	Inxuba Yethemba (Cradock)
Conway	Various Portions of Farm commonly known as Conway, measuring 2025.9611 ha	Inxuba Yethemba (Cradock)

1HH 1HA PROJECTS FOR 2019/2020

Name of Project	Nature of Project	Ward & Locality	Number of Beneficiaries
Nqancule CPA	Tractor with implements, production inputs, fencing & storage	Engcobo, Ward	50
Qwebe-Qwebe CPA	Tractor with implements, production inputs, fencing & storage	Enoch Mgijima, Ward	TBC
Guba Trust	Tractor with implements, production inputs, fencing & storage	Emalahleni, Ward 16	30
Gallawater Trust	Irrigation system & production inputs	Enoch Mgijima, Ward	70

Luthando CPA	Irrigation system & production inputs	Enoch Mgijima, Ward	09	
Gubenxa Community Trust	Production inputs	Sakhisizwe, Ward	70	
Subtotal 1HH/1HA				

RURAL ENTERPRISES AND INDUSTRIES FOR 2019/2020

Name of the Project	Nature of Project	Ward & Locality	Number of Beneficiaries	
Ngcobo FPSU	Production inputs, tractor drawn harvester, bakkie, container, payment of stipend	Ward 17	447	
No.6 Primary Coop	Production inputs	Ngcobo, Ward 19	07	
Qamata-Bilatye FPSU	Implements, production inputs piggery ,waste separator, scale, pressure cleaner	Intsika Yethu, Ward 4	1000+	
Ulibo Agriculture and Investments Co-operative	Storage Container	Intsika Yethu, Ward 16	35	
Koze Kuse Premier Farming	Production Inputs, Fencing Material	Intsika Yethu, Ward 18	03	
Zanentlutha Primary Co-operative	Production Inputs, Fencing and irrigation equipment	Intsika Yethu, Ward 2	07	

RURAL ENTERPRISES & INDUSTRIES DEV FOR 2019/2020

Name of the Project	Nature of the Project	Ward & Locality	Number of Beneficiaries	
Qamata Lucerne Production	Production Inputs	Intsika Yethu Ward 4	01	
Emalahleni FPSU (Guba, Zingxondo & Bangindlala)	Sorghum seed	Ward 03 & 16	67	
Ebuhlanti Agric Primary Coop	Production inputs	Emalahleni, Ward 10	05	
Xashimba Abattoir	Generator & refrigerated truck	Enoch Mgijima, Ward 18	01	
Esophumelela Primary Agric Coop	Production inputs	Enoch Mgijima, Ward	12	
Subtotal REID				

RURAL INFRASTRUCTURE PROJECTS FOR 2019/2020

Name of the Project	Nature of the Project	Ward & Locality	Number of Beneficiaries	
Qamata-Bilatye FPSU	Mechanisation centre storage facility; feed mill designs	Intsika Yethu, Ward 4	1000+	
Qamata-Bilatye FPSU	Debushing at Bilatye	Instika Yethu, Ward 4	500+	
Chris Hani Agri-hub	Upgrading of security features and admin block	Instika Yethu, Ward 18	2000+	
Ngcobo FPSU	Mechanisation centre storage facility	Emalahleni, Ward 10	447	
Emalahleni FPSU	205 km fencing	Various	TBC	

Sub-Total RID				
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RESTITUTION PROJECTS FOR 2019/2020

Name of the Project	Nature of the Project	Ward & Locality	Number of Beneficiaries	
Kula/Matoti Family	Settlement	Intsika Yethu	15	
Juta Family	Settlement	Sakhisizwe	13	
Mvubu Family	Settlement	Emalahleni	16	
Pakamisa Family	Settlement	Enoch Mgijima	13	
J A Matshikiza	Settlement	Enoch Mgijima	19	
Mzalwana Family	Settlement	Intsika Yethu	9	
Tshutshumeza Family	Settlement	Intsika Yethu	21	

RESTITUTION PROJECTS FOR 2019/2020

Name of the Project	Nature of the Project	Ward & Locality	Number of Beneficiaries	
Lower Hukuwa	Phased settlement	Enoch Mgijima	1500	
Manzana Community	Phased settlement	Engcobo	2000	
Ncora	Phased settlement	Intsika Yethu	2200	
Phuphukwana Family	Finalisation	Emalahleni	6	
Kwepile Family	Finalisation	Emalahleni	11	
Pakamisa Family	Finalisation	Enoch Mgijima	12	
Ntwana Family	Finalisation	Emalahleni	14	
Mahonga Family	Finalisation	Intsika Yethu	33	
Mkhundu Family	Finalisation	Emalahleni	9	
Mvubu Family	Finalisation	Enoch Mgijima	14	
J A Matshikiza	Finalisation	Enoch Mgijima	11	
Tshutshumeza Family	Finalisation	Intsika Yethu	12	
Subtotal Restitution				

DEPARTMENT OF HUMAN SETTLEMENTS

Municipality	Project Name	Units	Rect Other	
Emalahleni	Lady Frere - R/land Ph 2 - 700 Rectification (Phase 1)	-	20	
Emalahleni	Dordrecht 2000(1001) (269)	-	30	
Emalahleni	Sinako Zwelwthemba	45		
Emalahleni	Indwe - Mavuya 462	36		
Emalahleni	Lady Frere - Zwartwater - 1000 subs (Phase 1)	45		
Inxuba Yethemba	Middelburg - Lusaka 595 subs (320 units)	30		
Inxuba Yethemba	Cradock - 2700 Rectification (Phase 1)	-	30	
Enoch Mgijima	Imvani 145 (125)	-	50	

Enoch Mgijima	QUEENSTOWN - NEW RATHWICK 3000	-	-	
Enoch Mgijima	Molteno 907 Rectification (Phase 1)	-	13	
Enoch Mgijima	Molteno Airstrip - 1127 Subs (- 627 Units)	78		
Enoch Mgijima	Tarkastad - Thornhill 1500 Subs (Phase)	78		
Enoch Mgijima	Queenstown - Ilinge - 1012 subs: (1190) (150 units) (200units)consolidation	-		
Enoch Mgijima	Queenstown - Ilinge - 1012 subs (1190)(- 7 Sirs 690 subs)	30		
Enoch Mgijima	Queenstown - Lesseyton 752 Units (Phase)	45		
Enoch Mgijima	Tarkastad- Khayaletu 100 Subs	27		
Enoch Mgijima	Tarkastad- Khwezi 200 Subs	30		
Enoch Mgijima	Tarkastad- Springroove 200 Subs	28		
Enoch Mgijima	Tarkastad - Thembalethu 100 Subs (Phase 1)	27		
Enoch Mgijima	Queenstown - Military Vetarans 200 (66 units)	20		
Enoch Mgijima	Zola 700 (100)	45		
Enoch Mgijima	Zola 225 PH1	5		
Enoch Mgijima	Xuma 126 PH1	5		
Enoch Mgijima	Toisekraal 364 PH1	5		
Enoch Mgijima	Tendegate 1000 (100)	40		
Enoch Mgijima	Tarkastad - Phakamisa 300 Subs (Phase 1)	40		
Enoch Mgijima	Tarkastad - Mitford 350 Subs (Phase 1)	-		
Enoch Mgijima	Tarkastad - Thornhill 1500 - 57 Cons Subs (Phase)	20		
Intsika Yethu	Tsomo - Ntsongeni 130 Units (Phase 1)	20		
Intsika Yethu	Cofimvaba - Vuyisile Mini Heritage 1000 Units (- 500 (Kentha))	31		
Intsika Yethu	Cofimvaba - Vuyisile Mini Heritage 1000 Units (- Inggayi & Mvelaphande)	21		
Intsika Yethu	Cofimvaba - Chris Hani Heritage 1000 Units (- Kentha 511 subs)	25		

Intsika Yethu	Cofimvaba Rural Voucher 170(unblocking)	25		
Intsika Yethu	Cofimvaba - Chris Hani Heritage 1000 Units (- 489 subs)	25		
Intsika Yethu	Cofimvaba - Lubisi 1000 subs (Phase 1)	35		
Intsika Yethu	Ward 19 KwaHala 1000 (Anti-poverty)500	-		
Sakhisizwe	Cala - Ward 2 - 1409 subs (- Quantum Leap)	40		
Sakhisizwe	Cala Ward 2 -1409 - (423 units)	30		
Sakhisizwe	Cala - Ward 8 & 9 - 1284 subs (Phase)	40		
Sakhisizwe	Cala - Ward 4 (Wards 1,3 & 6) 1269 subs (Phase)	30		
Sakhisizwe	Cala - Ward 4 (Wards 1,3 & 6) -1393 subs (Phase 1)	40		
Sakhisizwe	Cala Ward 1,3&6-1393 -(418 units)	30		
Sakhisizwe	Cala Ext 13 & 14 - 1545 (717) (20 units +239 unblocking)	5		
Sakhisizwe	Cala Ext 15 - 1070 (249) (79 units + 255 unblocking)	5		
Sakhisizwe	Elliot - R/land Ph 2 (Polapark) - 800 subs (324) (20 units+ 8 units Unblocking)	5		
Engcobo	Engcobo - Inkwenkwezi 300 Units (Phase 1)	30		
Engcobo	Engcobo - Nkondlo - 500 Units (Phase 1)	40		
Engcobo	Engcobo - Goboti 300 Units (Phase 1)	30		
Engcobo	Engcobo 952 (666)	-	30	
Engcobo	Engcobo - All Saints 700 Units (Phase 1)	40		
All 08 LMs	Chris Hani Destitute - Rural 339 C14100003/1 (Chris Hani Destitutes 717)	-		
Chris Hani	Chris Hani - Emergency Housing 424 subs (- 427 units)	27		
Chris Hani	Chris Hani Destitute - Rural 378 subs C13040006/1 (Chris Hani Destitutes 717)	-		
Chris Hani	Chris Hani Disaster - 879 Subs Phase 1	-		
Totals		1,253	173	

CHDM CAPITAL PROJECTS

WSIG

Project Name	2019/20	2020/
Cluster 2 Water Backlog		
Cluster 2 Water backlog Project - Regional Scheme 3: Luthuthu Water Supply		
<i>Prelim & General</i>	R 1 500 000,00	R 1 500 000,00
<i>Site Clearance</i>	R 800 000,00	R 500 000,00
<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	R 0,00	R 3 000 000,00
<i>Earthworks & Small Pipe</i>	R 0,00	R 1 670 519,00
<i>Miscellaneous</i>	R 0,00	R 500 000,00
<i>Professional fees</i>	R 650 000,00	R 800 000,00
<i>ISD fees</i>	R 50 000,00	R 400 000,00
<i>Projected retention</i>		R 300 000,00
Cluster 2 Water backlog Project - Regional Scheme 3: Phase 1C		
<i>Prelim & General</i>	R 0,00	R 2 000 000,00
<i>Site Clearance</i>	R 0,00	R 1 500 000,00
<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	R 0,00	R 5 000 000,00
<i>Earthworks & Small Pipe</i>	R 0,00	R 2 000 000,00
<i>Miscellaneous</i>	R 0,00	R 500 000,00
<i>Professional fees</i>	R 2 800 000,00	R 800 000,00
<i>ISD fees</i>	R 200 000,00	R 400 000,00
Cluster 2 Water backlog Project - Regional Scheme 3: Phase 1D		
<i>Prelim & General</i>	R 0,00	R 2 000 000,00
<i>Site Clearance</i>	R 0,00	R 1 500 000,00
<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	R 0,00	R 5 000 000,00
<i>Earthworks & Small Pipe</i>	R 0,00	R 2 000 000,00
<i>Miscellaneous</i>	R 0,00	R 500 000,00
<i>Professional fees</i>	R 2 800 000,00	R 800 000,00
<i>ISD fees</i>	R 200 000,00	R 400 000,00

Refurbishment of Dordrecht WTW		
<i>inlet works</i>	R 2 000 000,00	R 0,
<i>floculation channels</i>	R 850 000,00	R 0,
<i>filters</i>	R 200 000,00	R 0,
<i>telemetry</i>	R 150 000,00	R 0,
<i>sedimentation</i>	R 1 090 000,00	R 0,
<i>professional fees</i>	R 1 410 000,00	R 0,
Water Conservation and Demand Management at Dordrecht		
<i>Professional fees</i>	R 1 749 130,00	R 0,
<i>ISD Fees</i>	R 494 695,00	R 0,
<i>Replacement of valves</i>	R 600 000,00	R 0,
<i>Replacement of bulk zonal meters</i>	R 600 000,00	R 0,
<i>Installation pressure loggers</i>	R 134 435,00	R 0,
<i>Repair water leaks</i>	R 2 821 740,00	R 0,
Water Conservation and Demand Management - Lady Frere		
<i>retrofitting</i>	R 0,00	R 0,
<i>bulk metering data logging</i>	R 0,00	R 0,
<i>consumer metering</i>	R 0,00	R 0,
<i>Pressure management</i>	R 0,00	R 0,
Emalahleni Sanitation Backlog		
<i>Construction of toilets</i>	R 0,00	R 0,
<i>Professional fees</i>	R 0,00	R 0,
<i>ISD Fees</i>	R 0,00	R 0,
<i>Projected Retention</i>	R 0,00	R 0,
Cluster 2 Water backlog Project - Regional Scheme 1: Phase 2A		
<i>Prelim & General</i>	R 0,00	R 0,
<i>Site Clearance</i>	R 0,00	R 0,
<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	R 0,00	R 0,
<i>Earthworks & Small Pipe</i>	R 0,00	R 0,
<i>Miscellaneous</i>	R 0,00	R 0,
<i>Professional fees</i>	R 0,00	R 0,
<i>ISD fees</i>	R 0,00	R 0,
<i>Projected Retention</i>	R 0,00	R 0,
	R 21 100 000,00	R 33 070 519,
Cluster 4 Water Backlog		
Gubenxa and Maxongo's Hoek Interim Water Supply		

<i>Prelim & General</i>	R 864 440,00	R 500 000,00
<i>Site Clearance</i>	R 800 000,00	R 400 000,00
<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	R 1 800 000,00	R 1 600 000,00
<i>Earthworks & Small Pipe</i>	R 1 500 000,00	R 800 000,00
<i>Miscellaneous</i>	R 800 000,00	R 300 000,00
<i>Professional fees</i>	R 1 000 000,00	R 500 000,00
<i>ISD fees</i>	R 400 000,00	R 200 000,00
Refurbishment of Cala Bulk Water		
<i>Siting and Drilling two boreholes</i>	R 815 000,00	R 0,00
<i>equipping two boreholes</i>	R 600 000,00	R 0,00
<i>pipelines</i>	R 625 000,00	R 0,00
<i>refurbishment reservoir</i>	R 200 000,00	R 0,00
<i>installation level indicator</i>	R 200 000,00	R 0,00
<i>ISD fees</i>	R 60 000,00	R 0,00
Water Conservation Management Elliot Old Location		
<i>Retrofitting</i>	R 850 000,00	R 0,00
<i>intallation water meters</i>	R 600 000,00	R 0,00
<i>repairs retculation pipeleines</i>	R 1 050 000,00	R 0,00
Sakhisizwe Sanitation Backlog		
<i>Construction of toilets</i>	R 0,00	R 0,00
<i>Professional fees</i>	R 0,00	R 0,00
<i>ISD Fees</i>	R 0,00	R 0,00
<i>Projected Retention</i>	R 0,00	R 0,00
	R 12 164 440,00	R 4 300 000,00
Cluster 4 Water Backlog (Gesini Kwamzola;Melika Matlanyile A&BNqgara;Mtshabe Mdeni T Mhlahlane F Ezantsi C Jerusalem A;Mgingqini A - Phase 2		
Cluster 4 Water Backlog - Gasini B (Vuyisile Mini)		
<i>P & Gs,site Clearance</i>	R 821 000,00	R 0,00
<i>Earthworks ,Bulk Medium Pressure Pipes,Pump & Reservoir</i>	R 1 771 000,00	R 0,00
<i>Earthworks & Small Medium Pressure Pipe</i>	R 750 000,00	R 0,00
<i>Miscellaneous</i>	R 621 000,00	R 0,00
<i>Professional fees</i>	R 600 000,00	R 350 000,00
<i>ISD fees</i>	R 200 000,00	R 150 000,00

<i>Projected Retention</i>	R 850 000,00	R 250 000,00
Cluster 4 Water Backlog - Gesini Water Supply		
<i>Prelim & General, Site Clearance</i>	R 1 000 000,00	R 0,00
<i>Earthworks ,Bulk Medium Pressure Pipes</i>	R 750 000,00	R 0,00
<i>Earthworks & Small Medium Pressure Pipe</i>	R 550 000,00	R 0,00
<i>Miscellaneous</i>	R 300 000,00	R 0,00
<i>Professional fees</i>	R 850 000,00	R 200 000,00
<i>ISD fees</i>	R 250 000,00	R 75 000,00
<i>Projected Retention</i>	R 250 000,00	R 250 000,00
Cluster 4 Water Backlog - Mathafeni A Water Supply		
<i>Prelim & General, Site Clearance</i>	R 2 500 000,00	R 0,00
<i>Earthworks ,Bulk Medium Pressure Pipes</i>	R 1 100 000,00	R 0,00
<i>Earthworks & Small Medium Pressure Pipe</i>	R 821 000,00	R 0,00
<i>Miscellaneous</i>	R 821 000,00	R 0,00
<i>Professional fees</i>	R 1 150 000,00	R 100 000,00
<i>ISD fees</i>	R 250 000,00	R 50 000,00
<i>Projected Retention</i>	R 250 000,00	R 0,00
Cluster 4 Water Backlog - Gasini A Water Supply		
<i>Prelim & General, Site Clearance</i>	R 0,00	R 1 800 000,00
<i>Earthworks ,Bulk Medium Pressure Pipes</i>	R 0,00	R 2 000 000,00
<i>Earthworks & Small Medium Pressure Pipe</i>	R 0,00	R 850 000,00
<i>Miscellaneous</i>	R 0,00	R 300 000,00
<i>Professional fees</i>	R 0,00	R 550 000,00
<i>ISD fees</i>	R 0,00	R 250 000,00
<i>Projected Retention</i>	R 0,00	R 250 000,00
Cluster 4 Water Backlog - Mtshabe Water Supply		
<i>Prelim & General, Site Clearance</i>	R 750 000,00	R 0,00
<i>Earthworks ,Bulk Medium Pressure Pipes</i>	R 500 000,00	R 0,00
<i>Earthworks & Small Medium Pressure Pipe</i>	R 620 000,00	R 0,00
<i>Miscellaneous</i>	R 300 000,00	R 0,00
<i>Professional fees</i>	R 450 000,00	R 150 000,00
<i>ISD fees</i>	R 100 000,00	R 75 000,00
<i>Projected Retention</i>	R 75 000,00	R 75 000,00
Cluster 4 Water Backlog - Madambe Water Supply		
<i>Prelim & General, Site Clearance</i>	R 0,00	R 3 000 000,00
<i>Earthworks ,Bulk Medium Pressure Pipes</i>	R 0,00	R 2 860 000,00
<i>Earthworks & Small Medium Pressure Pipe</i>	R 0,00	R 3 700 000,00

<i>Miscellaneous</i>	R 0,00	R 1 115 000,
<i>Professional fees</i>	R 600 000,00	R 1 250 000,
<i>ISD fees</i>	R 150 000,00	R 250 000,
<i>Projected Retention</i>	R 0,00	R 250 000,
Water conservation and Demand Management - Cofimvaba		
<i>retrofitting</i>	R 0,00	R 0,
<i>bulk metering data logging</i>	R 0,00	R 0,
<i>consumer metering</i>	R 0,00	R 0,
	R 20 000 000,00	R 20 150 000,
Cluster 7 Water Backlog		
Cluster 7 Ngxogi Cefane water supply		
<i>Prelim & General, Site Clearance</i>	R 1 000 000,00	R 3 000 000,
<i>Earthworks ,Bulk Medium Pressure Pipes</i>	R 1 450 000,00	R 2 860 000,
<i>Earthworks & Small Medium Pressure Pipe</i>	R 1 000 000,00	R 3 700 000,
<i>Miscellaneous</i>	R 500 000,00	R 1 115 000,
<i>Professional fees</i>	R 1 250 000,00	R 1 250 000,
<i>ISD fees</i>	R 250 000,00	R 250 000,
<i>Projected Retention</i>	R 250 000,00	R 250 000,
Cluster 8 Water Backlog		
Cluster 6 Water Backlog		
Cluster 6 Ngqondo water supply		
<i>Prelim & General, Site Clearance</i>	R 1 800 000,00	R 1 000 000,
<i>Earthworks ,Bulk Medium Pressure Pipes</i>	R 1 850 000,00	R 2 000 000,
<i>Earthworks & Small Medium Pressure Pipe</i>	R 1 050 000,00	R 2 000 000,
<i>Miscellaneous</i>	R 130 000,00	R 250 000,
<i>Professional fees</i>	R 600 000,00	R 800 000,
<i>ISD fees</i>	R 150 000,00	R 200 000,
<i>Projected Retention</i>	R 416 560,00	R 200 000,
Cluster 6 Lokshinin phase 3 water supply		
<i>Prelim & General, Site Clearance</i>	R 2 000 000,00	R 1 000 000,
<i>Earthworks ,Bulk Medium Pressure Pipes</i>	R 2 500 000,00	R 1 850 000,
<i>Earthworks & Small Medium Pressure Pipe</i>	R 1 500 000,00	R 2 000 000,
<i>Miscellaneous</i>	R 1 000 000,00	R 250 000,
<i>Professional fees</i>	R 600 000,00	R 800 000,
<i>ISD fees</i>	R 150 000,00	R 200 000,
<i>Projected Retention</i>	R 250 000,00	R 200 000,

Cluster 6 Sundwana water supply		
<i>Prelim & General, Site Clearance</i>	R 2 000 000,00	R 1 500 000,00
<i>Earthworks ,Bulk Medium Pressure Pipes</i>	R 1 500 000,00	R 2 860 000,00
<i>Earthworks & Small Medium Pressure Pipe</i>	R 1 500 000,00	R 3 700 000,00
<i>Miscellaneous</i>	R 1 000 000,00	R 1 515 000,00
<i>Professional fees</i>	R 600 000,00	R 1 250 000,00
<i>ISD fees</i>	R 150 000,00	R 250 000,00
<i>Projected Retention</i>	R 250 000,00	R 250 000,00
Augmentation of Engcobo Rural Scheme-Bhodini Village Phase 1		
<i>Siting and Drilling boreholes</i>	R 425 000,00	R 0,00
<i>equipping boreholes</i>	R 850 000,00	R 0,00
<i>pipelines</i>	R 750 000,00	R 0,00
<i>standpipes</i>	R 415 000,00	R 0,00
<i>ISD fees</i>	R 60 000,00	R 0,00
Augmentation of Engcobo Rural Scheme - Reservoir Bhodini Phase 2		
<i>Reservoir</i>	R 0,00	R 3 000 000,00
<i>pipelines valves</i>	R 0,00	R 1 500 000,00
	R 29 196 560,00	R 41 000 000,00
Refurbishment Cradock waste water treatment works	R 0,00	R 0,00
Water conservation and Demand Management Cradock and Middelburg		
<i>retrofitting</i>	R 0,00	R 0,00
<i>bulk metering data logging</i>	R 0,00	R 0,00
<i>consumer metering</i>	R 0,00	R 0,00
<i>telemetry system</i>	R 0,00	R 0,00
	R 0,00	R 0,00
Augmentation of Tarkastad Scheme(Phakamisa Village)Phase 1		
<i>Siting and Drilling boreholes</i>	R 425 000,00	R 0,00
<i>equipping boreholes</i>	R 400 000,00	R 0,00
<i>pipelines</i>	R 600 000,00	R 0,00
<i>standpipes</i>	R 515 000,00	R 0,00
<i>ISD fees</i>	R 60 000,00	R 0,00
Augmentation of Tarkastad Scheme - Phakamisa village Phase 2		
<i>Reservoir</i>	R 0,00	R 0,00

	<i>pipelines valves</i>	R 0,00	R 0,
		R 2 000 000,00	R 0,
		0	
	Water Conservation Demand Management Molteno	0	
	<i>retrofitting</i>	R 0,00	R 2 800 000,
	<i>bulk metering data logging</i>	R 0,00	R 2 900 000,
	<i>consumer metering</i>	R 0,00	R 2 500 000,
	Water Conservation Demand Management Sterkstroom		
	<i>retrofitting</i>	R 0,00	R 2 219 481,
	<i>bulk metering data logging</i>	R 0,00	R 2 500 000,
	<i>consumer metering</i>	R 0,00	R 2 500 000,
		R 0,00	R 15 419 481,
		84 461 000,00	113 940 000,
		84 461 000,00	113 940 000,

RBIG

JOB Number (1)	Project Name		
		Funder	2019/20
-	-	-	
		Funder	
INTSIKA YETHU MUNICIPALITY		RBIG	
RB10001	Cluster 9 Water backlog (Ward 13)	RBIG	
	Tsomo WTW and abstraction works	Construction	
	<i>ISD Fees</i>		R 0,00
	<i>Tech Fees</i>		R 0,00
	<i>PPE Water Infra: Pump Stations</i>		R 0,00
	<i>Decommissioning</i>		R 0,00
	<i>Concrete works</i>		R 0,00
	<i>Fencing</i>		R 0,00
	<i>Abstraction Works</i>		R 0,00
	<i>Paving</i>		R 0,00

	<i>Gabions</i>		R 0,00
	<i>Elec</i>		R 0,00
	<i>Mech</i>		R 0,00
	<i>Sludge lagoons</i>		R 0,00
	<i>Pipe Markers</i>		R 0,00
	<i>Chambers</i>		R 0,00
	<i>Buildings</i>		R 0,00
	<i>Small Pipework</i>		R 0,00
	<i>PPE WATER INFRA: Capital Spares</i>		R 0,00
	Tsojana Southern bulk	Complete	
RB09001	Cluster 4 Water Backlog	RBIG	
	<i>Lubisi Bulk Pipeline from Skhungwini to Ndonga</i>	<i>Supply of Material</i>	R 0
	<i>Lubisi Bulk Pipeline from Ndonga to Lady Frere</i>		
	<i>Isd fees</i>		R 500 000,00
	<i>Professional Fees</i>		R 2 000 000,00
	<i>Preliminary and General</i>		R 5 000 000,00
	<i>Pipelines</i>		R 23 000 000,00
	<i>Reservoirs</i>		R 6 000 000,00
	<i>Projected retention</i>		R 3 500 000,00
	<i>Cluster 4 water supply Northern Scheme Skhungwini to ngxumza</i>		
	<i>Isd fees</i>		R 0,00
	<i>Professional Fees</i>		R 0,00
	<i>Preliminary and General</i>		R 0,00
	<i>Pipelines</i>		R 0,00
	<i>Reservoirs</i>		R 0,00
	<i>Projected retention</i>		R 0,00
	<i>Cluster 4 water supply Ngxumza to Sidikidikini</i>		
	<i>Isd fees</i>		R 0,00
	<i>Professional Fees</i>		R 0,00
	<i>Preliminary and General</i>		R 0,00
	<i>Pipelines</i>		R 0,00
	<i>Reservoirs</i>		R 0,00
	<i>Projected retention</i>		R 0,00
	<i>Cluster 4 water supply Dumdu to cala</i>		
	<i>Isd fees</i>		R 0,00
	<i>Professional Fees</i>		R 0,00
	<i>Preliminary and General</i>		R 0,00

	<i>Pipelines</i>		R 0,00
	<i>Reservoirs</i>		R 0,00
	<i>Projected retention</i>		R 0,00
	<i>Cluster 4 water supply Dumdu to lower futha</i>		
	<i>Isd fees</i>		R 0,00
	<i>Professional Fees</i>		R 0,00
	<i>Preliminary and General</i>		R 0,00
	<i>Pipelines</i>		R 0,00
	<i>Reservoirs</i>		R 0,00
	<i>Projected retention</i>		R 0,00
TOTAL: INTSIKA YETHU LM			R 40 000 000
-	-	-	
ENOCH MGJIMA MUNICIPALITY		Funder	
RB04000	Augment Queenstown water supply(Xonxa)	BIG	R 0
	<i>Phase 6 machibini</i>	<i>award</i>	
	<i>Peliminary and General</i>		R 0
	<i>Valves, Chambers and Fittings</i>		R 0
	<i>Pipelines & Bulk Distribution, reservoirs</i>		R 0
	<i>Earthworks & Small Pipe</i>		R 0
	<i>Miscellenous</i>		R 0
	<i>Professional fees</i>		R 0
	<i>ISD fees</i>		R 0
	Projected Retention		R 0
TOTAL: ENOCH MGJIMA LM			R 0
NGCOBO MUNICIPALITY		Funder	
RB09000	Cluster 6 Water Backlog(Ward 9,13,15,16))	BIG	
	Kumbeke and Hlophekazi Bulk Supply	Draft Tender Stage	
	Preliminary & General; Site Clearance	construction	<i>R 3 000 000,00</i>
			<i>R 9 383 234,00</i>
			<i>R 4 000 000,00</i>
			<i>R 2 000 000,00</i>

			R 2 000 000,00
			R 500 000,00
			R 866 883,00
	Lokishini Bulk Supply Line		
	<i>Preliminary & General; Site Clearance</i>		R 1 500 000,00
	<i>Bulk Infrastructure (Earthworks, Medium Pressure Pipelines, Reservoirs)</i>		R 1 000 000,00
	<i>Earthworks, Small Pressure Pipelines,</i>		R 610 000,00
	<i>Miscellaneous</i>		R 900 000,00
	<i>Professional fees</i>		R 1 500 000,00
	<i>ISD fees</i>		R 500 000,00
	<i>Projected Retention</i>		R 1 000 000,00
	Mnyolo Bulk Infrastructure		
	<i>Preliminary & General; Site Clearance</i>		R 1 500 000,00
	<i>Bulk Infrastructure (Earthworks, Medium Pressure Pipelines, Reservoirs)</i>		R 1 000 000,00
	<i>Earthworks, Small Pressure Pipelines,</i>		R 610 000,00
	<i>Miscellaneous</i>		R 900 000,00
	<i>Professional fees</i>		R 1 226 000,00
	<i>ISD fees</i>		R 500 000,00
	<i>Projected Retention</i>		R 832 883,00
TOTAL: NGCOBO LM			R 35 329 000
-	-	-	
TSOLWANA MUNICIPALITY		Funder	
RB03001	Hofmeyer Water Supply	BIG	R 0
		Tender	
		Tender	
			R 0
TOTAL: TSOLWANA LM	CHRIS HANI DISTRICT MUNICIPALITY		
RB05001	Middelburg Water Provision		
	Middelburg Water Treatment Works	award	
	<i>P & Gs,site Clearance</i>		R 3 000 000
	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>		R 5 750 000
	<i>water treatment works</i>		R 15 000 000
	<i>Miscellaneous</i>		R 2 500 000
	<i>Professional fees</i>		R 2 000 000
	<i>ISD fees</i>		R 500 000

	<i>Projected Retention</i>		R 1 250 000
TOTAL: INXUBA YETHEMBA LM			R 30 000 000
GRAND TOTAL:RBIG PROJECTS	original		R 105 329 000
	DORA ALLOCATIONS		R 105 329 000

MIG

Vote Number	Project Name	2019/20	
		2019/20	
	Cluster 1 Waterbacklog (Wards 7,8 ,10,13,14)		
	Water Backlog CHDM Cluster 1 Mhlanga Water Supply		
	<i>Isd fees</i>	R 500 000,00	
	<i>Professional Fees</i>	R 1 200 000,00	
	<i>Preliminary and General</i>	R 1 000 000,00	
	<i>Pipelines</i>	R 1 000 000,00	
	<i>Reservoirs</i>	R 1 300 000,00	
	<i>Projected retention</i>	R 1 600 000,00	
	Water Backlog CHDM Cluster 1 Mhlanga and Mgwalana Bulk Water Supply		
	<i>Isd fees</i>	R 500 000,00	
	<i>Professional Fees</i>	R 1 500 000,00	R
35106449420K2CS7ZZCY	<i>Preliminary and General</i>	R 2 500 000,00	R
	<i>Pipelines</i>	R 3 000 000,00	R
	<i>Reservoirs</i>	R 2 500 000,00	R
	<i>Projected retention</i>	R 1 600 000,00	R
	Cluster 2 Water Backlog (Wards 1,2,4&6)		
	Cluster 2 water Backlog Gqebenya farms		
	<i>Isd fees</i>	R 500 000,00	
35106449425K2YANZZCY	<i>Professional Fees</i>	R 1 200 000,00	
	<i>Preliminary and General</i>	R 2 500 000,00	R
	<i>Pipelines</i>	R 3 000 000,00	
	<i>Reservoirs</i>	R 2 000 000,00	

	<i>Projected retention</i>	R 1 200 000,00	
	<i>Cluster 2 water Backlog Xonxa water treatment works</i>		
35106449425K2YALZZCS	<i>Isd fees</i>	R 500 000,00	
35106449425K2YALZZCS	<i>Professional Fees</i>	R 500 000,00	R
	<i>Preliminary and General</i>	R 0,00	R
	<i>Pipelines</i>	R 0,00	R
	<i>Reservoirs</i>	R 0,00	R
	<i>Projected retention</i>	R 0,00	R
	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		
	Internal Sewer Reticulation in Tyoksville (Herry Gwala)		
	Upgrading of Wastewater Treatment Works - Phase 2B:		
35106449421K2YAWZZCM	<i>Isd fees</i>	R 500 000,00	
35106449425K2YAWZZCM	<i>Professional Fees</i>	R 500 000,00	
	<i>Preliminary and General</i>	R 0,00	
	<i>Pipelines</i>	R 0,00	
	<i>Reservoirs</i>	R 0,00	
	<i>Projected retention</i>	R 0,00	
	Upgrading of Bulk Sewer and Reticulation -Phase 2 C:		
35106449421K2YAUZZCM	<i>Isd fees</i>	R 500 000,00	
35106449425K2YAUZZCM	<i>Professional Fees</i>	R 500 000,00	
	<i>Preliminary and General</i>	R 0,00	
	<i>Pipelines</i>	R 0,00	
	<i>Reservoirs</i>	R 0,00	
	<i>Projected retention</i>	R 0,00	
	Upgrading of Water Treatment Works - Phase 3		
35106449421K2YAXZZCM	<i>Isd fees</i>	R 500 000,00	
35106449425K2YAXZZCM	<i>Professional Fees</i>	R 1 200 000,00	R
35106449420K2CWKZZCM	<i>Preliminary and General</i>	R 2 000 000,00	R
New	<i>Pipelines</i>	R 1 000 000,00	R
New	<i>Reservoirs</i>	R 1 000 000,00	R
35102272469K2U47ZZCM	<i>Projected retention</i>	R 700 000,00	
	Upgrading of Bulk Water Supply -Phase 4:		
35106449421K2YAVZZCM	<i>Isd fees</i>	R 500 000,00	
35106449425K2YAVZZCM	<i>Professional Fees</i>	R 1 500 000,00	R

35106449420K2CWHZZCM	<i>Preliminary and General</i>	R 1 500 000,00	R
New	<i>Pipelines</i>	R 1 500 000,00	R
New	<i>Reservoirs</i>	R 1 000 000,00	R
New	<i>Projected retention</i>	R 617 000,00	
TOTAL: EMALAHLENI LM		R 44 617 000,00	R 4
INTSIKA YETHU MUNICIPALITY			
Ward 8 Sanitation Phase 2(New Ward 21)			
	<i>Construction of toilets</i>	R 4 000 000,00	R
	<i>Professional fees</i>	R 1 079 476,00	
	<i>ISD Fees</i>	R 300 000,00	
	<i>Projected Retention</i>	R 300 000,00	
Ward 8 Sanitation Phase 2(New Ward 19)			
	<i>Construction of toilets</i>	R 5 717 681,00	R
	<i>Professional fees</i>	R 590 604,00	
	<i>ISD Fees</i>	R 300 000,00	
	<i>Projected Retention</i>	R 200 000,00	
Ward 8 Sanitation Phase 2(New Ward 16)			
	<i>Construction of toilets</i>	R 3 414 584,00	R
	<i>Professional fees</i>	R 458 652,00	
	<i>ISD Fees</i>	R 150 000,00	
	<i>Projected Retention</i>	R 200 000,00	
Cofimvaba EU Sanitation New Ward 1 & 5 Sanitation VIP toilets(1230 H/H)(Makwayi ,Mthimbini,Chamama Forest)			
	<i>Construction of toilets</i>	R 3 000 000,00	R
	<i>Professional fees</i>	R 800 000,00	R
	<i>ISD Fees</i>	R 300 000,00	
	<i>Projected Retention</i>	R 200 000,00	
Cofimvaba EU Sanitation Ward 2 Sanitation VIP toilets(1160 H/H)(Ntshingeni)			
	<i>Construction of toilets</i>	R 5 000 000,00	R
	<i>Professional fees</i>	R 1 500 000,00	R
	<i>ISD Fees</i>	R 300 000,00	
	<i>Projected Retention</i>	R 413 415,00	
Cofimvaba EU Sanitation Ward 1 & 7 Sanitation VIP toilets(1032 H/H)(Chamama,Thunzini,Ndlangisa,Xeni)			
	<i>Construction of toilets</i>	R 3 500 000,00	R
	<i>Professional fees</i>	R 800 000,00	R
	<i>ISD Fees</i>	R 300 000,00	
	<i>Projected Retention</i>	R 586 626,00	
Intsika Yethu Sanitation - Amanzabantu			

	<i>Construction of toilets</i>	R 3 000 000,00	R 1
	<i>Professional fees</i>	R 800 000,00	R
	<i>ISD Fees</i>	R 350 000,00	
	<i>Projected Retention</i>	R 150 000,00	
	Cofimvaba Water and Sewer Services Phase 1(Water)		
	<i>P & Gs,site Clearance</i>	R 0,00	R
	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	R 0,00	
	<i>Earthworks & Small Pipe</i>	R 0,00	R
	<i>Miscellaneous</i>	R 0,00	
	<i>Professional fees</i>	R 1 000 000,00	R
	<i>ISD fees</i>	R 100 000,00	
	<i>Projected Retention</i>	R 0,00	
	Cofimvaba Water and Sewer Services Phase 2 (Sewer)		
	<i>P & Gs,site Clearance</i>	R 0,00	R
	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	R 0,00	R
	<i>Earthworks & Small Pipe</i>	R 0,00	R
	<i>Miscellaneous</i>	R 0,00	
	<i>Professional fees</i>	R 1 000 000,00	R
	<i>ISD fees</i>	R 100 000,00	
	<i>Projected Retention</i>		
	Cluster 2 Water backlog(Ward1,4,5,6,7)		
New	<i>P & Gs,site Clearance</i>	R 2 266 148,00	R
35106448420K2C5KZZCY	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	R 2 600 000,00	R
New	<i>Earthworks & Small Pipe</i>	R 2 047 810,00	R
New	<i>Miscellaneous</i>	R 2 725 000,00	R
	<i>Professional fees</i>	R 625 000,00	R
35102272461K2U18ZZCY	<i>ISD fees</i>	R 200 000,00	
	<i>Projected Retention</i>	R 1 000 000,00	
	Tsomo Bulk Services(New Housing Development In Tsomo)		
35106449420K2CB4ZZCY	<i>P & Gs,site Clearance</i>	R 2 000 000,00	
35106447020K2C1NZZCY	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	R 6 500 000,00	
New	<i>Earthworks & Small Pipe</i>	R 500 000,00	
New	<i>Miscellaneous</i>	R 7 950 000,00	
35106449425K2YBKZZCY	<i>Professional fees</i>	R 1 500 000,00	
35102272461K2U77ZZCY	<i>ISD fees</i>	R 50 000,00	
New	<i>Projected Retention</i>	R 1 500 000,00	
	Ncora Flats, Kwamzola Matafeni Reticulation		
35106449420K2CT5ZZCY	<i>P & Gs,site Clearance</i>	R 2 000 000,00	
35106449422K2YBDZZCY	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	R 5 000 000,00	
35106449422K2YBDZZCY	<i>Earthworks & Small Pipe</i>	R 800 000,00	

	<i>Miscellaneous</i>	R 2 506 304,00	R
35106449425K2YBDZZCY	<i>Professional fees</i>	R 1 500 000,00	
35106449421K2YBDZZCY	<i>ISD fees</i>	R 400 000,00	
	<i>Projected Retention</i>	R 1 000 000,00	
	Cluster 9 Water Backlog New Ward 3 Villages		
	<i>P & Gs,site Clearance</i>	R 0,00	
	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	R 0,00	
	<i>Earthworks & Small Pipe</i>	R 0,00	
	<i>Miscellaneous</i>	R 0,00	
	<i>Professional fees</i>	R 0,00	
	<i>ISD fees</i>	R 0,00	
	<i>Projected Retention</i>	R 0,00	
	Cluster 2 Water Backlog Scheme 5 Phase 2		
	<i>P & Gs,site Clearance</i>	R 0,00	
	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	R 0,00	
	<i>Earthworks & Small Pipe</i>	R 0,00	
	<i>Miscellaneous</i>	R 0,00	
	<i>Professional fees</i>	R 0,00	
	<i>ISD fees</i>	R 0,00	
	<i>Projected Retention</i>	R 0,00	
	Cluster 2 Water Backlog Scheme 2 Phase 2		
	<i>P & Gs,site Clearance</i>	R 0,00	
	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	R 0,00	
	<i>Earthworks & Small Pipe</i>	R 0,00	
	<i>Miscellaneous</i>	R 0,00	
	<i>Professional fees</i>	R 0,00	
	<i>ISD fees</i>	R 0,00	
	<i>Projected Retention</i>	R 0,00	
	Region 2 Phase 2 Sanitation Backlog		
	<i>Construction of toilets</i>	R 0,00	
	<i>Professional fees</i>	R 0,00	
	<i>ISD Fees</i>	R 0,00	
	<i>Projected Retention</i>	R 0,00	
	TOTAL: INTSIKA YETHU LM	R 84 581 300,00	R 8
	ENOCH MGIJIMA LM	2019/20	
	RA 60 Hewu Bulk Water Supply (phase 7)		
35106449420K2CTBZZCE	<i>Peliminary and General</i>	<i>R 1 000 000,00</i>	

35106448420K2CTCZZCE	Valves, Chambers and Fittings	R 1 500 000,00	
New	Pipelines & Bulk Distribution including Reticulation	R 3 500 000,00	
New	Earthworks & Small Pipe	R 750 000,00	
New	Miscellaneous	R 500 000,00	
35106449425K2YBFZZCE	Professional fees	R 800 000,00	
35106449421K2YBFZZCE	ISD fees	R 500 000,00	
New	Projected Retention	R 800 000,00	
	RA 60 Hewu Bulk Water Supply (phase 8)		
	Preliminary and General	R 0,00	R
	Valves, Chambers and Fittings	R 0,00	R
	Pipelines & Bulk Distribution	R 0,00	R
	Earthworks & Small Pipe	R 0,00	R
	Miscellaneous	R 0,00	
New	Professional fees	R 300 000,00	R
New	ISD fees	R 50 000,00	
	Projected Retention	R 0,00	
	RA 60 Hewu Bulk Water Supply (phase 8) 6ML Reservoir		
	P & Gs, site Clearance	R 0,00	
	Reservoir	R 0,00	
	Miscellaneous	R 0,00	
	Professional fees	R 0,00	
	ISD fees	R 0,00	
	Projected Retention	R 0,00	
	Rathwick Water and Sanitation		
	New Rathwick bulk services Phase 4 pumpstation		
35106448420K2CTGZZCE	Preliminary and General	R 1 500 000,00	R
35106446420K2C2JZZCE	New Rathwick Pump Station	R 4 000 000,00	R
New	Valves and Fittings	R 1 000 000,00	
New	Access Road, Paving and Fencing	R 1 500 000,00	
	Miscellaneous	R 500 000,00	
35106449425K2YBEZZCE	Professional fees	R 1 000 000,00	
35106449421K2YBEZZCE	ISD fees	R 500 000,00	
	Projected Retention	R 500 000,00	
	New Rathwick bulk services Phase 5 Water Treatment Works		
New	P & Gs, site Clearance	R 800 000,00	R
New	Earthworks, Bulk Pipe, Pump & Reservoir	R 800 000,00	
New	water treatment works	R 1 000 000,00	R
New	Miscellaneous	R 300 000,00	

	New	Professional fees	R 700 000,00	R
	New	ISD fees	R 400 000,00	
	New	Projected Retention	R 300 000,00	
		New Rathwick bulk services Phase 6 Reservoir and Pipeline		
		P & Gs,site Clearance	R 0,00	
		Earthworks ,Bulk Pipe,Pump & Reservoir	R 0,00	
		Earthworks & Small Pipe	R 0,00	
		Miscellaneous	R 0,00	
		Professional fees	R 0,00	
		ISD fees	R 0,00	
		Projected Retention	R 0,00	
		llinge Bulk Services		
	New	P & Gs,site Clearance	R 0,00	
	New	Earthworks ,Bulk Pipe,Pump & Reservoir	R 0,00	
	New	Earthworks & Small Pipe	R 0,00	
	New	Miscellaneous	R 0,00	
35106449425K2YB3ZZCE		Professional fees	R 500 000,00	
35106449421K2YB3ZZCE		ISD fees	R 300 000,00	
		Projected Retention	R 0,00	
		Cluster 1 Water backlog (ward 27)zinguthu phase 3		
	New	P & Gs,site Clearance	R 900 000,00	
	New	Earthworks ,Bulk Pipe,Pump & Reservoir	R 3 500 000,00	
	New	Earthworks & Small Pipe	R 200 000,00	
		Miscellaneous	R 500 000,00	
35106449425K2YAMZZCE		Professional fees	R 700 000,00	
35106449421K2YAMZZCE		ISD fees	R 300 000,00	
		Projected Retention	R 400 000,00	
		Region 4 Sanitation		
	New	Construction of toilets	R 0,00	R
	New	Professional fees	R 100 000,00	
	New	ISD Fees	R 50 000,00	
		Projected Retention	R 0,00	
		Cluster 2 water backlogRegional schme 2 phase 1		
35106449420K2CTLZZCE		Preliminary and General	R 100 000,00	
35106448420K2CTMZZCE		Valves, Chambers and Fittings	R 100 000,00	

35106446020K2CTNZZCE	<i>Pipelines & Bulk Distribution including Reticulation</i>	R 0,00	
	<i>Construction of Reservoirs Ground or Elevated)</i>	R 800 000,00	
	<i>Construction of Pumpstation</i>	R 100 000,00	
	<i>Professional fees</i>	R 300 000,00	
	<i>ISD fees</i>	R 100 000,00	
	<i>Projected Retention</i>	R 200 000,00	
	<i>Cluster 2 water backlogRegional schme 2 phase2</i>		
	<i>Peliminary and General</i>	R 0,00	
	<i>Valves, Chambers and Fittings</i>	R 0,00	
	<i>Pipelines & Bulk Distribution</i>	R 0,00	
	<i>Earthworks & Small Pipe</i>	R 0,00	
	<i>Miscellaneous</i>	R 0,00	
	<i>Professional fees</i>	R 0,00	
	<i>ISD fees</i>	R 0,00	
	<i>Projected Retention</i>	R 0,00	
	<i>Molteno Bulk Water</i>		
	<i>Peliminary and General</i>	R 800 000,00	R
	<i>Valves, Chambers and Fittings</i>	R 0,00	
	<i>Pipelines & Bulk Distribution</i>	R 0,00	R
	<i>Construction of Reservoirs Ground or Elevated)</i>	R 0,00	R
	<i>Water treatment works</i>	R 734 000,00	R
	<i>Construction of access road</i>	R 0,00	
35106449425K2YBAZZCE	<i>Professional fees</i>	R 800 000,00	
35106449421K2YBAZZCE	<i>ISD fees</i>	R 100 000,00	
	<i>Projected Retention</i>	R 100 000,00	
	<i>Molteno Sewer Bulk</i>		
35106449425K2YB9ZZCE	<i>Professional fees</i>	R 80 000,00	
35106449421K2YB9ZZCE	<i>ISD fees</i>	R 30 000,00	
	<i>Projected Retention</i>	R 0,00	
	<i>Molteno Oxidation Ponds</i>		
	<i>Upgrading of Molteno Oxidation Ponds : Rehabilitation of Existing Ponds Walls</i>		
	<i>Preliminary and General</i>	R 700 000,00	
	<i>Interceptor Sewers</i>	R 0,00	
	<i>Relining and rehabilitation of Existing Ponds</i>	R 1 800 000,00	
	<i>fencing</i>	R 700 000,00	
	<i>Professional fees</i>	R 600 000,00	

	<i>ISD fees</i>	<i>R 200 000,00</i>	
	<i>Projected Retention</i>	<i>R 250 000,00</i>	
	Rehabilitation of Sewer Ponds-Hofmeyer		
New	<i>Preliminary and General</i>	<i>R 0,00</i>	R
New	<i>Relining and rehabilitation of Existing Ponds</i>	<i>R 0,00</i>	R
New	<i>Fencing</i>	<i>R 0,00</i>	
35106449425K2YBHZZCE	<i>Professional fees</i>	<i>R 250 000,00</i>	
35106449421K2YBJZZCE	<i>ISD fees</i>	<i>R 100 000,00</i>	
	<i>Projected Retention</i>	<i>R 0,00</i>	
	Tarkastad Bulk Services		
	<i>Peliminary and General</i>	<i>R 0,00</i>	
	<i>Valves, Chambers and Fittings</i>	<i>R 0,00</i>	
	<i>Pipelines & Bulk Distribution</i>	<i>R 0,00</i>	
	<i>Earthworks & Small Pipe</i>	<i>R 0,00</i>	
	<i>Construction of Pumpstation</i>	<i>R 0,00</i>	
	<i>Miscellaneous</i>	<i>R 0,00</i>	
35106449425K2YBJZZCE	<i>Professional fees</i>	<i>R 250 000,00</i>	
	<i>ISD fees</i>	<i>R 100 000,00</i>	
	<i>Projected Retention</i>	<i>R 0,00</i>	
	Upgrade of Sewer Bulk Services Hofmeyer (Pump Station)		
	<i>Preliminary and General</i>	<i>R 0,00</i>	
	<i>Interceptor Sewers</i>	<i>R 0,00</i>	
	<i>Hofmeyer Sewer Pump Station</i>	<i>R 0,00</i>	
	<i>Hofmeyer Rising or Gravity Main Sewer</i>	<i>R 0,00</i>	
	<i>Network Pipelines</i>	<i>R 0,00</i>	
	<i>Valves and Fittings</i>	<i>R 0,00</i>	
35106449425K2YBMZZCE	<i>Professional fees</i>	<i>R 50 000,00</i>	
35106449421K2YBMZZCE	<i>ISD fees</i>	<i>R 30 000,00</i>	
	<i>Projected Retention</i>	<i>R 0,00</i>	
TOTAL: ENOCH MGIJMA LM		R 41 324 000,00	R 4
NGCOBO MUNICIPALITY		2019/20	
	Engcobo waste water treatment works		
35106449420K2CTYZZCB	<i>P & Gs,site Clearance, Land Compensation</i>	<i>R 5 550 000,00</i>	R
35106449420K2CUZZZCB	<i>Earthworks, Buildings,Waste Water Works</i>	<i>R 4 000 000,00</i>	R 1
New	<i>Earthworks & Sewer Pipes</i>	<i>R 3 000 000,00</i>	R

	New	Miscellaneous	R 3 000 000,00	R
35106449425K2YAYZZCB		Professional fees	R 3 000 000,00	R
35106449421K2YAYZZCB		ISD fees	R 450 000,00	
		Projected Retention	R 1 000 000,00	R
		Cluster 5 Mntuntloni B water supply		
	New	P & Gs,site Clearance	R 1 000 000,00	R
	New	Earthworks ,Bulk Pipe,Pump & Reservoir	R 500 000,00	R
		Earthworks & Small Pipe	R 0,00	R
		Miscellaneous	R 0,00	R
	New	Professional fees	R 500 000,00	R
	New	ISD fees	R 100 000,00	
		Projected Retention	R 100 000,00	
		Cluster 5 Lalini water supply		
	New	P & Gs,site Clearance	R 1 000 000,00	
	New	Earthworks ,Bulk Pipe,Pump & Reservoir	R 1 500 000,00	
	New	Earthworks & Small Pipe	R 1 000 000,00	
	New	Miscellaneous	R 800 000,00	
	New	Professional fees	R 1 000 000,00	
	New	ISD fees	R 500 000,00	
		Projected Retention	R 800 000,00	
		Cluster 5 Lalini water supply line from cluster 4 to Kumafikela reservoir		
		P & Gs,site Clearance	R 0,00	
		Earthworks ,Bulk Pipe,Pump & Reservoir	R 0,00	
		Earthworks & Small Pipe	R 0,00	
		Miscellaneous	R 0,00	
		Professional fees	R 0,00	
		ISD fees	R 0,00	
		Projected Retention	R 0,00	
		Cluster 6 Gubenxa Villages internal water supply		
35106449420K2CUBZZCB		P & Gs,site Clearance	R 1 000 000,00	
35106447020K2C1FZZCB		Earthworks ,Bulk Pipe,Pump & Reservoir	R 4 000 000,00	
35106446020K2C4FZZCB		Earthworks & Small Pipe	R 800 000,00	
	New	Miscellaneous	R 750 000,00	
35106449425K2YB2ZZCB		Professional fees	R 2 000 000,00	
35102272461K2U33ZZCB		ISD fees	R 300 000,00	

	<i>Projected Retention</i>	<i>R 700 000,00</i>	
	Cluster 6 Esigeni/Sitholeni/Lexeni Village reticulation		
New	<i>P & Gs,site Clearance</i>	<i>R 3 000 000,00</i>	
New	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	<i>R 2 500 000,00</i>	
New	<i>Earthworks & Small Pipe</i>	<i>R 1 450 000,00</i>	
New	<i>Miscellaneous</i>	<i>R 300 000,00</i>	
New	<i>Professional fees</i>	<i>R 1 000 000,00</i>	
New	<i>ISD fees</i>	<i>R 400 000,00</i>	
	<i>Projected Retention</i>	<i>R 800 000,00</i>	
	Cluster 6 Lixeni, Ncityana & Kumbeke Village Retic		
35106449420K2CUPZZCB	<i>P & Gs,site Clearance</i>	<i>R 2 000 000,00</i>	R
35106449422K2YB5ZZCB	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	<i>R 4 519 000,00</i>	R
New	<i>Earthworks & Small Pipe</i>	<i>R 2 500 000,00</i>	R
New	<i>Miscellaneous</i>	<i>R 400 000,00</i>	
35106449421K2YB5ZZCB	<i>Professional fees</i>	<i>R 1 000 000,00</i>	R
35102272461K2P74ZZCY	<i>ISD fees</i>	<i>R 500 000,00</i>	
	<i>Projected Retention</i>	<i>R 800 000,00</i>	
	cluster 6 hlophekazi villages		
	<i>P & Gs,site Clearance</i>	<i>R 0,00</i>	
	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	<i>R 0,00</i>	
	<i>Earthworks & Small Pipe</i>	<i>R 0,00</i>	
	<i>Miscellaneous</i>	<i>R 0,00</i>	
	<i>Professional fees</i>	<i>R 0,00</i>	
	<i>ISD fees</i>	<i>R 0,00</i>	
	<i>Projected Retention</i>	<i>R 0,00</i>	
	cluster 6 Lokshini Phase 2		
New	<i>P & Gs,site Clearance</i>	<i>R 1 000 000,00</i>	
New	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	<i>R 2 000 000,00</i>	
New	<i>Earthworks & Small Pipe</i>	<i>R 3 550 000,00</i>	
New	<i>Miscellaneous</i>	<i>R 500 000,00</i>	
New	<i>Professional fees</i>	<i>R 1 000 000,00</i>	
35102272461K2U36ZZCB	<i>ISD fees</i>	<i>R 450 000,00</i>	
	<i>Projected Retention</i>	<i>R 500 000,00</i>	
	Cluster 8 water backlog		
New	<i>Professional fees</i>	<i>R 500 000,00</i>	

New	<i>ISD fees</i>	<i>R 2 000 000,00</i>	
	<i>cluster 8 water backlog phase 2 pipeline to kunkane, nabileyo,mazizizni, kwamiya)</i>		
	<i>P & Gs,site Clearance</i>	<i>R 0,00</i>	
	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	<i>R 0,00</i>	
	<i>Earthworks & Small Pipe</i>	<i>R 0,00</i>	
	<i>Miscellaneous</i>	<i>R 0,00</i>	
	<i>Professional fees</i>	<i>R 0,00</i>	
	<i>ISD fees</i>	<i>R 0,00</i>	
	<i>Projected Retention</i>	<i>R 0,00</i>	
	<i>cluster 8 water backlog phase 3 reticulation to elalini(ekunene)</i>		
	<i>P & Gs,site Clearance</i>	<i>R 0,00</i>	
	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	<i>R 0,00</i>	
	<i>Earthworks & Small Pipe</i>	<i>R 0,00</i>	
	<i>Miscellaneous</i>	<i>R 0,00</i>	
	<i>Professional fees</i>	<i>R 0,00</i>	
	<i>ISD fees</i>	<i>R 0,00</i>	
	<i>Projected Retention</i>	<i>R 0,00</i>	
	<i>Cluster 8 reservoirs supply from tsono</i>		
	<i>Professional fees</i>	<i>R 0,00</i>	
	<i>ISD Fees</i>	<i>R 0,00</i>	
	<i>cluster 6 Jalisa water supply</i>		
	<i>P & Gs,site Clearance</i>	<i>R 0,00</i>	
	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	<i>R 0,00</i>	
	<i>Earthworks & Small Pipe</i>	<i>R 0,00</i>	
	<i>Miscellaneous</i>	<i>R 0,00</i>	
	<i>Professional fees</i>	<i>R 0,00</i>	
	<i>ISD fees</i>	<i>R 0,00</i>	
	<i>Projected Retention</i>	<i>R 0,00</i>	
	<i>Cluster 6 luxwexweni Water Supply</i>		
	<i>P & Gs,site Clearance</i>	<i>R 0,00</i>	
	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	<i>R 0,00</i>	
	<i>Earthworks & Small Pipe</i>	<i>R 0,00</i>	
	<i>Miscellaneous</i>	<i>R 0,00</i>	
	<i>Professional fees</i>	<i>R 0,00</i>	
	<i>ISD fees</i>	<i>R 0,00</i>	
	<i>Projected Retention</i>	<i>R 0,00</i>	

	Cluster 7 Construction of Dam		
	<i>P & Gs,site Clearance</i>	R 0,00	
	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	R 0,00	
		R 0,00	
	<i>Miscellaneous</i>	R 0,00	
New	<i>Professional fees</i>	R 2 000 000,00	R
New	<i>ISD fees</i>	R 1 000 000,00	R
	Cluster 7 Bulk Pipeline & Bulk Reservoirs		
	<i>Professional fees</i>	R 0,00	
	<i>ISD Fees</i>	R 0,00	
	Cluster 7 Abstraction Works		
	<i>Professional fees</i>	R 0,00	
	<i>ISD Fees</i>	R 0,00	
	Water Treatment Works		
	<i>Professional fees</i>	R 0,00	
	<i>ISD Fees</i>	R 0,00	
	Cluster 8 Water backlog(Ward 16,17,18)		
	Chaba Emergency Project		
New	<i>P & Gs,site Clearance</i>	R 500 000,00	
New	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	R 1 400 000,00	
New	<i>Earthworks & Small Pipe</i>	R 350 000,00	
New	<i>Miscellaneous</i>	R 150 000,00	
New	<i>Professional fees</i>	R 500 000,00	
New	<i>ISD fees</i>	R 350 000,00	
	<i>Projected Retention</i>	R 100 000,00	
	Cluster 9 Sanitation (Wards 1,2,3,4 & 6)		
	<i>Construction of toilets</i>	R 0,00	R
	<i>Professional fees</i>	R 0,00	
	<i>ISD Fees</i>	R 0,00	
	<i>Projected Retention</i>	R 0,00	
	Cluster 10 Sanitation (Wards 7,8,,10,11 &12)		
	<i>Construction of toilets</i>	R 0,00	R
	<i>Professional fees</i>	R 0,00	
	<i>ISD Fees</i>	R 0,00	
	<i>Projected Retention</i>	R 0,00	
	Cluster 11 Sanitation (Wards 13,15 & 16)	R 0,00	
	<i>Construction of toilets</i>	R 0,00	R
	<i>Professional fees</i>	R 0,00	
	<i>ISD Fees</i>	R 0,00	
	<i>Projected Retention</i>	R 0,00	
		R 77 369 000,00	R 8

TOTAL: NGCOBO LM		R 77 369 000,00	R 8
SAKHISIZWE MUNICIPALITY			
Elliot Waste Water Treatment Works			
Upgrading of the Elliot Waste Water Treatment Works			
35102272461K2U81ZZCS	ISD fees	R 407 000,00	
35102272465K2U81ZZCS	Professional Fees	R 300 000,00	
	Preliminary & General	R 0,00	
	Ppe Owned Cost Infrastr Waste Water	R 0,00	
	Contingencies	R 0,00	
	Retention	R 0,00	
Construction of Pump Station with Bulk Collector Sewers - Phase 2			
New	ISD fees	R 500 000,00	
New	Professional Fees	R 300 000,00	
	Preliminary & General	R 0,00	R
	Ppe Owned Cost Infrastr Waste Water	R 0,00	R
	Contingencies	R 0,00	R
	Retention	R 0,00	R
Cluster 4 waterbacklog(Wards 6,7,& 4)			
Mthingwevu Water Supply Scheme			
New	Professional fees	R 700 000,00	
New	ISD fees	R 200 000,00	
New	PRELIMINARY AND GENERAL	R 1 500 000,00	
New	PPE WATER INFRA: DISTRIBUTION (reticulation/pipelines)	R 1 600 000,00	
New	PPE WATER INFRA: RESERVOIRS	R 1 500 000,00	
	Contingencies	R 0,00	
	Retention	R 1 000 000,00	
Upper Lufutha Interim Water Supply			
	Professional fees	R 0,00	
	ISD fees	R 0,00	
	PRELIMINARY AND GENERAL	R 0,00	
	PPE WATER INFRA: DISTRIBUTION (reticulation/pipelines)	R 0,00	
	PPE WATER INFRA: RESERVOIRS	R 0,00	
	PPE WATER INFRA: WATER TREATMENT	R 0,00	
	Contingencies	R 0,00	
New	Retention	R 1 200 000,00	
Upper Lufutha Ext (Mbodlana) Interim Water Supply			
35102272465K2U27ZZCS	Professional fees	R 1 300 000,00	
35102272461K2U27ZZCS	ISD fees	R 300 000,00	

	<i>PRELIMINARY AND GENERAL</i>	R 0,00	
	Cala Bulk Water and Sanitation Services		
	upgrading of Cala Wastewater Treatment Works - Phase 1		
35102272465K2U80ZZCS	<i>Professional fees</i>	R 1 500 000,00	R
35102272461K2U80ZZCS	<i>ISD fees</i>	R 400 000,00	
35106449420K2CB5ZZCS	<i>PRELIMINARY AND GENERAL</i>	R 1 000 000,00	R
35106449420K2CANZZCS	<i>PPE WATER INFRA: DISTRIBUTION (reticulation/pipelines)</i>	R 1 500 000,00	
	<i>PPE WATER INFRA: RESERVOIRS</i>	R 0,00	
New	<i>PPE WATER INFRA: WATER TREATMENT</i>	R 1 200 000,00	
New	<i>Contingencies</i>	R 1 500 000,00	
New	<i>Retention</i>	R 1 000 000,00	R
	upgrading of Cala Bulk Gravity Collector Sewers - Phase 2		
New	<i>Professional fees</i>	R 500 000,00	R
New	<i>ISD fees</i>	R 400 000,00	
New	<i>PRELIMINARY AND GENERAL</i>	R 0,00	
New	<i>PPE WATER INFRA: DISTRIBUTION (reticulation/pipelines)</i>	R 0,00	
New	<i>PPE WATER INFRA: RESERVOIRS</i>	R 0,00	
New	<i>PPE WATER INFRA: WATER TREATMENT</i>	R 0,00	
	<i>Contingencies</i>	R 0,00	
	<i>Retention</i>	R 0,00	
	TOTAL: SAKHISIZWE LM	R 19 807 000,00	R 2
	INXUBA YETHEMBA LM		
	Cradock Bulk Services(Water and Sanitation)		
35106449425K2YATZZCN	<i>P & Gs,site Clearance</i>	R 1 000 000,00	
New	<i>Earthworks ,Bulk Pipe,Pump & Reservoir</i>	R 1 500 000,00	R
New	<i>Earthworks & Small Pipe</i>	R 50 000,00	R
New	<i>Miscellaneous</i>	R 184 000,00	
35106449421K2YATZZCN	<i>Professional fees</i>	R 1 500 000,00	
New	<i>ISD fees</i>	R 600 000,00	
	<i>Projected Retention</i>	R 150 000,00	
	TOTAL INXUBA YETHEMBA	R 4 984 000,00	R
	CHRIS HANI DISTRICT MUNICIPALITY TOTAL		
	PMU Operational Budget	R 14 351 700,00	R 1
	PROJECTS	R 272 682 300,00	R 28
	GRAND TOTAL	R 272 682 300,00	R 28
		R 0,00	
	Total Allocation as per 2018 DORA bill	R 287 034 000,00	R 30

	Top Slice (5%)	R 14 351 700,00	R 1
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CHAPTER 4

CHDM SPATIAL DEVELOPMENT FRAMEWORK

In terms of Section 26 (e) of the Municipal Systems Act (Act No. 32 of 2000) the Spatial Development Framework (SDF) is a legally required component of the Municipality's Integrated Development Framework (IDP). The SDF provides a strategic, indicative and flexible forward planning instrument to guide decisions on land development and renders a set of policies, principles and directives for spatial development.

In accordance with the requirements of legislation governing municipal planning, the Chris Hani District Municipality (CHDM) Council has adopted the SDF as a review for 2018-2022 period and this is in line with re-demarcation of Local Municipal Boundaries as per the Demarcation board in 2016, for the IDP of 2018/2022.

In order to ensure that development will take place in an integrated and sustainable manner, the IDPs and SDFs of local and district authorities have to be updated and aligned with the goals and directives provided by various existing and new guiding documents, such as the NSDP and PSDP. Therefore IDPs and SDFs need to be reviewed on a continuous basis to ensure synergy between the three spheres of government. What happens on local level needs to "fit-in" and "contribute" to both provincial and National Development Goals.

The Chris Hani District Spatial Development Framework is set to be in line with the function of the District Municipality to co-ordinate development activities within the district. The District SDF should be taken as a guide to where planning and development initiatives could best be directed by public and private sector agencies seeking to invest in development initiatives in the district. Therefore, the SDF should: -

- Identify the key spatial development features (trends and dynamics) currently applicable in the Chris Hani District Municipality;
- Establish clearly the objectives of the Chris Hani District Municipality in relation to spatial development in its area of jurisdiction, with particular emphasis on clarifying the principles to be followed in the management of such spatial development in the area;
- Identify the Municipality's strategies and policies that are adopted to achieve its spatial development objectives. These focus on establishing a hierarchy of settlement and delineating Special Development Areas, which are: -
 - o Areas where strategic development intervention is required (areas of particular development potential and/or areas where current development activities represent a development opportunity); and
 - o Areas where priority spending is required (areas of special need).
- Sets out basic guidelines for a land use management system in Chris Hani District Municipality.

The objective of a reviewed SDF are given to effect to the founding development principles set out in Section 7(a) of SPLUMA and the norm and standard set out in Chapter 2 Section 8 (2) of SPLUMA.

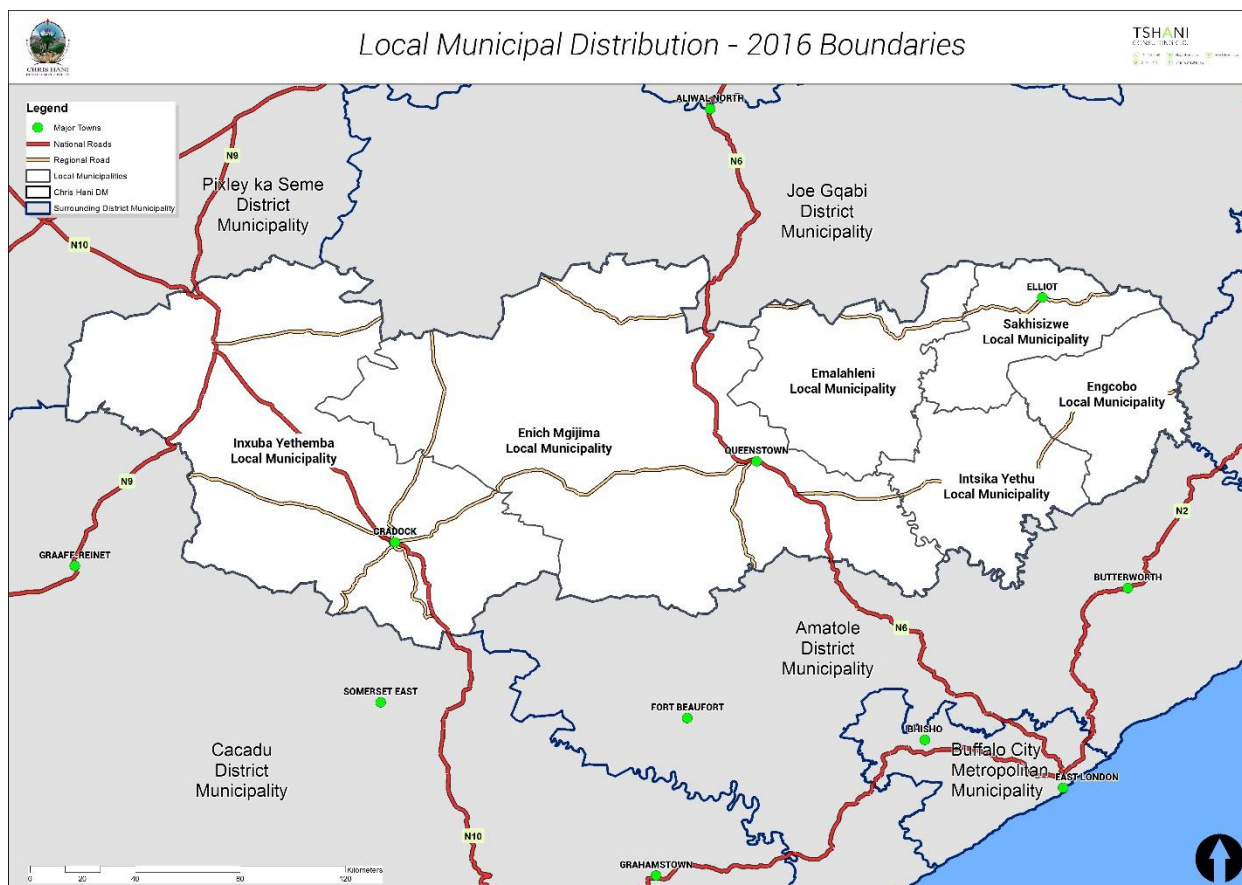
An overarching framework is required within which the evaluation and development of proposal can take place. This framework has 3 substantive spatial themes, biophysical, socio-economic and built environments and the proposed review of the Chris Hani District SDF must address these 3 themes specifically.

Beyond the above mentioned generic objectives of an SDF, the review process of the SDF must include amongst others the following:

- Updating the refinement of the current SDF document in order to comply with the legal requirements and be conversant with the recent developments and planning within the region, especially with the reviewed SDF of the District;
- Amendments and expansion of the existing documentation based on the NSDP, EC Vision 2030, Draft Eastern Cape Spatial Development Framework, Eastern Cape Rural Development Plans, Integrated Urban Development Framework, CHDM GDS Agreement and IDP in order to ensure proper alignment;
- Incorporation and alignment of all relevant information and proposals deriving from spatial relevant plans (ABP) etc... All spatially relevant documents need to be sieved as considered as input;
- Incorporation of the assessment with the Eastern Cape Bio Diversity Conservation Plan;
- Ensuring horizontal integration between the neighbouring Local SDFs and vertical integration with the District SDF;
- Ensuring public and governmental participation of the concerned stakeholders in the planning process, namely (inter alia) the communities of the concerned Local Municipalities, CHDM and neighbouring municipalities, EC Provinces, sector departments, parastatals and business institutions , interest groups & traditional leaders;
- Creating a strategic framework to facilitate the development of an appropriate land use system;
- Mainstreaming of cross-cultural issues in the SDF planning process on local level; such as
 - HIV/Aids
 - Gender
 - Crime
 - Environmental protection

The main changes to the district SDF of 2015 are as follows: -

- Boundary changes as per the demarcation board are reflected;



The following table is a breakdown of the local municipal composition which make up the District after the 2016 Municipal Demarcation: -

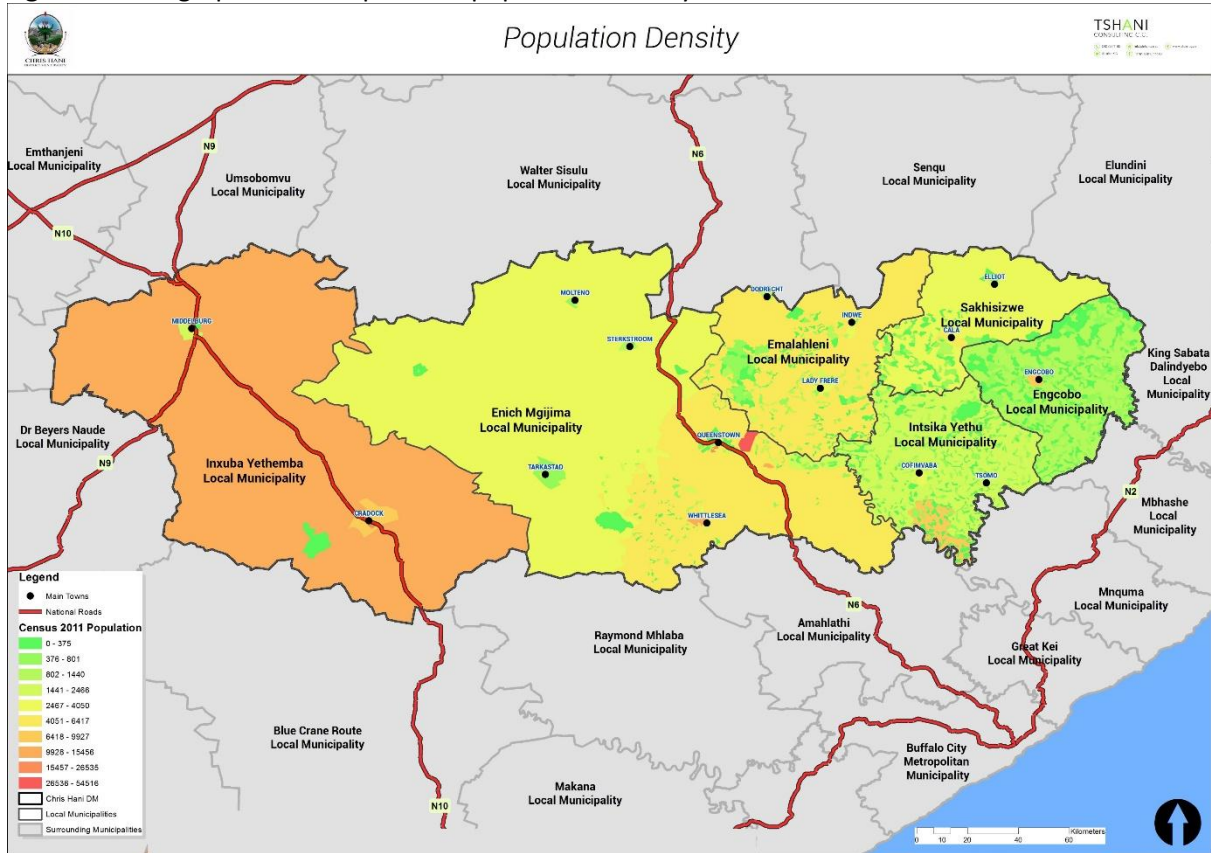
Municipality	Main Town	Area	% of the District
Emalahleni Municipality	Cacadu Dodrecht Indwe	3 484km ²	9.5%
Intsika Yethu Municipality	Cofimvaba Tsomo	2 873km ²	7.5%
Engcobo Municipality	Engcobo	2 484km ²	6.8%
Inxuba Yethemba Municipality	Cradock Middleburg	11 663km ²	32.2%
Enoch Mgijima Municipality	Komani Tarkastad	13 584km ²	37.5%
Sakhisizwe Municipality	Cala Kowa	2 318km ²	6.5%
CHRIS HANI DISTRICT		36 407km²	

- Revised Priority Spatial Issues identified on the basis of a new Analysis as well as the revision of the related Spatial Development Objectives and Strategies, in line with the current CHDM IDP
- A revision of the Eastern Cape Provincial Spatial Development Framework to be aligned with Chris Hani District SDF;
- The inclusion of information on the agreed Chris Hani District Municipality Development Agenda.
- A revision of the Development Nodes and Corridors as well as the identified Special Development Areas to align with the inputs of the review of the Regional Economic Development Strategy (REDS);
- The inclusion of information emanating from the Special Economic Zone report
- A consideration of the likely requirements related to the implementation of the Spatial Planning & Land Use Management, Act 16 of 2013 (SPLUMA)

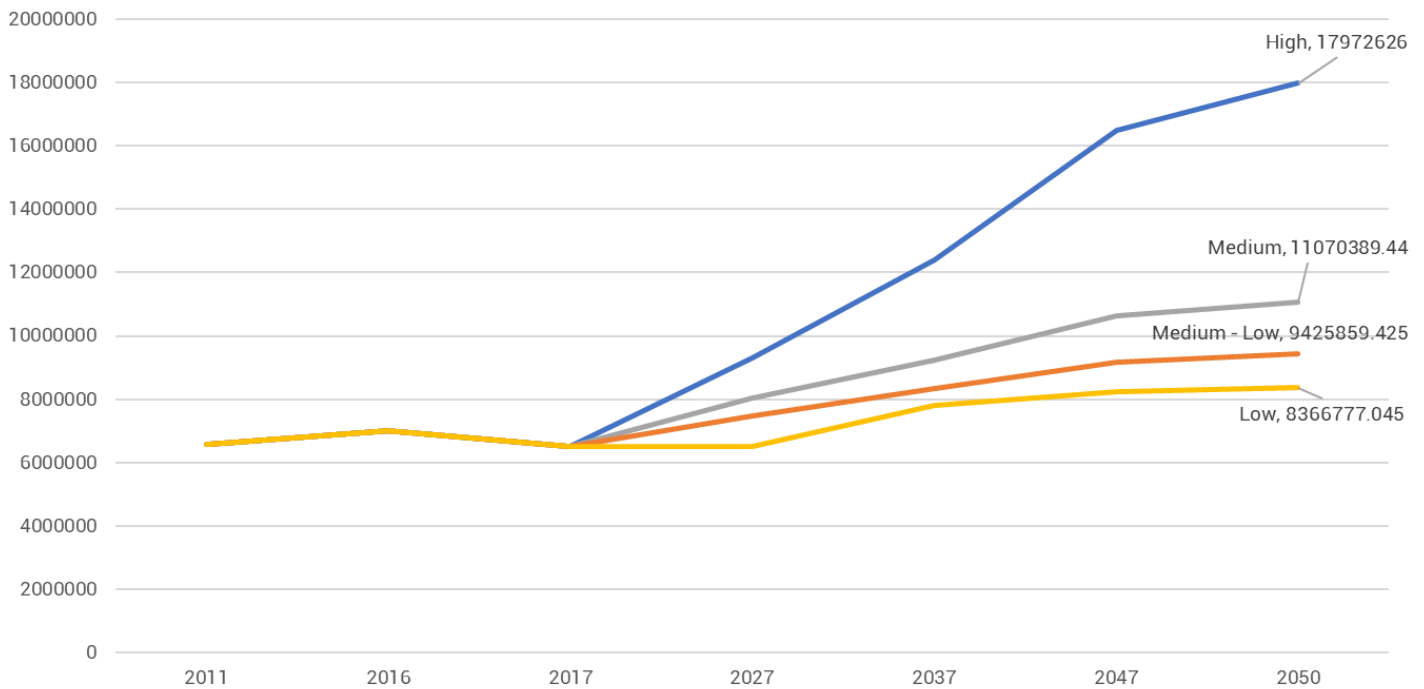
A Development Perspective of Chris Hani District

The points below set out some of the most distinctive features of the Chris Hani District taken into consideration in the review of the SDF: -

- As per the Statistics South Africa Community Survey of 2016, the estimated **total population of the district in 2016 was 840 0588 people (approximately 218000 households)**, with the highest population densities located in the former Ciskei and Transkei areas. This reflects a **reduction from previous estimates (2001, 2004 and 2011)** and suggests **that the district is experiencing a process of outward migration**. The graph below depicts the population density distribution within the District.

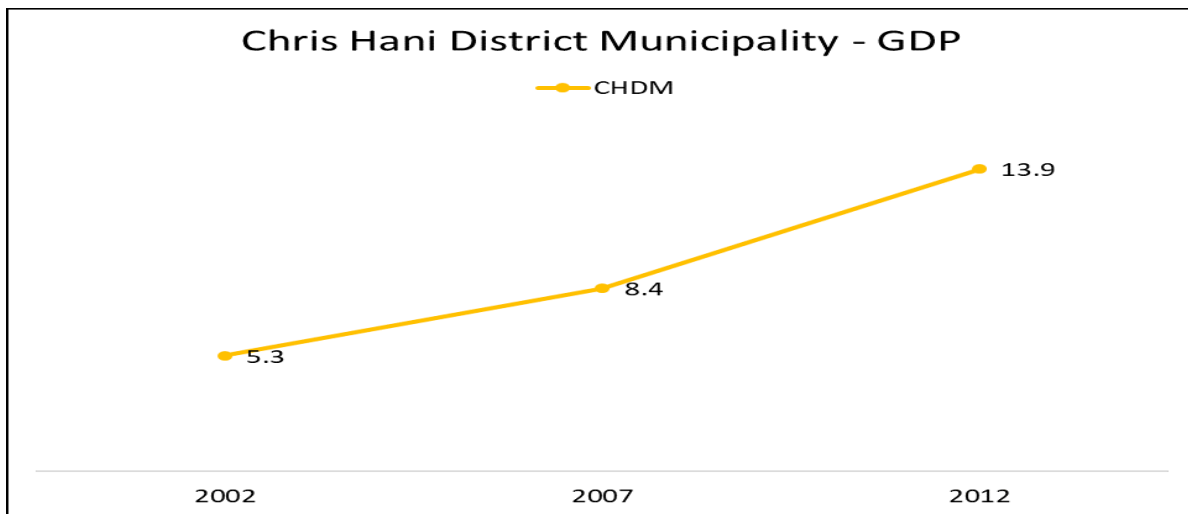


Population Forecast



- Based on the 2016 Community Service and a 2050 population projection, the estimated population of the district is 1 128 358 people.

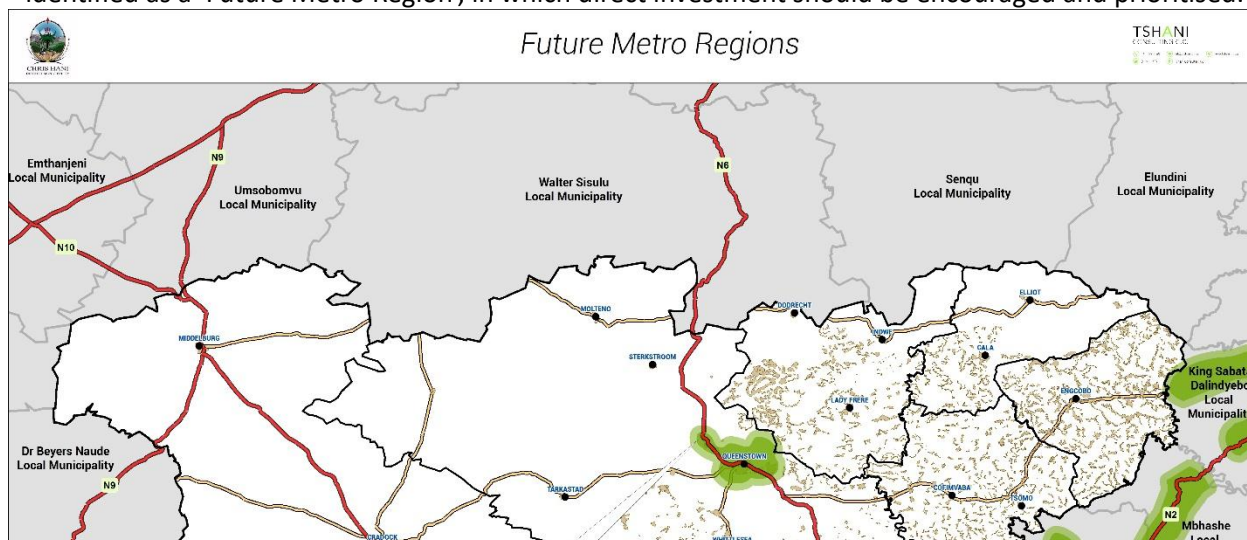
- In essence, **the Chris Hani District may be defined as a largely land or primary production-based area**, where the most important elements of the district economy are derived from state investment and from the consumption and production patterns of the resident population itself.
- From a spatial development perspective, it is clear that **the dominant area for economic activity in the district is the Enoch Mgijima Municipality (Queenstown Area)**, where some 48% of the total Gross Domestic Product (GDP) of the district is produced. Within Enoch Mgijima, Queenstown remains the main concentration of activity in the commercial, manufacturing, and services sectors.
-



- The primary sectors within the District include-

Sector Category	Sector	Average Annual Growth (2012-2017)
Primary Sector	Mining	1.88%
	Agriculture	3.90%
Secondary Sector	Manufacturing	2.84%
	Electricity	3.29%
	Construction	3.48%
Tertiary Sector	Trade	3.16%
	Transport	3.72%
	Finance	4.15%
	Community Services	3.19%

As per the 2017 Eastern Cape Provincial Spatial Development Framework, the Komani area has been identified as a 'Future Metro Region', in which direct investment should be encouraged and prioritised.



- It is clear, that the **small towns in the district remain important as service centres** where the local populace can access retail goods and other services.
- Looking at economic development potential, the **Chris Hani Regional Economic Development Strategy (REDS) has endorsed 4 specific clusters (or sectors) for prioritisation** in the district, these being: **(i) The Agricultural, Agro-Processing and Forestry Sector; (ii) The Manufacturing, Construction and Mining Sector; (iii) Tourism & Hospitality Sector; and (iv) The Services, Retail and Logistics Sector.**
- The REDS process has emphasised, the following major sectors within each Municipality:-



- The following 5 priority areas of Government identified in the REDS for Chris Hani include: **(i) Creation of decent work and sustainable livelihoods, (ii) Education, (iii) Health, (iv) Rural development, food security and land reform, (v) fight against crime and corruption.**
- The REDS has provided the strategic basis for an **Agro-Industrial approach to development in the district**, which has also taken form in the conceptualisation of a **district Special Economic Zone (SEZ)**.
- The Chris Hani SEZ is proposed to have its Hub at the **Queendustria industrial complex in Queenstown**.

Spatial Development Framework Proposals

In recognition of the need to plan for the maximization of available human and natural resources within a context of achieving sustainability, the CHDM acknowledges that there is a need to focus limited public resources in areas of opportunity in order to achieve maximum impact. From a spatial planning perspective, this means certain structuring elements have been identified to guide future planning and expenditure. These structuring elements are clustered into four main components: -

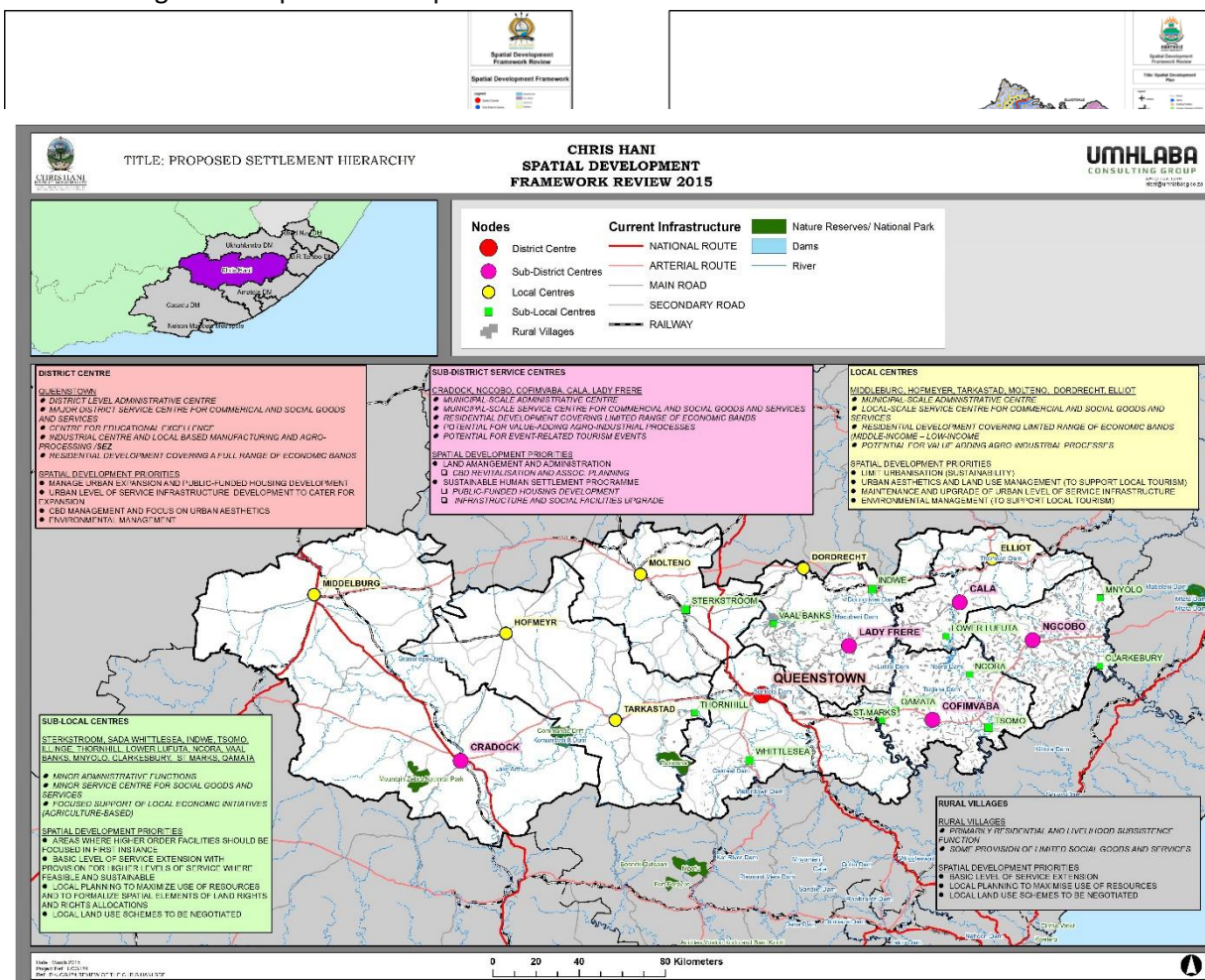
- The district-scale Settlement Hierarchy;
- Development Corridors aligned with the REDS and the SEZ;
- Special Development Areas defined on the basis of specific development potential and/or development need; and
- Environmental Management Areas

o District-Scale Settlement Hierarchy

The SDF Review has identified an amended hierarchy of settlements in order to guide the DM and LMs in the allocation of appropriate levels of investment in infrastructure and services and to be better able to implement appropriate land use management strategies.

It must be noted that the **Hierarchy is defined from a district perspective and relates primarily to a consideration of both current status and function of a centre as well as its prospective future status. This takes into account the priority of Small-Town Regeneration, which forms part of the overall strategic approach of the REDS.**

The SDF highlights the priority linkages within and the linkages that connect the district to surrounding districts and the greater Eastern Cape, Western Cape and Northern Cape, through the assessment of the surrounding District Spatial Development Frameworks.

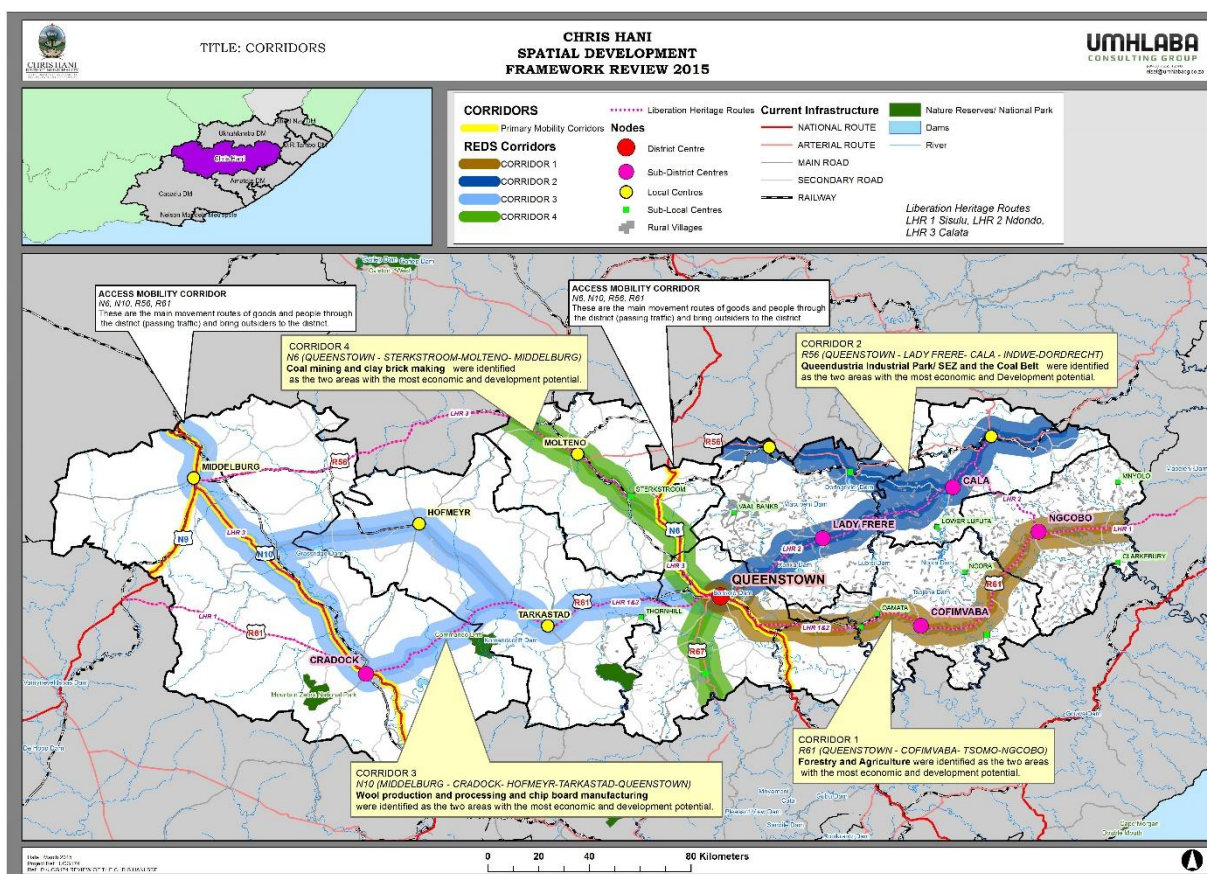


Type	Location	Function of Settlement and associated typical land uses	Spatial Development Priorities
District Centre & Future Metro region	Komani (Enoch Mgijima LM)	<ul style="list-style-type: none"> • District-level Administrative centre • Major district service centre for commercial and social goods and services • Centre of educational excellence • Industrial centre for value-adding processes and local-based manufacturing (SEZ Hub) • Residential development covering full range of economic bands (High-income – Low-income) 	<ul style="list-style-type: none"> • Managed urban expansion and Public-funded Housing development • Urban level of service infrastructure development and related investment priorities (i.e. higher order level) to cater for expansion • Upgrade and maintenance of existing infrastructure • CBD Management and focus on Urban Aesthetics • Environmental Management (Game Reserve)
Sub-District Centres	Cradock (Inxuba Yethemba LM) Engcobo (Engcobo LM) Cofimvaba (Intsika Yethu LM) Cacadu (Emalahleni LM) Cala (Sakhisizwe LM)	<ul style="list-style-type: none"> • Municipal-scale Administrative Centre • Municipal-scale service centre for commercial and social goods and services • Residential development covering limited range of economic bands (Middle-income – Low-income) • Potential for value-adding agro-industrial processes • Potential for event-related tourism events 	<ul style="list-style-type: none"> • Land Management & Administration <ul style="list-style-type: none"> ◦ CBD Revitalisation and associated planning • Sustainable Human Settlement Programme <ul style="list-style-type: none"> ◦ Public-funded Housing Development ◦ Urban level of service infrastructure & Social Facilities upgrade • Maintenance and upgrade of existing infrastructure
Local Centres	Middelburg (Inxuba Yethemba LM) Hofmeyer Tarkastad (Enoch Mgijima LM) Molteno (Enoch Mgijima LM)	<ul style="list-style-type: none"> • Municipal-scale Administrative Centre • Local-scale Service Centre for commercial and social goods and services • Residential development covering limited range of economic bands (Middle-income – Low-income) 	<ul style="list-style-type: none"> • Limit urbanization (sustainability) • Urban aesthetics and land use management (to support local tourism) • Maintenance and upgrade of urban level of service infrastructure • Environmental management (to support local tourism)

	Kowa (Sakhisizwe LM) Dordrecht (Emalahleni LM)	<ul style="list-style-type: none"> • Potential for value-adding agro-industrial processes 	
Sub-Local Centres	Sterkstroom (Enoch Mgijima LM) Sada/Whittlesea (Enoch Mgijima LM) Indwe Vaal Banks (Emalahleni LM) Tsomo (Intsika Yethu LM) Ilinge (Enoch Mgijima LM) Thornhill (Enoch Mgijima LM)) Lower Lufuta (Sakhisizwe LM) Mnyolo Clarkebury (Engcobo LM) Ncora Qamata St Marks (Intsika Yethu LM)	<ul style="list-style-type: none"> • Minor Administrative Functions • Minor service centre for social goods and services • Focused support of local economic initiatives – agriculture-based 	<ul style="list-style-type: none"> • Areas where higher order facilities should be focused in first instance • Maintenance and upgrade of existing infrastructure • Basic level of service extension with provision for higher levels of service where feasible and sustainable • Local planning to maximize use of resources and to formalize spatial elements of land rights and rights allocations • Local land use schemes to be negotiated
Rural Settlements	Rural settlements across the district	<ul style="list-style-type: none"> • Primarily residential and livelihood subsistence function • Some provision of limited social goods and services 	<ul style="list-style-type: none"> • Basic level of service extension • Local planning to maximize use of resources • Local land use schemes to be negotiated

District Scale Development Corridors

In line with the CHDM REDS and SEZ Key Strategies for economic development, **four major corridors have been identified in Chris Hani DM**. These corridors form the main “arteries” of the district and connect areas of economic development potential with the key urban settlement centres identified in the District Settlement Hierarchy. They also, for the main part, overlap with the district’s main Tourism Routes.



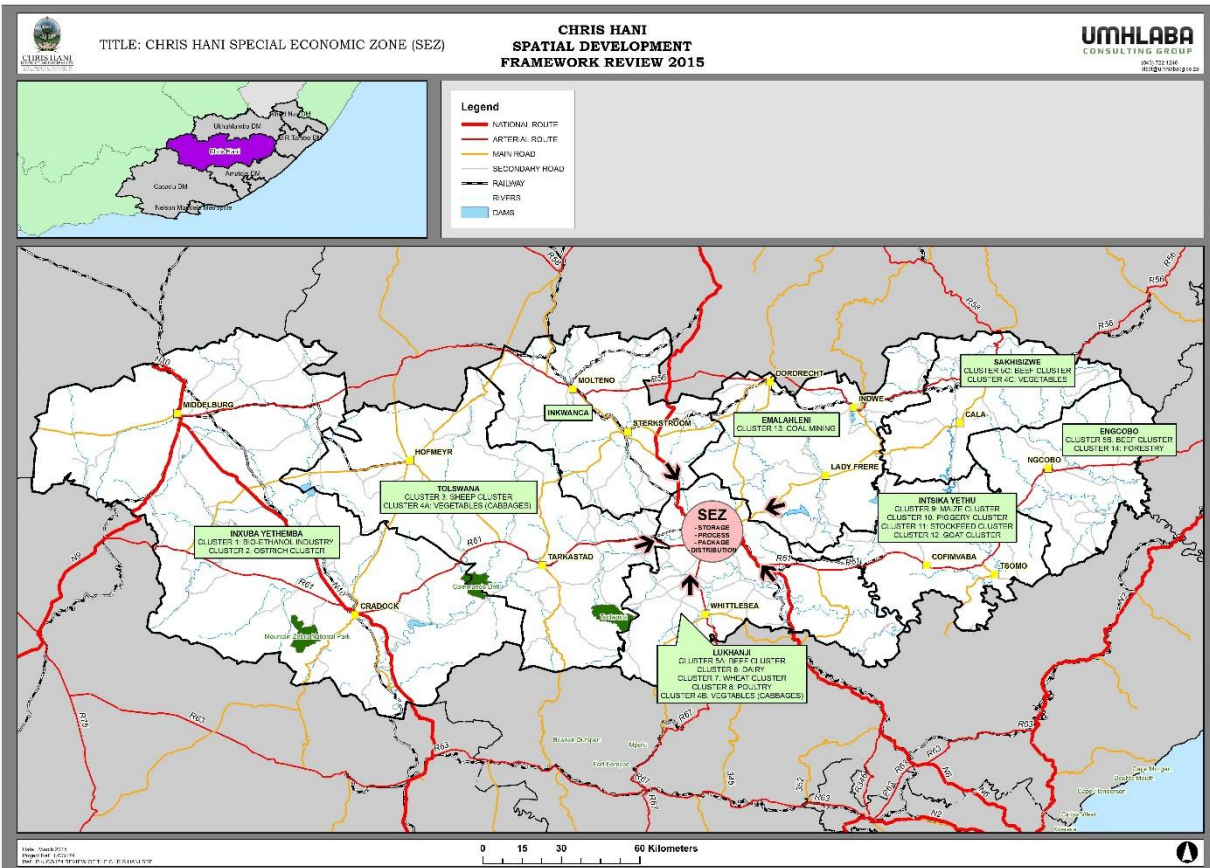
CORRIDOR 1	The R61 from Queenstown through Cofimvaba, Engcobo to Mthatha	Forestry and agriculture were identified as the two sectors with most economic development potential along this corridor.
CORRIDOR 2	The R56 from Queenstown through Cacadu and Cala to Kowa	Coal mining and clay-brick making were identified as the two sectors/activities with most economic development potential.
CORRIDOR 3	The N10 from Middelburg through Cradock to Alliwali North	Wool production and wool processing; and chip-board manufacturing were identified as the two activities with most economic development potential
CORRIDOR 4	The N6 from East London through Queenstown to Aliwali North	The Queendustria SEZ at Queenstown and the Coal belt were identified as two areas with most economic potential in relation to this corridor

It is noted that the REDS specifically links the identification of the above corridors with the notion of targeting the towns (main nodes and smaller urban settlements) linked by these routes for what is termed “regeneration

In addition to the notion of targeting the towns along the corridors, these corridors should also be seen in the light of the opportunities that they potentially bring to areas that they pass through. As such, the SDF highlights particular routes that relate to Access and Mobility (movement of people and goods) to, from and

within the District as well as the main corridors identified by REDS and related to specific development potentials.

In this regard, the corridors represent key infrastructure that may strengthen and enhance potential value chains as these might relate to a specific cluster of activities (e.g. mining cluster, agricultural cluster, forestry cluster etc.). They thus form a fundamental structural platform for the development of the Chris Hani SEZ, too.

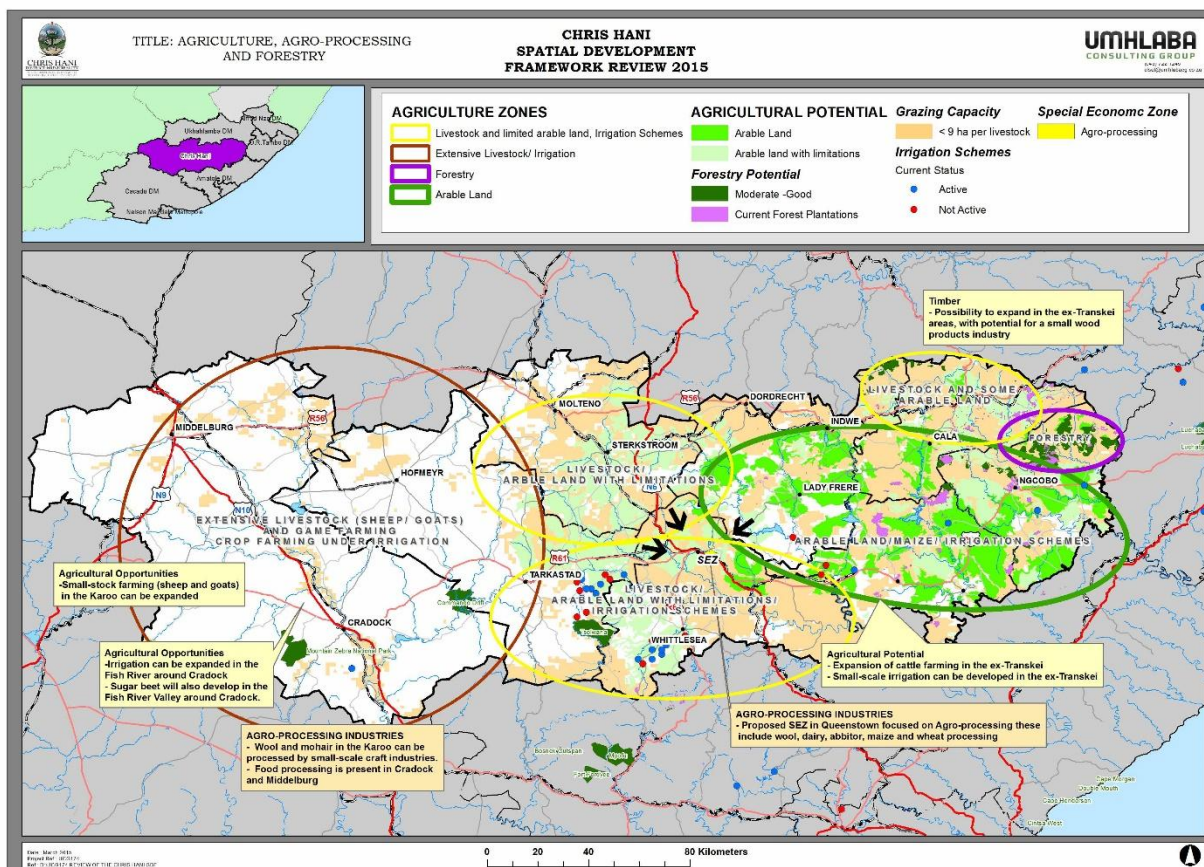


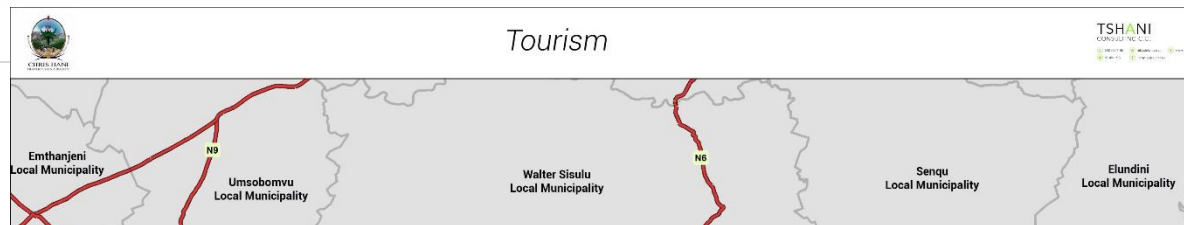
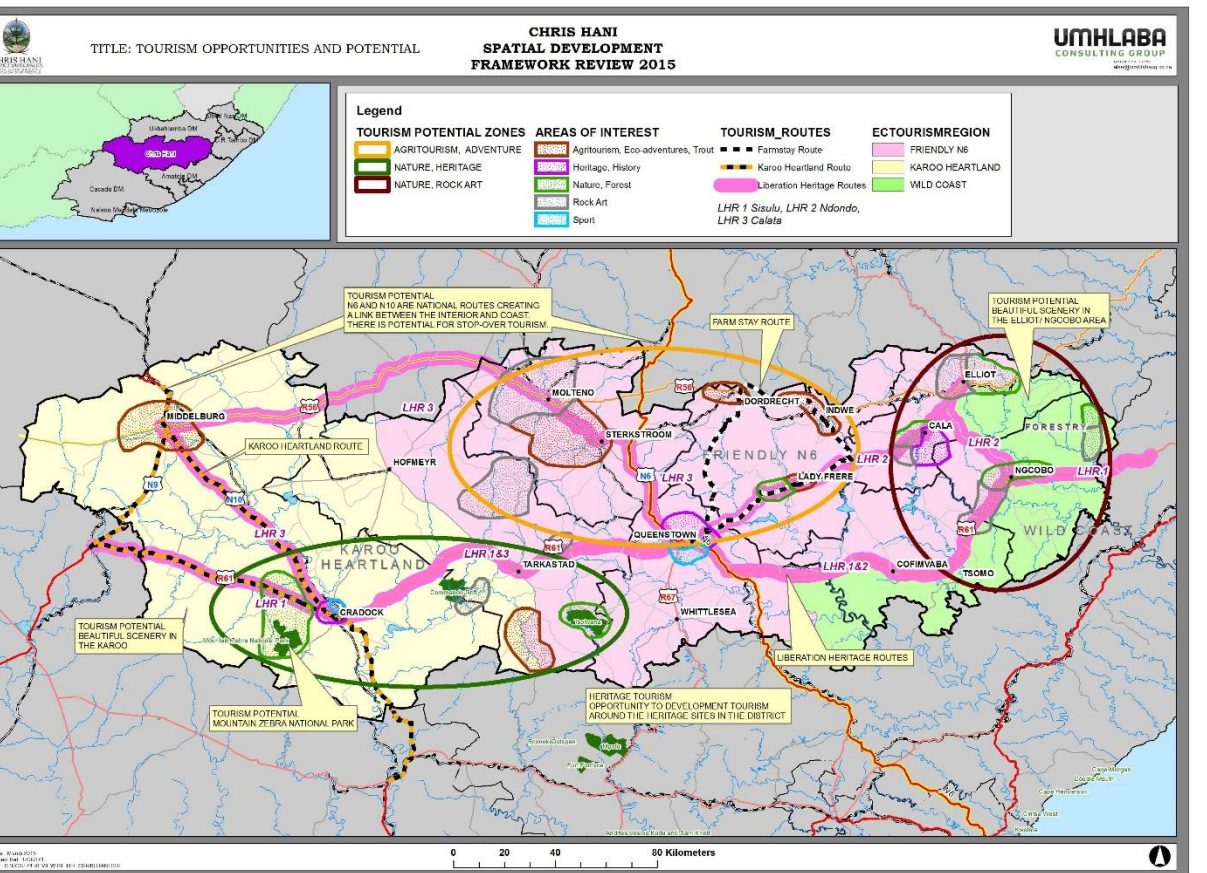
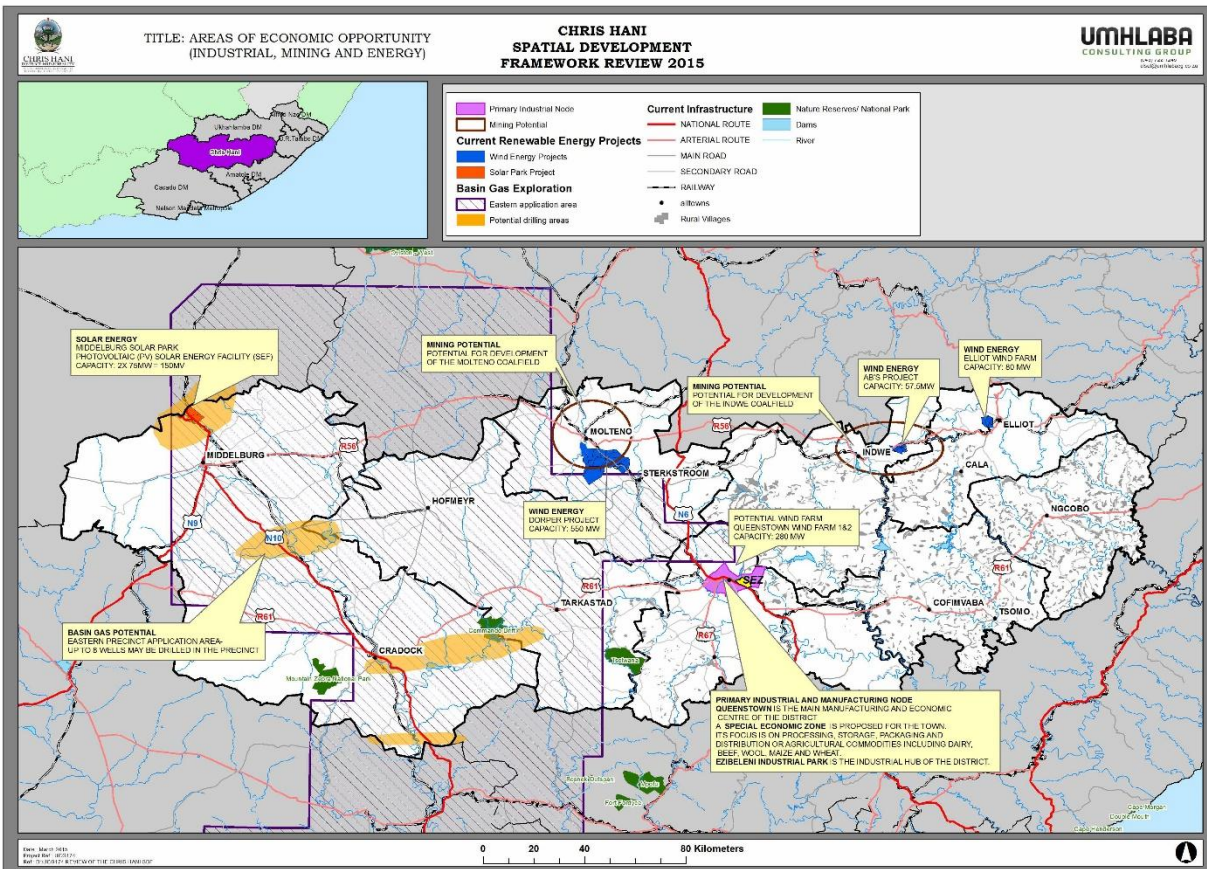
District-Scale Special Development Areas

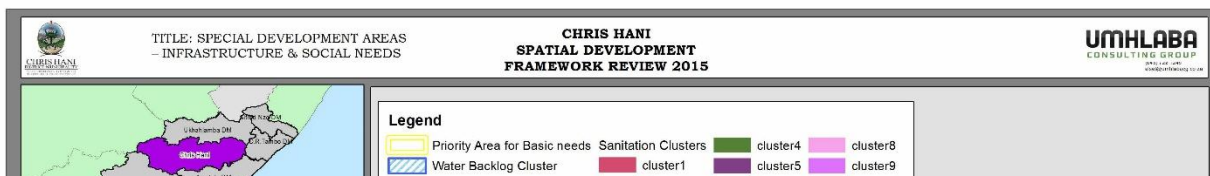
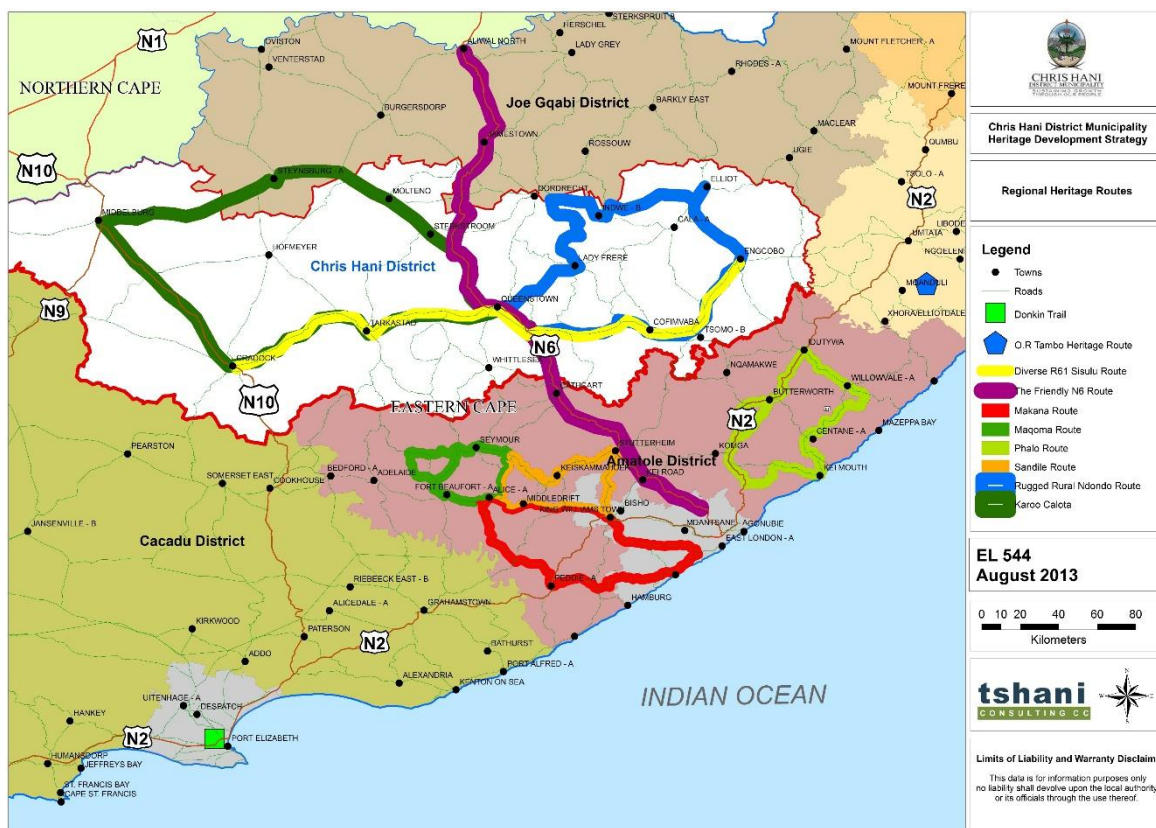
In line with the approach of attempting to direct development according to the Guidelines of the National Spatial Development Perspective, the SDF Review has extended the identification of Special Development Areas in Chris Hani Municipality and has focused on the following categories of SDA:

1. Areas of Local Economic Development Potential
2. Areas of Priority Basic Needs
3. Land Reform & Settlement Zones

<p>1. Areas of Local Economic Development Potential</p> <ul style="list-style-type: none"> ● <i>Agricultural and Forestry Sectors</i> ● <i>Tourism Sector</i> ● <i>Manufacturing, Industry Mining and Renewable Energy Sectors</i> 	<p>SDAs that focus more specifically on defining spatial areas where certain forms of development potential have been identified, either through previous planning exercises, or through the REDS adopted by the CHDM</p>
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3. Land Reform and Settlement Zones	<p>Land Reform & Settlement Zones are areas identified in the course of a participatory process with LMs. These Zones reflected areas that are identified as requiring specific forms of planning and development interventions in the interests of furthering land and agrarian reform and managed settlement development processes.</p> <p>In addition, the Area Based Plan for Land Reform in Chris Hani District also endorsed these Zones and added a conceptual spatial proposal relating to land located close to identified urban centres and along roads leading to/from such centres, which was to the effect that the area so defined is to be seen as an area of greater potential for the development of small-scale farming enterprises and schemes to train up emerging farmers for future participation in the land redistribution programme.</p>
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Managing the Environment & Climate Change & Agriculture

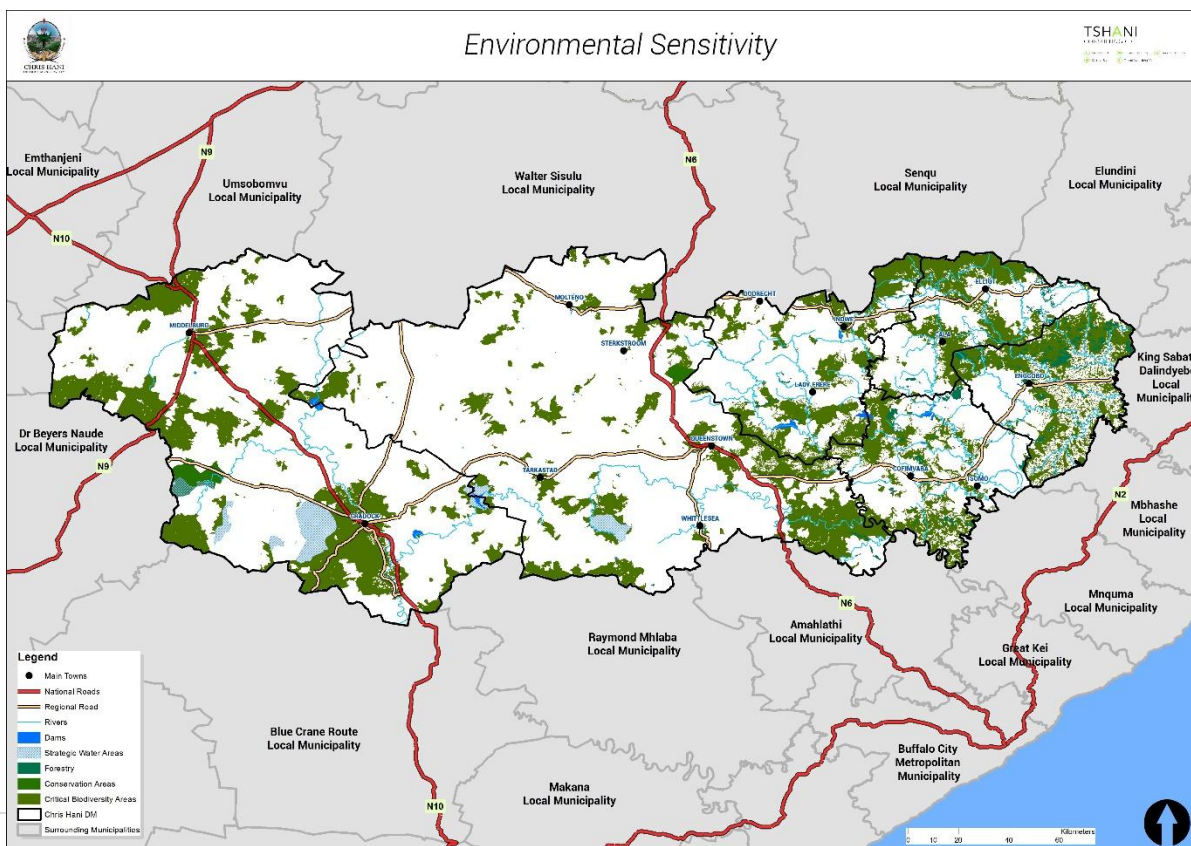
The final structural component of the overall district SDF relates to the priority of managing the environmental assets and resources of the district to promote sustainability and spatial resilience in the face of land development pressures and the changes being wrought by climate change.

Key elements of the district Environmental Framework are identified as follows: -:

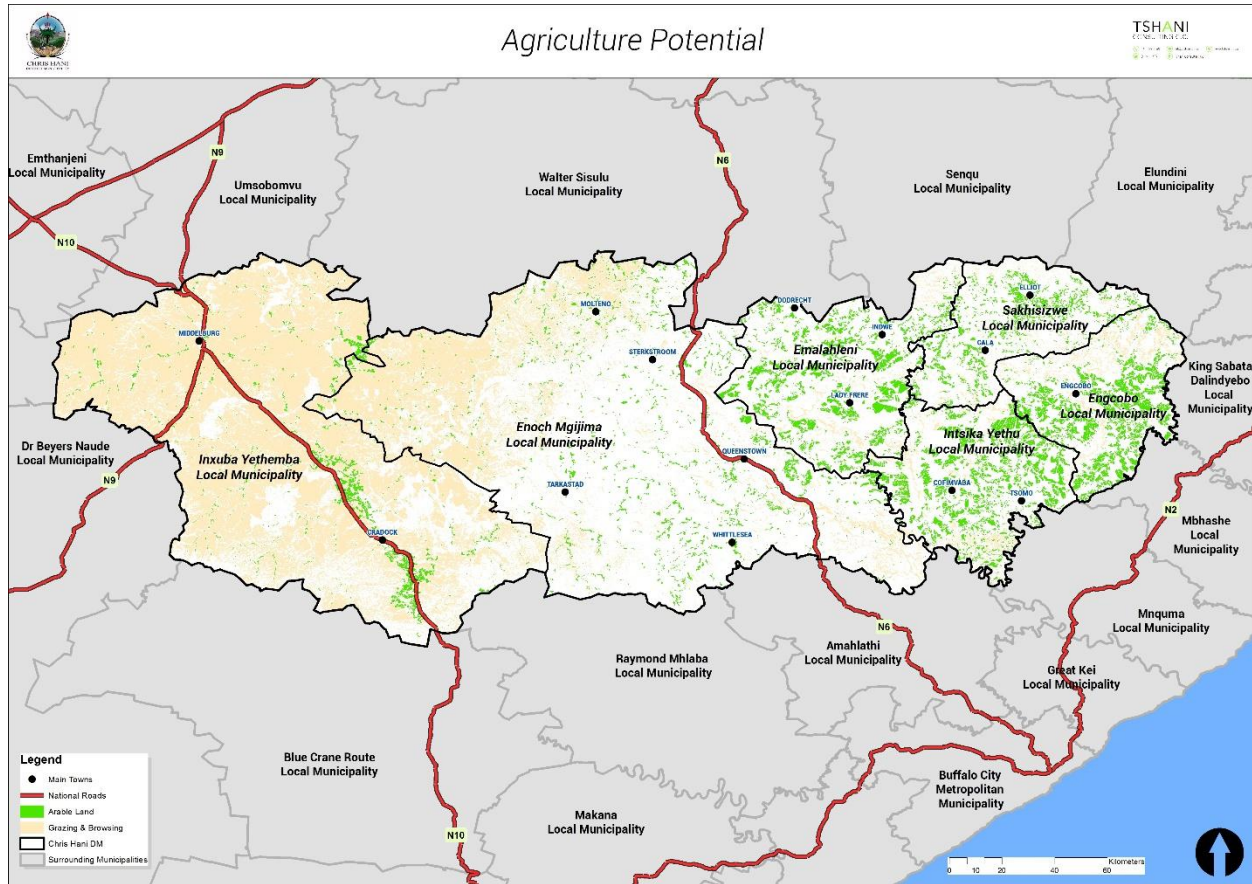
- The area along the Great Kei River and its tributaries from the Xonxa and Lubisi Dams southwards consists of important valley thicket vegetation. The area north of Ngcobobeni contains pockets of afro-montane forests. Both these areas are important natural areas, which should be protected.
- The formal protected area network is relatively extensive with the Mountain Zebra National Park (SANP) and the Commando Drift and Tsolwana provincial reserves
- Formally protected water sources include a number of large water catchments, including the dams: Grassridge, Lake Arthur, Commando Drift, Xonxa, Lubisi and Ncora.
- From a natural resource perspective, the eastern part of Chris Hani District Municipality, the most deprived area within the municipality, has the most potential for agriculture and forestry because of good soils and a relatively high rainfall specifically with regards to:
 - Dryland agriculture for maize production
 - Irrigation and agriculture from the Xonxa Dam, Lubisi Dam and Ncora Dam
 - Forestry in the mountainous areas north of Engcobo
- The western part of the Chris Hani District Municipality is the best endowed with tourism resources such as:
 - Cradock and Middelburg form part of the Karoo Heartland Tourism route whilst Queenstown forms part of the Friendly N6 Tourism Route.
 - Abundant heritage resources in Queenstown, Cradock, Sterkstroom, Molteno, Middelburg and Hofmeyr along the east-west routes from Queenstown namely R61 and R56.

- o The nature reserves along the R61, namely the:
 - o Tsolwana and Ntabatempa nature resources
 - o The Kommandodrift Dam Nature Reserve
 - o The Mountain Zebra National Park
 - o The abundance of private game reserves and hunting lodges in the western area.
- The known conservation areas in the Chris Hani District Municipality are listed in the table below. Only two of these conservation areas are under the direct control of a Local Municipality, namely Lawrence de Lange and Longhill (Lukhanji).

National Parks	<ul style="list-style-type: none"> • Mountain Zebra National Park
Provincial Nature Reserves	<ul style="list-style-type: none"> • Commando Drift • Tsolwana (Enoch Mgijima LM)
Municipal Nature Reserves	<ul style="list-style-type: none"> • Lawrence de Lange • Longhill
Private	<ul style="list-style-type: none"> • Blanco • Striling
Natural Heritage Areas	<ul style="list-style-type: none"> • Benghoil and Bushy Park • Carnarvon • Mhoge

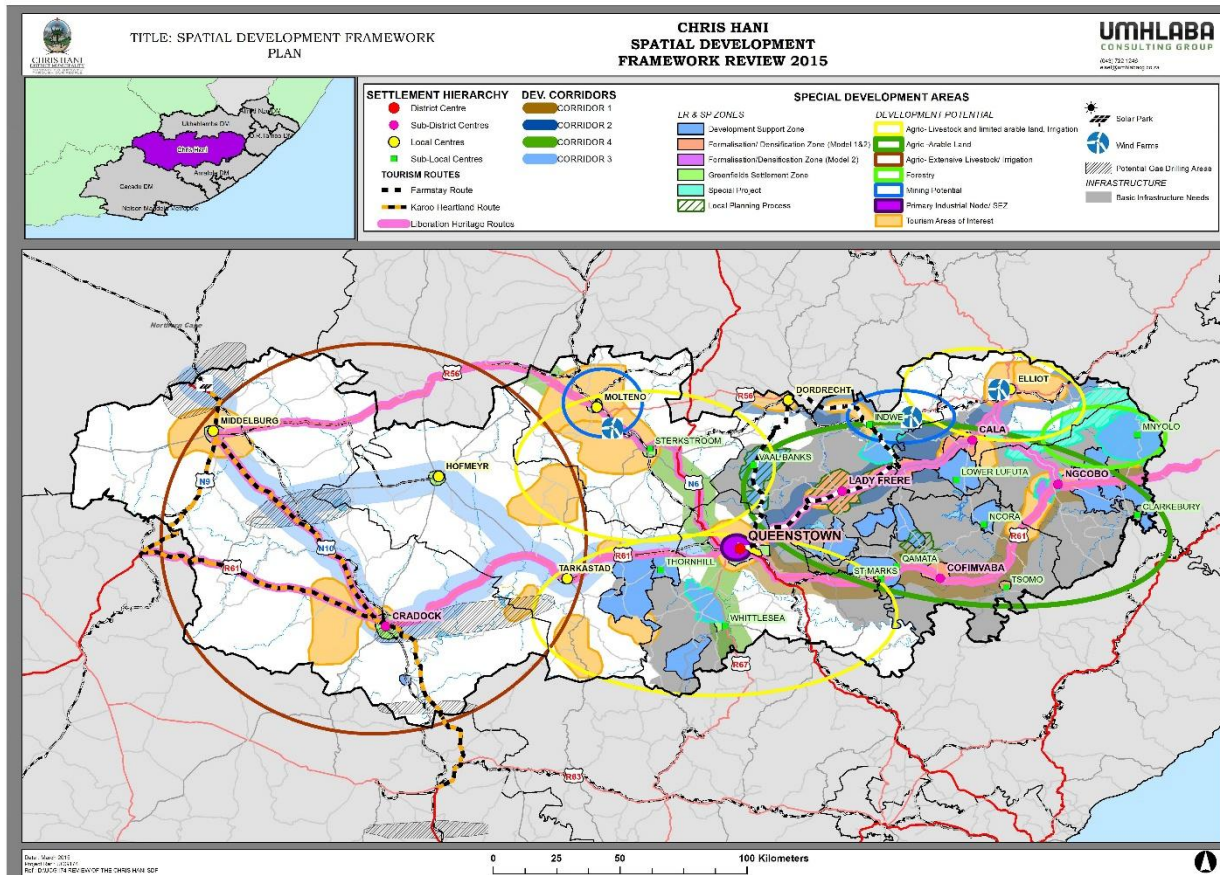


The Municipal region is endowed with land with agricultural potential. Agricultural potential is spread throughout the municipal area, with majority of the arable land being found within the eastern region of the district and grazing and browsing land being found within the western region of the district.



The Overall SDF

At an overall level, the Chris Hani District SDF illustrates the synthesis of the above spatial development elements in an overall plan.



Land Use Management Guidelines

The Land Use Management Guidelines contained in the SDF address issues relating to the need for land use management in the district in order to conserve and manage its natural and built environmental assets.

The Guidelines incorporate elements that are seen to contribute towards the goal of achieving a more holistic approach to land use management in the district, as follows: -

- In considering the character of the settlement pattern and typical forms of land use arrangements found in the Chris Hani District, the importance of Land Use Management as an activity that underpins the wise use of resources and contributes directly to economic and environmental sustainability is emphasized;
- Broad input is given on the need to manage relationships and formulate binding agreements and protocols on how to deal with land use management issues in the district. This is a crucial aspect, given the imminent implementation of the Spatial Planning & Land Use Management Act 16 of 2013 (SPLUMA) in 2015.
- Finally, in respect of the concern to ensure a more sustainable approach to urban and rural development, the following is set out: -
 - A proposed **framework for categorizing different types of settlement and associating these with typical Levels of Service (LOS)** provision is provided, *based on previous work done for Land Reform & Settlement Plans compiled for the Amathole and Chris Hani District Municipalities, 2005*;
 - Based on the guidelines suggested by the Eastern Cape Biodiversity Conservation Plan, generic land use objectives are incorporated in relation to the different land management classes identified in the Plan; and
 - In relation to the hierarchy of settlement set out above, a broad set of guidelines is proposed.

CHAPTER 5**SECTOR PLANS**

- The Situational Analysis has been conducted on all CHDM sector plans it has been discovered that some sector plans are still relevant and others are to be developed some from stretch whilst others just need a minor review and update.

CHDM PLANS	SECTOR	YEAR ADOPTED	STATUS	KEY ISSUE
Regional Economic Development Strategy	Economic	2008	Reviewed in line with 2017-2022 IDP	The strategy acknowledges our rural situation and therefore advocates for promotion of rural urban equity in infrastructure development, services expansion and stimulation of economic opportunities.
Corridor Development Plan		2011	No	“The Corridor plan is based on ward profiles that identify communities with common synergies, relation and connection or similarities of economic activities in terms of sector programmes which cut across from ward to ward, wards to local municipalities, Local Municipalities to District Municipalities and District Municipalities to the Province.
SMME Development Strategy		2007	2014/15 reviewed	It is an attempt to address constraints related to the legal and regulatory environment; market access; access to finance and suitable business premises; the acquisition of skills and managerial expertise; access to appropriate resources and technology; the quality of infrastructure, especially in poverty and rural areas; bureaucratic hurdles for SMME’s to benefit.
Integrated Agricultural Strategy		2007	2014/15 reviewed	Revitalization of Irrigation Schemes, livestock improvement and development, Agro-processing, high value crop production are the key issues within the strategy.
Tourism Integrated Plan		2010	Be reviewed	That the district has access to major routes N6 and N10 and R61 and that competitive advantage be utilised. Resurrection of LTO’s such as Intsika Yethu LTO, Middleburg Karoo Tourism, Cradock Karoo Tourism, Enoch Mgijima LTO etc.
Environmental Management Plan {EMP}		2010	2013/14 Reviewed	The plan highlights areas of the environment which should be conserved and protected. Animal and vegetation species and cover are mapped and identified. In addition present and future environmental problems are identified per local municipality as well as all renewable resources
Water Service Development Plan {WSDP}		2011	2019/20 Reviewed	It states that 76% of the total population of CHDM is served with water services whilst 55% is served with sanitation services.

Climate Adaptation Strategy	Charge	2011/12	No	
Human Settlement SECTOR Plan			2018-19 Developed	The plan will assist to guide and to direct the housing programmes and housing projects within the district when developed.
Integrated Waste Management Plan		2010	2013/14 Reviewed	It makes the recommendation about the development and implementation of an integrated waste management system/plan and intends to build the capacity of all LM's regarding waste management sites. This is done due to the fact that the majority of LM solid waste sites do not comply with legislation, are poorly managed and unlicensed
Disaster Management Policy Framework		2010	2013-14 reviewed	
HIV/AIDS STI & TB Workplace plan		2008	2013/14 reviewed	
Air Quality Management Plan		2019	Developed 2018-19	
Spatial Development Framework		2011/2012	2017-2022 developed	
Employment Equity Plan		2010	2017-2022 annually review	This is an attempt to restore or improve employee's well-being holistically and job performance to acceptable levels with minimal interference in the private lives of individuals.
Workplace Skill Development		2010	2019/20 review annually	This plan is designed to provide opportunities for theoretical and practical learning, culminating in a nationally recognized qualification.
Asset Management Policy			2014/15 review	
Virement Policy		2011/12	2012/13 Developed	
Fraud Prevention Plan		2012/13	2014-2015 review	It is an attempt to combat crime and fraud in the municipality and it further aims to discourage fraudulent/corrupt activities in the municipal order of business.
Communication Strategy		2011/12	Yearly review	

GIS Policy	Never adopted	Reworked	
Risk Management Plan	2011/12	2014/15 review	
Performance Management Framework	2009	2018/19 Draft	It is there to provide a mechanism for ensuring increased accountability between the communities of Chris Hani district and the municipal council and as well between the political and administrative components of the municipality and between each department and the office of the municipal manager.
<u>LIST OF SECTOR PLANS TO BE DEVELOPED</u>			
Informal Traders Strategy			
Informal Trader Strategy			
Cooperative/ SMME Strategy			

CHAPTER 6
CHDM FINANCIAL PLAN

In terms of section 227 of the Constitution, local government is entitled to an equitable share of nationally raised revenue to enable it to provide basic services and perform its allocated functions. The local government equitable share is an unconditional transfer that supplements the revenue raised by municipalities (including property rates and service charges). The equitable share provides funding for municipalities to deliver free basic services to poor households and subsidises the cost of administration and other core services for those municipalities that have the least potential to cover these.

The Constitution gives local government substantial own-revenue-raising powers (particularly through property rates and surcharges on services). Municipalities are expected to fund most of their own administrative costs and cross-subsidise some services for indigent residents. The budget must indicate all allocations from its equitable share and conditional allocations to be transferred to the municipality indicating each category of funding to be utilised by the municipality in the provision of services.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2019/20 (MTREF) Medium-term Revenue and Expenditure Framework for Chris Hani District Municipality:

Table 2 Consolidated Overview of the 2019/20 MTREF:-

Chris Hani District Municipality Consolidated Budget summary: 2019/20 draft Budget						
Description	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year + 2020/21	Budget Year + 2021/22
Total Operating Revenue	937,496	953,542	–	947,714	969,758	1,028,712
Capital Revenue	478,606	580,217		426,769	687,006	588,460
Total Revenue	1,416,102	1,533,760	–	1,374,483	1,656,763	1,617,172
Total Operating Expenditure	1,225,266	1,279,605	–	1,252,051	1,294,194	1,333,252
Capital Expenditure	558,606	649,217	–	521,769	787,006	603,460
Total Expenditure	1,783,872	1,928,822		1,773,820	2,081,199	1,936,712
Total Surplus/(Deficit)	(367,769)	(395,062)	–	(399,337)	(424,436)	(319,540)
Total Surplus/(Deficit) after internal Transfers	(320,249)	(359,216)		(339,149)	(360,988)	(342,920)

Total operating revenue has declined by 0.6 % to R 947.7 million for the 2019/20 financial year when compared to the 2018/19 third adjustment budget. For the two outer years, operating revenue will increase by 2 % and 6 % respectively.

Total operating expenditure for the 2019/20 financial year has been appropriated at R 1,252.0 billion and translates into a budgeted operating deficit of R 399.3 million, when compared to the 2018/19 third adjustment budget, operational expenditure has decreased by 2 % in the 2019/20 draft budget and has increased by 3 % in 2020/21 and 2021/22 respectively. The operating deficit for the two outer years steadily increases from R 305.2 million in the current budget year to R 263.1 million and R 231.8 million in the two outer year. These deficits indicate that the municipality has to increase own revenue base from the water and sanitation services to eradicate the deficit.

The capital budget of R 521.8 million for 2019/20 is 17.9 % less when compared to the 2018/19 third adjustment budget. The decrease is due to the lesser allocations by National treasury and the re-allocations to operational budget. The capital programmes are reflecting signs of an increase and decrease in the two outer years respectively to R 787 million and R 603.5 million respectively. The main source of capital funding for the municipality are national conditional grants meant to fund infrastructure. The municipality has to devise and fully implement the revenue enhancement strategy to increase the revenue base of the municipality. The cost of maintaining the capital infrastructure has

to be funded through revenue generating assets. The municipality has to budget for the maintenance of the infrastructure capital assets to maintain its service delivery potential.

o Operating Revenue Framework:-

For the municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that the district is faced with infrastructure backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence the need to determine economic and affordable tariffs and balancing expenditures against realistically anticipated revenues. The municipality has to improve the revenue cycle in order to have funds available to sustain a positive cash flow position and its liquidity.

The municipality has embarked on data cleansing which will improve billing and debt collection rate of the municipality. The focus areas of this strategy are to improve and enhance the following:-

- The indigent registration;
- Data cleansing on the financial information systems;
- Updating of all consumer files data;
- Accurate billing (proper tariffs charged);
- Revenue collection that's sustains the cash flow position of the municipality;
- Skills transfer and capacitation of municipal officials on implementation of the revenue enhancement strategy;
- Debt recovery of all outstanding amounts; and
- An effective implementation of the credit control policy.

The following table is a summary of the 2018/19 MTREF (classified by main revenue source):

Table 3 Summary of revenue classified by main revenue source:-

Chris Hani District Municipality Operating Revenue by Source: Draft Budget 2019/20 MTREF							
Description	2016/17	2017/18	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2019/20	Budget Year + 2020/21	Budget Year + 2021/22
Revenue By Source							
Service charges - water revenue	174,470	221,966	178,574	178,574	187,503	196,878	206,722
Service charges - sanitation revenue	49,454	53,070	54,246	54,246	56,959	59,806	62,797
Rental of facilities and equipment	-	-	-	-	-	-	-
Interest earned - external investments	34,139	27,268	32,480	33,154	34,812	36,552	38,380
Interest earned - outstanding debtors	-	11,355	6,730	32,467	34,090	35,795	37,584
Transfers recognised - operational	561,748	565,322	600,325	653,859	633,057	639,378	681,823
Other revenue	2,573	3,296	64,942	1,042	1,094	1,149	1,206
Gains on disposal of PPE	6,989	-	200	200	200	200	200
Total Revenue (excluding capital transfers and contributions)	829,372	882,277	937,496	953,542	947,714	969,758	1,028,712

Figure 1 Main operating revenue categories for the 2019/20 financial year:-

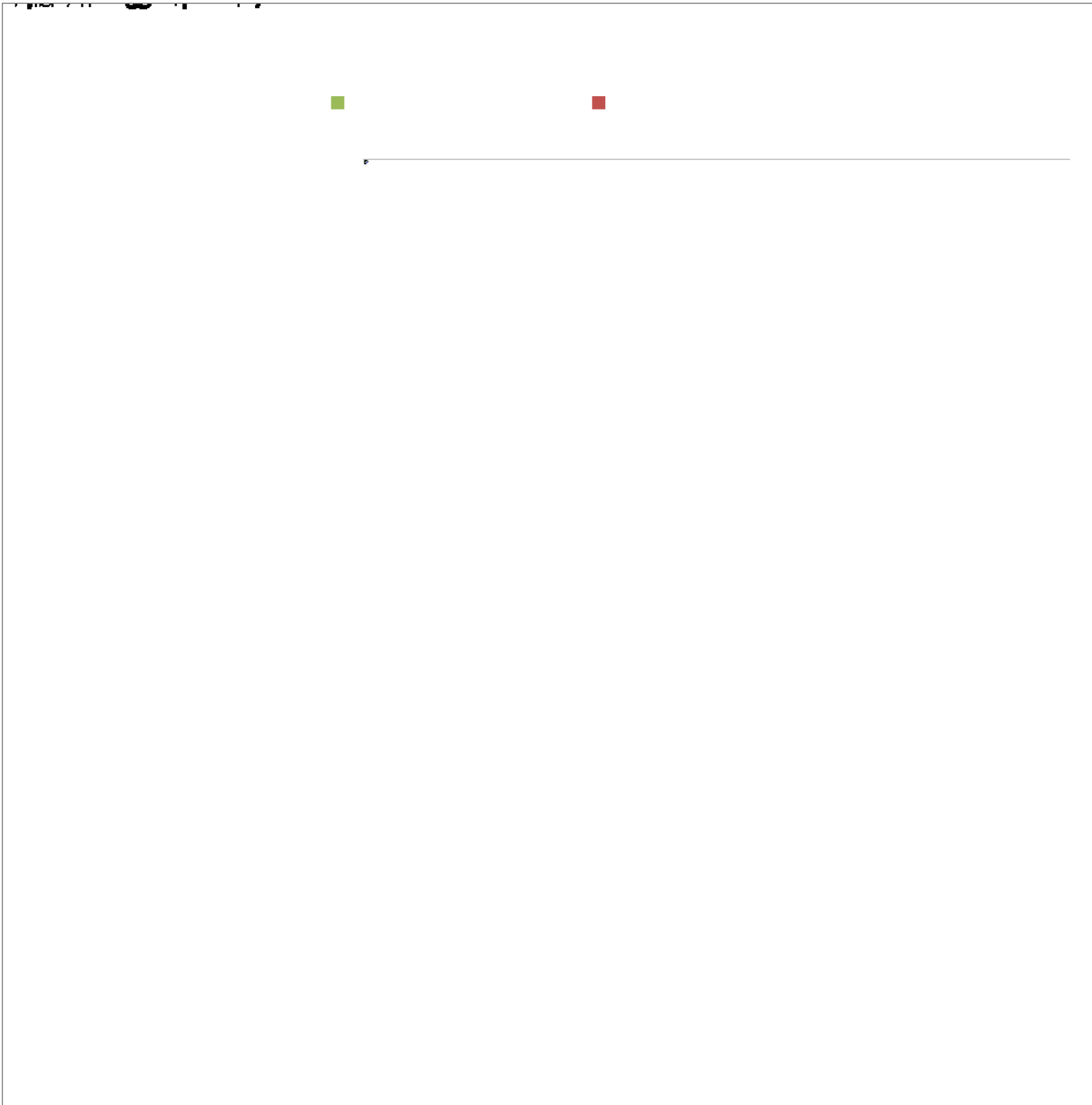


Table 4 Percentage growth in revenue by main revenue source :-

Chris Hani District Municipality Perc Growth in Operating Revenue by Source Draft Budget 2019/20 MTREF							
Description	2019/20 Medium Term Revenue & Expenditure Framework						
	Adjusted Budget	%	Budget Year 2019/20	%	Budget Year + 2020/21	%	Budget Year + 2021/22
R thousand							
Revenue By Source							
Service charges - water revenue	178,574	5	187,503	5	196,878	5	206,722
Service charges - sanitation revenue	54,246	5	56,959	5	59,806	5	62,797
Rental of facilities and equipment	-	0	-	-	-	-	-
Interest earned - external investments	33,154	5	34,812	5	36,552	5	38,380
Interest earned - outstanding debtors	32,467		34,090		35,795		37,584
Transfers recognised - operational	653,859	(3)	633,057	1	639,378	7	681,823
Other revenue	1,042	5	1,094	5	1,149	5	1,206
Gains on disposal of PPE	200	-	200	-	200	-	200
Total Revenue (excluding capital transfers and contributions)	953,542	(1)	947,714	2	969,758	6	1,028,712

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement in order to achieve the correct calculation of the operating surplus/deficit.

Transfers recognised operational which are in fact operating grants, are the main source of revenue stream and constitute 66.8 % of the total operating revenue of the municipality amounting to R 681.8 million. In 2019/20 financial year, revenue from water services charges totalled R 187.5 million or 19.8 % of total operating revenue and sanitation services are 56.9 and constitute 6 % of the total operating revenue. The water revenue increases to R 196.8 and R 206.7 million in the respective outer financial years of the MTREF. The municipality has projected an annual decrease in revenue at 1 %, and an increase of 2 % and 6 % for the two outer years respectively, and is based on the assumption of the changes in the tariffs charged and improvement in the collection rate and accuracy of billing. An effective and efficient revenue enhancement strategy will improve the collection rate of the budgeted revenue by the municipality.

Services charges – water and sanitation revenue constitutes 25.8 % of the total operating revenue hence the need for the municipality to focus on the effective implementation of the credit control policy

to improve the debt collection rate. The municipality is highly grant dependent as mentioned above hence the need to focus on the generation of own revenue for the long term financial sustainability.

Table 5: Operating Transfers and Grant Receipts:-

DC13 Chris Hani - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		582,133	522,956	513,982	562,896	578,543	-	599,636	635,576	677,817
Local Government Equitable Share		532,832	426,684	406,472	524,527	524,527		543,689	581,574	623,473
RSC Levy Replacement				-						
Finance Management		1,500	1,500	1,500	1,250	1,250		1,250	1,000	1,000
Municipal Systems Improvement		934	940	-						
Water Services Operating Subsidy				4,500	5,000	5,000		8,446	11,394	11,736
EPWP Incentive		9,124	5,213	7,797	6,158	6,158		4,642	-	-
Municipal Infrastructure Grant		37,743	88,619	93,713	25,961	41,608		41,608	41,608	41,608
Provincial Government:		9,365	9,130	34,050	33,229	64,916	-	33,421	33,616	33,813
Housing				-		31,687				
Dept of Roads and Transport				27,800	30,000	30,000		30,000	30,000	30,000
Health subsidy				-						
Health subsidy		6,386	6,114	3,153						
Municipal Infrastructure Grant		2,979	3,016	3,097	3,229	3,229		3,421	3,616	3,813
District Municipality:		130	810	593	-	-	-	-	-	-
L G S E T A		130	310	435						
COGTA			500	158						
Other grant providers:		-	-	-	4,200	10,400	-	-	-	-
ECONOMIC DEVELOPMENT					4,200	10,400				
Total Operating Transfers and Grants	5	591,628	532,896	548,626	600,325	653,859	-	633,057	669,192	711,630
Capital Transfers and Grants										
National Government:		576,943	702,158	494,219	471,919	580,217	-	426,769	687,006	588,460
Municipal Infrastructure Grant (MIG)		279,911	184,925	177,710	254,919	239,272		245,426	262,448	286,937
Regional Bulk Infrastructure		236,570	291,331	211,992	172,000	191,440		105,329	322,012	195,900
Rural Households Infrastructure										
EPWP/ Accelerated Comm Infrastru Prog										
Municipal Water Infrastructure Grant		48,528	85,225	69,987	45,000	149,506		76,015	102,546	105,623
Water Services Operating Grant		11,935	140,677	34,530						
Provincial Government:		-	9,347	23,862	-	-	-	-	-	-
DHS Unblocking			9,347	23,862						
District Municipality:		15,227	27,984	21,700	-	-	-	-	-	-
L G S E T A		15,227	27,904	21,700						
			80							
Other grant providers:		21,481	17,068	-	-	-	-	-	-	-
ECONOMIC DEVELOPMENT		21,481	17,068							
Total Capital Transfers and Grants	5	613,651	756,557	539,781	471,919	580,217	-	426,769	687,006	588,460
TOTAL RECEIPTS OF TRANSFERS & GRANTS		1,205,279	1,289,453	1,088,407	1,072,244	1,234,077	-	1,059,826	1,356,198	1,300,090

The table above is a breakdown of grant funding that is allocated to the municipality. This is an indication that, the municipality to be financially viable it mainly depends on grant funding for its operations. As depicted in Supporting Table SA18 above over the MTREF period there is going to be a slight increase in grants allocated to the municipality, this therefore requires the municipality to fully

implement strategies to improve on the billing and debt collection of consumer debtors; and the implementation of the cost containment measures to curb unnecessary expenditure.

▪ **Sale of Water and Impact of Tariff Increases:-**

The municipality as a Water Services Authority and Provider is currently experiencing challenges in the billing, debt collection and implementation of the water tariffs across the district. National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure, that:

- Water tariffs are fully cost-reflective – including the cost of operating and maintenance of purification plants, water networks and the cost associated with reticulation expansion;
- Tariffs are structured such that they protect basic levels of service and ensure the provision of free services to the indigent; and
- Tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that Tariff structures are cost reflective by 2014 and to date the municipality has missed that deadline, as the cost of providing these services is higher than the billing and debt collection rate for the services referred to.

The municipality is a Water Services Authority (WSA) and Provider (WSP) therefore has to realise own revenue from rendering of water and sanitation services. The above allocations are not sufficient to maintain, repair and ensure the sustainability of the water infrastructure assets that should generate a revenue base for the municipality in order to cover operational and capital costs. Attached is **Annexure A**, indicating the breakdown of the tariffs to be implemented in recognising own revenue from water and sanitation services.

The municipality is reviewing the level and structure of water and sanitation tariffs carefully with a view to ensuring that:-

- Tariffs are on aggregate fully cost-reflective – inclusive of bulk cost of water, the cost of maintenance of purification/treatment plants and network infrastructure.
- Tariffs are structured to protect basic levels of service; and

- Tariffs are designed to encourage efficient and sustainable consumption (e.g. through inclining block tariffs).

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

o Operating Expenditure Framework:-

The municipality's expenditure framework for the 2019/20 MTREF budget is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services;
- The municipality is striving to eliminate all non-priority spending; and
- The municipality is to implement the cost containment measures continuously.

The following table is a high level summary of the 2019/20 MTREF budget (classified per main type of operating expenditure):

Table 5 Summary of operating expenditure by standard classification item:-

Chris Hani District Municipality Operating Expenditure by Standard classification Draft Budget 2019/20 MTREF							
Description	2016/17	2017/18	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2019/20	Budget Year + 2020/21	Budget Year + 2021/22
Expenditure By Type							
Employee related costs	249,004	293,468	308,843	308,843	337,874	351,554	384,600
Remuneration of councillors	9,577	11,162	11,071	12,845	13,902	14,597	15,327
Debt impairment	177,156	267,392	200,000	200,000	200,000	200,000	200,000
Depreciation & asset impairment	121,363	140,521	140,000	140,000	140,000	140,000	140,000
Finance charges	271	117	1,260	1,260	1,260	1,336	1,416
Bulk purchases	21,589	16,178	26,139	26,139	26,139	26,139	26,139
Contracted services	78,783	96,771	112,153	141,598	145,466	151,074	156,962
Transfers and grants	246,619	192,209	206,950	97,785	75,531	69,073	68,387
Other expenditure	224,652	184,018	218,850	351,135	311,878	340,421	340,421
Loss on disposal of PPE	-	-	-	-	-	-	-
Total Expenditure	1,129,015	1,201,835	1,225,266	1,279,605	1,252,051	1,294,194	1,333,252

The budgeted allocation for employee related costs for 2019/20 financial year totals R 337.8 million, which equals 27 % of the total operating expenditure. Based on the three year Salary and Wage Collective Agreement, salary increases have been factored into this budget at a percentage increase of 7% for the 2019/20 financial year. An annual increase of 6.9 % has been included in the two outer years of the MTREF. The municipality has also prioritised the filling of all vacant and critical posts within 2019/20 financial year.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the draft budget.

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy and the recent audited financial statements. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R 140 million for the 2019/20 financial year and equates to 11.2 % of the total operating expenditure.

Bulk purchases are directly informed by the purchase of water from Department of Water and Sanitation. The annual price increases have been factored into the budget appropriations and directly inform the expenditure provisions in line with current year expenditure and previous year audit outcomes. Bulk purchases constitute 2.1 % of the total operating expenditure. The municipality needs to implement a comprehensive activity based costing in the relationship between water purchases and the corresponding revenue receivable from the services rendered.

The municipality is currently constrained with capacity and skills issues in various departments hence the use of service providers to enhance business process flows. The municipality will be engaging on a revenue enhancement strategy, shared internal audit, security services and support for the preparation of the annual financial statements hence the use of consultants to assist with the processes. In 2019/20 financial year, this combined expenditure totals R 32.3 million and has decreased by 2.5 % compared to the third adjustment budget. As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2019/20 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out.

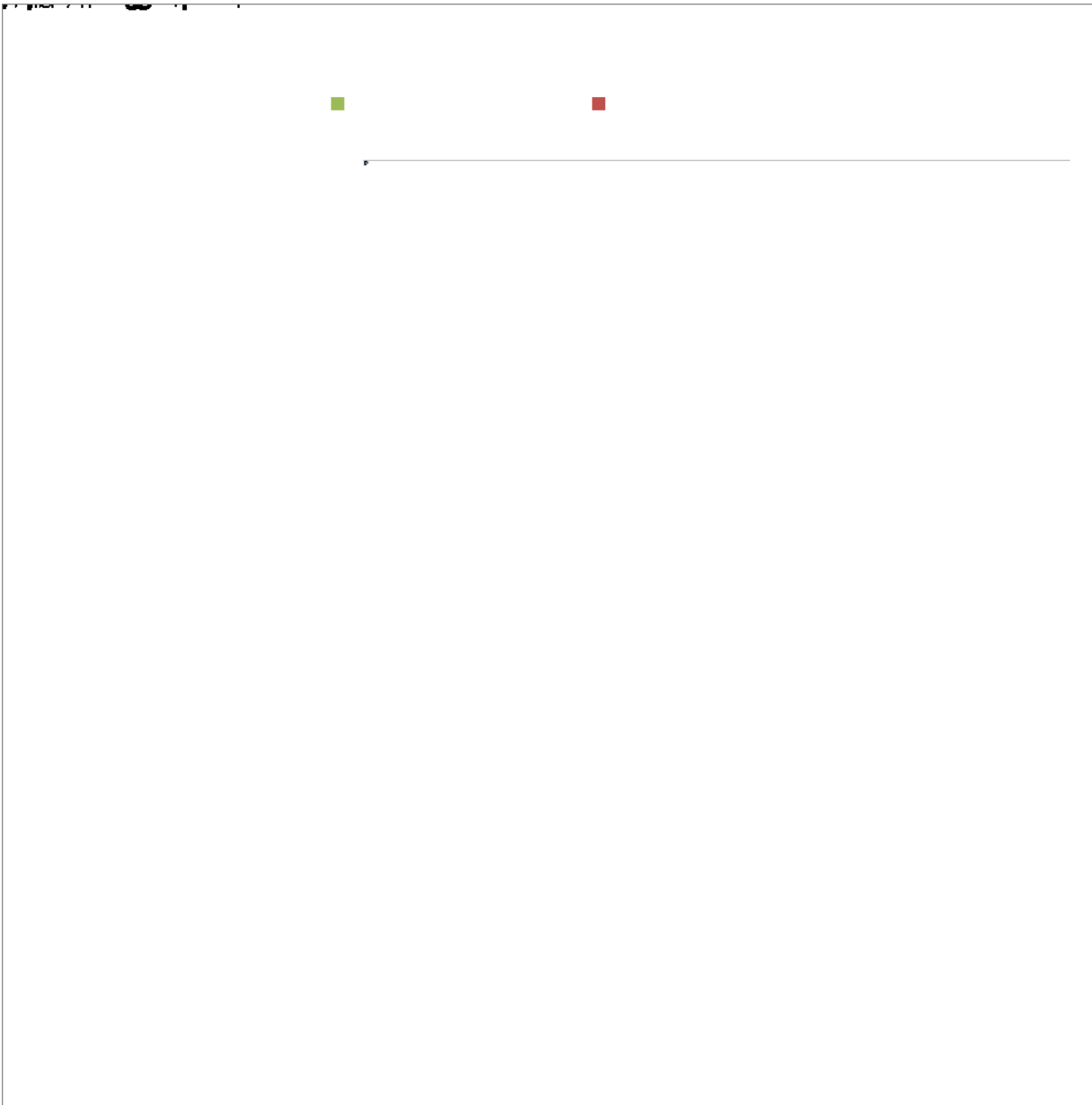
Other expenditure comprises of various line items relating to daily operations of the municipality. This combined expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Other expenditure has decreased by 11 % for 2019/20 budget year, when compared to the third adjustment budget. Also included in other expenditure are equitable share funded IDP projects of various departments to the value of R 103.1 million that are linked to the SDBIP and repairs and maintenance amounting to R 112.1 million or 9 % of the total operating budget. Other expenditure constitutes 24.9 % of the total operating expenditure.

The provision for debt impairment is budgeted for at R 200 million in 2019/20 financial year and constitutes 15.9 % of the total operating expenditure. This was determined based on an estimated collection rate of 20 % and the Debt Write-off Policy of the municipality. While this expenditure is a non-cash item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

The transfers and grants amount to R 75.5 million and this comprises of operating grants funding expenditure, a subsidy to Chris Hani Development Agency of R 27.9 million as the operating grant to the agency, R 2 million for bursary fund and R 500 thousand for adopted schools.

The following graph gives a breakdown of the main expenditure categories for 2019/20 budget year :-

Figure 2: Main operational expenditure categories for the 2019/20 financial year:-



- **Free Basic Services: Indigent Support :-**

The indigent support assists households that are poor or face other circumstances that limit their ability to pay for municipal services. To receive these free basic services the households are required to register in terms of the municipality's indigent policy in respect to the water and sanitation services. The district municipality will have an ongoing indigent registration programme and data cleansing will be conducted as part of the revenue enhancement strategy so as to provide for the indigent households, this process is being reviewed annually. Detail relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement) and supporting table SA9.

The cost of the indigent support to the registered indigent households is largely financed by National government through the local government equitable share received in terms of the annual Division of Revenue Act.

The basic services component provides a subsidy of R 408.61 per month in 2019/20 for the cost of providing basic services to each of these households. The subsidy includes funding for the provision of free basic water (6 kilolitres per poor household per month), energy (50 kilowatt-hours per month) sanitation and refuse (based on service levels defined by national policy). The monthly amount provided for each service is detailed in Table W1.22 below and includes an allocation of 10 % for service maintenance costs that is incurred by the municipality. Applicable to Chris Hani district municipality would be a subsidy of R 236.20 per indigent household per month that excludes the energy and refuse components.

	Allocation per household below affordability threshold (R per month)		
	Operations	Maintenance	Total
Energy	78.73	8.75	87.48
Water	121.39	13.49	134.88
Sanitation	91.19	10.13	101.32
Refuse	76.44	8.49	84.93
Total basic services	367.75	40.86	408.61
Source: National Treasury			

o Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:-

Table 6: 2019/20 Medium-term capital budget per vote :-

Chris Hani District Municipality Capital Expenditure by vote Draft Budget 2019/20 MTREF					
Description	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2019/20	Budget Year 2020/21	Budget Year 2021/22
R thousand					
Capital expenditure -vote					
Multi-year expenditure to be appropriated					
Vote 7 - Technical Services	478,606	580,217	426,769	687,006	588,460
Capital multi-year expenditure sub-total	478,606	580,217	426,769	687,006	588,460
Single-year expenditure to be appropriated					
Vote 1 - Council					
Vote 2 - Municipal manager					
Vote 3 - Budget & Treasury	25,000	44,000	15,000	15,000	15,000
Vote 4 - Community Services					
Vote 5 - Corporate Services	55,000	25,000	80,000	85,000	-
Vote 6 - Planning & Development					
Capital single-year expenditure sub-total	80,000	69,000	95,000	100,000	15,000
Total Capital expenditure-vote	558,606	649,217	521,769	787,006	603,460

For 2019/20 an amount of R 426.8 million has been appropriated for the development of infrastructure which represents 81.8 % of the total capital budget. In the outer years this amount totals to R 687.1 million or 87.3 % and R 588.5 million, 97.6 % of total capital expenditure of the two outer years respectively. The municipality provides water and sanitation services and currently has service delivery backlogs and infrastructure backlogs hence the capital funding is never sufficient to eradicate the backlogs. It is therefore essential for the municipality to explore and enhance the own revenue capabilities to contribute on the improvement of infrastructure. Council out of its reserves has made a provision of R 95 million for 2019/20, R 100 million and R 15 million for the two outer years to deal with fleet shortages, CHDM Village and improve on tools of trade.

These reserves are generated through VAT claimed from conditional grants and interest raised on investment of funds that are not immediately required.

o Annual Budget Tables - Parent Municipality

The following pages present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2019/20 budget and MTREF as tabled before Council. Each table is accompanied by *explanatory notes*.

Table 7 MBRR Table A1 - Budget Summary :-

DC13 Chris Hani - Table A1 Consolidated Budget Summary

Description	2016/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	335,760	223,923	275,036	232,820	232,820	232,820	-	244,461	256,684	269,519
Investment revenue	38,464	36,705	29,197	32,480	32,480	32,480	-	34,812	36,552	38,380
Transfers recognised - operational	591,628	532,896	548,626	600,325	606,525	606,525	-	633,057	669,192	711,630
Other own revenue	76,700	38,573	31,822	71,871	71,871	6,930	-	35,384	37,143	38,990
Total Revenue (excluding capital transfers and contributions)	1,042,551	832,097	884,682	937,496	943,696	878,755	-	947,714	999,572	1,058,519
Employee costs	244,414	259,776	306,519	308,843	308,843	308,843	-	321,348	327,374	347,016
Remuneration of councillors	9,631	9,577	11,162	11,071	11,071	11,071	-	13,902	14,597	15,327
Depreciation & asset impairment	158,329	121,883	142,068	140,000	140,000	140,000	-	140,000	140,000	140,000
Finance charges	737	-	-	1,260	-	-	-	1,260	1,260	1,260
Materials and bulk purchases	73,684	21,771	16,225	26,139	26,139	26,139	-	26,139	26,139	26,139
Transfers and grants	210,881	228,939	172,529	175,942	190,237	190,237	-	109,024	107,275	107,814
Other expenditure	724,148	506,447	586,665	543,003	544,263	544,263	-	641,232	646,840	652,728
Total Expenditure	1,421,824	1,148,393	1,235,168	1,206,257	1,220,553	1,220,553	-	1,252,905	1,263,485	1,290,284
Surplus/(Deficit)	(379,273)	(316,296)	(350,487)	(268,761)	(276,856)	(341,798)	-	(305,191)	(263,912)	(231,765)
Transfers and subsidies - capital (monetary allocation)	613,651	756,557	539,781	471,919	534,351	534,351	-	426,769	687,006	588,460
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	234,378	440,261	189,294	203,158	257,495	192,553	-	121,578	423,093	356,695
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	234,378	440,261	189,294	203,158	257,495	192,553	-	121,578	423,093	356,695
Capital expenditure & funds sources										
Capital expenditure	622,119	672,135	401,168	551,919	631,351	631,351	-	521,769	787,006	603,460
Transfers recognised - capital	601,160	621,630	395,885	471,919	534,351	534,351	-	426,769	687,006	588,460
Public contributions & donations	81	-	80	-	32,000	32,000	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	20,959	50,505	20,014	80,000	65,000	65,000	-	95,000	100,000	15,000
Total sources of capital funds	622,200	672,135	415,979	551,919	631,351	631,351	-	521,769	787,006	603,460

Explanatory notes to MBRR Table A1 - Budget Summary

- Table A1 is a budget summary and provides a concise overview of the municipality budget from all of the major financial perspectives (operating, capital, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminate basic service delivery backlogs.
- Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - The operating deficit (after Total Expenditure) is negative over the MTREF increasing into the outer years.
 - Capital expenditure is balanced by capital funding sources, of which
 - Transfers recognised is reflected on the Financial Performance Budget;

- ii. Internally generated funds are financed from accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing activities on the Cash Flow Budget. .
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the collection rate of the revenue from water and sanitation services is very low and needs to be enhanced.

Even though Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of providing basic services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs though not at a larger scale as it is grant dependent. The municipality has to ensure that it improves the billing and collection of the revenue from water and sanitation services so as to have cash available to fund service delivery and infrastructure backlogs.

Table 11 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

DC13 Chris Hani - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	293,631	174,470	221,966	178,574	178,574	178,574	-	187,503	196,878	206,722
Service charges - sanitation revenue	2	42,129	49,464	53,070	54,246	54,246	54,246	-	56,969	59,806	62,797
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other											
Rental of facilities and equipment											
Interest earned - external investments		38,464	36,705	29,197	32,480	32,480	32,480		34,812	36,552	38,380
Interest earned - outstanding debtors		-	-	11,355	6,730	6,730	6,730		34,090	35,795	37,584
Dividends received											
Fines, penalties and forfeits											
Licences and permits											
Agency services			28,862	16,696							
Transfers and subsidies		591,628	532,896	548,626	600,325	606,525	606,525		633,057	669,192	711,630
Other revenue	2	76,700	2,733	3,771	64,942	64,942	-	-	1,094	1,149	1,206
Gains on disposal of PPE			6,989		200	200	200		200	200	200
Total Revenue (excluding capital transfers and contributions)		1,042,551	832,097	884,682	937,496	943,696	878,755	-	947,714	999,572	1,058,519
Expenditure By Type											
Employee related costs	2	244,414	259,776	306,519	308,843	308,843	308,843	-	321,348	327,374	347,016
Remuneration of councillors		9,631	9,577	11,162	11,071	11,071	11,071		13,902	14,597	15,327
Debt impairment	3	522,558	177,156	267,392	200,000	200,000	200,000		200,000	200,000	200,000
Depreciation & asset impairment	2	158,329	121,883	142,068	140,000	140,000	140,000	-	140,000	140,000	140,000
Finance charges		737	-	-	1,260	-	-		1,260	1,260	1,260
Bulk purchases	2	22,585	21,589	16,178	26,139	26,139	26,139	-	26,139	26,139	26,139
Other materials	8	51,099	182	47							
Contracted services		12,095	79,420	115,123	124,153	124,153	124,153	-	145,466	151,074	156,962
Transfers and subsidies		210,881	228,939	172,529	175,942	190,237	190,237	-	109,024	107,275	107,814
Other expenditure	4, 5	187,934	249,872	191,626	218,850	220,110	220,110	-	295,766	295,766	295,766
Loss on disposal of PPE		1,561		12,524							
Total Expenditure		1,421,824	1,148,393	1,235,168	1,206,257	1,220,553	1,220,553	-	1,252,905	1,263,485	1,290,284
Surplus/(Deficit)		(379,273)	(316,296)	(350,487)	(268,761)	(276,856)	(341,798)	-	(305,191)	(263,912)	(231,765)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		613,651	756,567	539,781	471,919	534,351	534,351		426,769	687,006	588,460
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		234,378	440,261	189,294	203,158	257,495	192,553	-	121,578	423,093	356,695

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure):-

1. Total revenue is R 947.7 million in 2019/20 and escalates to R 1 058.5 billion by 2021/22. This represents a year-on-year increase of 2 % for 2020/21 financial year and 6 % for 2021/22 financial year.
2. Revenue to be generated from water and sanitation services is R 244.5 million in 2019/20 financial year and increases to R 269.5 million by 2021/22 and represents 25.7 % of the total operating revenue and therefore indicating that the municipality is heavily grant dependent. It remains relatively constant over the medium-term, this income stream is the revenue base of the municipality that must improve moving into the future.
3. Transfers recognised – operating, includes the local government equitable share and other operating grants from national and provincial government. These grants form 66.8 % of the total revenue base of the municipality therefore an indication that the municipality has to focus on the billing and collection of own revenue to have a better cash flow position.
4. The following graph illustrates the major revenue items per type.
5. Employee related costs are the major cost driver for the municipality at 27 % of the total operating expenditure budget. These costs have increased significantly over the years due to the filling of vacancies that existed in the municipality and also annual increase in line with the collective agreement of the bargaining council. The water and sanitation take over has also influenced this cost as employees that were in local municipalities have been transferred to the district municipality and are in a process of being integrated to the municipality.
6. The table above reflects an overall decrease of 2 % in the draft budget for operating expenditure when compared to the third adjustment budget.
 - The decrease was influenced by the following expenditure items:-
 - ✓ Transfers and grants by -23 % ;and
 - ✓ Other expenditure by -11 %.

 - The following expenditure items have however increased :-

- ✓ Employee related costs and Remuneration of councillors by 9 %;
- ✓ Remuneration of Councillors by 8 %; and
- ✓ Contracted services by 3 %.

Table 12: MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding sources :-

DC13 Chris Hani - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Council		-	-	-	-	-	-	-	-	-	
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	
Vote 3 - Budget & Treasury		4,556	15,008	8,727	25,000	32,000	32,000	-	-	-	
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	
Vote 5 - Corporate Services		-	35,497	11,367	55,000	65,000	65,000	-	-	-	
Vote 6 - Planning & Development		-	-	-	-	-	-	-	-	-	
Vote 7 - Technical Services		617,564	621,630	381,074	471,919	534,351	534,351	-	426,769	687,006	
Vote 8 - Roadworks		-	-	-	-	-	-	-	-	-	
9.10 - Indirect		-	-	14,812	-	-	-	-	-	-	
10.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	
11.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	
12.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	
13.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	
14.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	
15.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	
Capital multi-year expenditure sub-total	7	622,119	672,135	415,979	551,919	631,351	631,351	-	426,769	687,006	588,460
Single-year expenditure to be appropriated	2										
Vote 1 - Council		-	-	-	-	-	-	-	-	-	
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	
Vote 3 - Budget & Treasury		-	-	-	-	-	-	-	15,000	15,000	
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	
Vote 5 - Corporate Services		-	-	-	-	-	-	-	80,000	85,000	
Vote 6 - Planning & Development		-	-	-	-	-	-	-	-	-	
Vote 7 - Technical Services		-	-	-	-	-	-	-	-	-	
Vote 8 - Roadworks		-	-	-	-	-	-	-	-	-	
9.10 - Indirect		-	-	-	-	-	-	-	-	-	
10.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	
11.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	
12.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	
13.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	
14.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	
15.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	95,000	100,000	15,000
Total Capital Expenditure - Vote		622,119	672,135	415,979	551,919	631,351	631,351	-	521,769	787,006	603,460
Capital Expenditure - Functional											
Governance and administration		4,556	50,505	20,094	80,000	97,000	97,000	-	95,000	100,000	15,000
Executive and council		-	-	-	-	-	-	-	-	-	
Finance and administration		4,556	15,008	8,727	25,000	32,000	32,000	15,000	15,000	15,000	
Internal audit		-	35,497	11,367	55,000	65,000	65,000	80,000	85,000	-	
Community and public safety		-	-	-	-	-	-	-	-	-	
Community and social services		-	-	-	-	-	-	-	-	-	
Sport and recreation		-	-	-	-	-	-	-	-	-	
Public safety		-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	
Economic and environmental services		-	-	-	-	-	-	-	-	-	
Planning and development		-	-	-	-	-	-	-	-	-	
Road transport		-	-	-	-	-	-	-	-	-	
Environmental protection		-	-	-	-	-	-	-	-	-	
Trading services		617,564	621,630	381,074	471,919	534,351	534,351	-	426,769	687,006	588,460
Energy sources		-	-	-	-	-	-	-	-	-	
Water management		617,564	575,262	357,781	471,919	534,351	534,351	426,769	687,006	588,460	
Waste water management		-	46,368	23,293	-	-	-	-	-	-	
Waste management		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Total Capital Expenditure - Functional	3	622,119	672,135	401,168	551,919	631,351	631,351	-	521,769	787,006	603,460
Funded by:											
National Government		601,160	621,630	395,885	471,919	534,351	534,351	-	426,769	687,006	588,460
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	
Transfers recognised - capital	4	601,160	621,630	395,885	471,919	534,351	534,351	-	426,769	687,006	588,460
Public contributions & donations	5	81	-	80	-	32,000	32,000	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		20,959	50,505	20,014	80,000	65,000	65,000	-	95,000	100,000	15,000
Total Capital Funding	7	622,200	672,135	415,979	551,919	631,351	631,351	-	521,769	787,006	603,460

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source:-

1. Table A5 is a breakdown of the capital programmes in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2019/20, R 426.8 million has been allocated, which totals to 81.8 % of total capital budget. This allocation increases to R 687.0 million in 2020/21 and decreases to R 603.5 million in 2021/22.
3. Single-year capital expenditure has been appropriated at R 95 million for the 2019/20 financial year, increases to R 100 million in 2020/21 and decreases drastically to R 15 million in 2021/22 budget years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles, CHDM Village, furniture and office equipment, specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from National and provincial grants transfers. For 2019/20, capital transfers totals R 426.8 million (100 %) and increase to R 740 million by 2020/21 (73 %). The municipality is solely dependent on grant funding to fund the capital budget, to improve its infrastructure and deal with basic services backlogs.

Table 13 MBRR Table A6 - Budgeted Financial Position-

DC13 Chris Hani - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
ASSETS											
Current assets											
Cash		363,492	235,947	276,606	342,000	342,000	342,000		342,000	348,840	355,817
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	152,551	160,422	113,353	248,471	248,471	248,471	-	248,471	258,410	268,746
Other debtors		39,663	151,775	61,251	248,471	248,471	248,471		133,155	138,482	144,021
Current portion of long-term receivables											
Inventory	2	7,066	11,042	16,342	133,155	133,155	133,155		8,084	8,407	8,743
Total current assets		562,772	559,185	467,552	972,098	972,097	972,097	-	731,710	754,138	777,327
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate					1,500	1,500			1,500	1,500	1,500
Property, plant and equipment	3	3,416,265	3,965,880	4,240,795	4,825,109	4,825,109	4,825,109	-	4,825,109	5,120,291	5,317,201
Agricultural											
Biological											
Intangible		501	3,889	2,423	350	350	350		350	364	379
Other non-current assets											
Total non current assets		3,416,767	3,969,768	4,243,218	4,826,959	4,826,959	4,825,459	-	4,826,959	5,122,155	5,319,079
TOTAL ASSETS		3,979,539	4,528,953	4,710,770	5,799,056	5,799,056	5,797,556	-	5,558,669	5,876,293	6,096,406
LIABILITIES											
Current liabilities											
Bank overdraft	1		33,854	13,423							
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits		122	215	329	225	225	225		225	239	253
Trade and other payables	4	179,357	271,396	298,751	99,836	99,836	-	-	103,830	107,983	112,302
Provisions		8,686	9,366	11,072	9,937	9,555	9,555		9,937	10,335	10,748
Total current liabilities		188,165	314,831	323,574	109,999	109,617	9,780	-	113,992	118,557	123,304
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		37,297	4,325	42,341	44,855	49,509	-	-	51,489	53,548	55,690
Total non current liabilities		37,297	4,325	42,341	44,855	49,509	-	-	51,489	53,548	55,690
TOTAL LIABILITIES		225,463	319,156	365,915	154,854	159,125	9,780	-	165,481	172,105	178,994
NET ASSETS	5	3,754,076	4,209,797	4,344,855	5,644,203	5,639,931	5,787,776	-	5,393,187	5,704,188	5,917,412
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		3,656,088	4,157,354	4,345,777	5,393,187	5,393,569	5,393,569		5,393,187	5,704,188	5,917,412
Reserves	4	-	-	-	-	-	-		-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	3,656,088	4,157,354	4,345,777	5,393,187	5,393,569	5,393,569	-	5,393,187	5,704,188	5,917,412

Explanatory notes to Table A6 - Budgeted Financial Position:-

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability by council and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 6 is supported by an extensive table of notes in supporting table SA3 providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Non-current provisions ;
 - Changes in net assets; and
 - Reserves.
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for debt impairment. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position for the MTREF.

Table 14 MBRR Table A7 - Budgeted Cash Flow Statement :-

DC13 Chris Hani - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									-	-	-
Service charges		93,386	44,723	108,767	88,100	65,625	65,625		88,100	91,624	95,289
Other revenue			32,305	18,777	47,853	76,951	76,951		820	861	904
Government - operating	1	590,775	532,896	548,626	600,325	644,567	644,567		601,404	635,733	676,049
Government - capital	1	667,208	756,557	539,781	471,919	540,260	540,260		426,769	687,006	588,460
Interest		38,464	36,705	40,553	34,580	33,154	33,154		34,580	35,963	37,402
Dividends									-	-	-
Payments											
Suppliers and employees		(548,701)	(867,343)	(640,268)	(1,240,975)	(405,843)	(405,843)		(687,777)	(700,911)	(635,695)
Finance charges		(737)	(271)	(117)	(1,260)				(1,260)	(1,336)	(1,416)
Transfers and Grants	1	(210,881)	(228,939)	(139,398)	(175,942)	(190,237)	(190,237)		(167,144)	(205,025)	(215,357)
NET CASH FROM/(USED) OPERATING ACTIVITIES		629,512	306,631	476,701	(175,400)	764,468	764,468	-	295,492	643,916	645,636
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(598,597)	(622,125)	(724,644)	(580,691)	(540,260)			(424,727)	(302,748)	(298,379)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(698,597)	(622,125)	(724,644)	(580,691)	(540,260)	-	-	(424,727)	(302,748)	(298,379)
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		30,915	(315,494)	(247,943)	(756,091)	224,208	764,468	-	(129,239)	241,168	252,257
Cash/cash equivalents at the year begin:	2	365,470	366,162	363,492	432,849	432,849			260,846	131,611	372,779
Cash/cash equivalents at the year end:	2	396,385	40,668	115,550	(323,242)	657,057	764,468		131,611	372,779	625,036

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the municipality slightly increase over the years 2019/20 to 2021/22 due to the average increase in Equitable Share and conditional grants allocations received by the municipality and increased operating expenditure levels.
4. Further the municipality needs to take into consideration a realistic collection rate as this has implications on the funding of the budget.
5. The draft 2019/20 MTREF provides for a further net decrease in cash of R 129.2 million.
6. The 2019/20 MTREF has been informed by the planning principle of a 20 % collection rate on water and sanitation services revenue.

7. Cash and cash equivalents totals R -131.6 million as at the end of 2019/20 financial year and increases to R -625.0 million by 2021/22.

TARRIF STRUCTURE

The Chris Hani District Municipality as a Water Services Authority and Provider delivers the service in the area of the six (formerly eight) local municipal areas within its jurisdiction.

The National Treasury is encouraging all Municipalities to implement tariff structure that reflect the following;

- Water tariffs that are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs that are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs that are designed to encourage efficient and sustainable consumption.

Chris Hani District Municipality as a Water Services Provider therefore has to raise sufficient own revenue from the rendering of water and sanitation services. The proposed tariff increase below is based on the guidelines provided by the National Treasury for the 2018/2019 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK. In terms of the proposal, the increase should be linked to the consumer price index (CPI) which is estimated to be 5.2% for 2019/ 2020.

The tariffs will be applicable for the following period;

Start date: 01 JULY 2019 and End date: 30 JUNE 2020

1. TARIFFS: WATER SUPPLY SERVICES AND INCIDENTAL CHARGES

The amounts due for water services for the 2019/2020 financial year be paid on dates as indicated on accounts which will be rendered from 1 July 2019.

- The Sewerage Charges will be linked to the account where either a waterborne sewer connection or septic tank sewer is available.
- Reference to “per month” in the tariffs is based on a meter reading period of 30 days with regard to the calculation of a charge for the free consumption portion.

- Use is the determining factor for tariff application but where a mixed use occurs on any given property the property zoning will be the determining factor in the tariff Application.
- ALL TARIFFS LISTED BELOW OR TO BE CALCULATED IN TERMS OF THIS SCHEDULE OF TARIFFS **INCLUDE VAT.**

1.1 WATER TARIFFS

Charges shall be levied in respect of each separate connection for water. The tariffs relating to consumption of water will be levied as from 01 July 2019 on all accounts linked to water and accounts opened after July 2019 will be levied for the applicable period of the year.

1.2 CONSUMPTION TARIFFS BASED ON WATER RELATED SERVICES

The tariffs listed under this section shall be payable where water, used solely for household purposes, including temporarily connections for this purpose, has been supplied. In the case of hostels and old age homes, every 4 beds shall be deemed to be a residential unit. Where the Housing Department officially accommodates two or three beneficiaries (families) per stand, each beneficiary (family) is deemed to be a residential unit.

1.3 Domestic/ Household water use

This tariff is only applicable to properties used exclusively for household purposes. In the event that a small business is conducted as a primary right in terms of a Town Planning Scheme, or home enterprise in terms of the Council's policy, from a property used for household purposes, and the connection size is either a 15mm or 20mm connection, the tariffs in the table below shall apply. However, any connection which is greater than 20mm and the property is not exclusively used for residential purposes, shall be charged in terms of the tariffs. Spaza Shops, defined as an area of a dwelling unit and or associated immovable outbuilding not more than 20m² in extent, used by the occupant of such a dwelling unit for the purposes of selling basic household goods, is also included in this tariff, provided the connection size is either a 15mm or 20mm connection.

CURRENT TARIFFS CHARGED FOR JULY 2018 - JUNE 2019		PROPOSED INCREASE FOR JULY 2019 - JUNE 2020		PROPOSED TARIFFS FOR JULY 2019 - JUNE 2020	
TARIFFS	CURRENT TARIFF FOR 2018/2019 VAT EXCLUSIVE	PROPOSED INCREASE OF 5.2 %	PROPOSED TARIFF FOR 2019/2020 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2019/2020 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2019/2020 VAT INCLUSIVE AT 15 %
WATER					
<i>Water Consumption (Domestic use)</i>					
0-6	8.55	0.44	8.99	1.35	10.34
7-15	9.89	0.51	10.40	1.56	11.96
16-30	12.11	0.63	12.74	1.91	14.65
31-45	15.08	0.78	15.86	2.38	18.24
46-60	16.48	0.86	17.34	2.60	19.94
61 or more	18.60	0.97	19.57	2.94	22.50

Tariff structure for domestic use

1.4 Institutional water use

Properties zoned as business, government and municipalities etc. will be charged using this tariff

CURRENT TARIFFS CHARGED FOR JULY 2018 - JUNE 2019		PROPOSED INCREASE FOR JULY 2019 - JUNE 2020		PROPOSED TARIFFS FOR JULY 2019 - JUNE 2020	
TARIFFS	CURRENT TARIFF FOR 2018/2019 VAT EXCLUSIVE	PROPOSED INCREASE OF 5.2 %	PROPOSED TARIFF FOR 2019/2020 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2019/2020 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2019/2020 VAT INCLUSIVE AT 15 %
Water Consumption (Institutional, etc)					
0-200kls per month	10.10	0.52	10.62	1.59	12.21
201-2500 kl per month	11.17	0.58	11.75	1.76	13.51
2501 or more kl per month	12.23	0.64	12.86	1.93	14.79
Water Consumption (Business & other use)					
0-5 000 kl / month	12.97	0.67	13.64	2.05	15.69
5001 -25000 kl / month	13.17	0.69	13.86	2.08	15.94
25 001- 50000 kl/month	13.39	0.70	14.09	2.11	16.20
50 001- or more kl / month	13.39	0.70	14.09	2.11	16.20

1.5 Basic / Availability charges

Basic charges are applicable to all registered properties where water and sanitation (excluding properties supplied with septic tanks) services are supplied.

CURRENT TARIFFS CHARGED FOR JULY 2018 - JUNE 2019		PROPOSED INCREASE FOR JULY 2019 - JUNE 2020		PROPOSED TARIFFS FOR JULY 2019 - JUNE 2020	
TARIFFS	CURRENT TARIFF FOR 2018/2019 VAT EXCLUSIVE	PROPOSED INCREASE OF 5.2 %	PROPOSED TARIFF FOR 2019/2020 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2019/2020 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2019/2020 VAT INCLUSIVE AT 15 %
Water Consumption (no meter/unread meter) - Flat Rate Per Month					
Domestic/Household	89.77	4.67	94.44	14.17	108.61
Institutional	116.71	6.07	122.78	18.42	141.20
Business & other	125.69	6.54	132.22	19.83	152.06
Water Basic (Availability) - Flat Rate Per Month					
Domestic	89.77	4.67	94.44	14.17	108.61
Institutional	116.71	6.07	122.78	18.42	141.20
Business	125.69	6.54	132.22	19.83	152.06

1.6 Water Delivery

These tariffs are applicable for trucked water.

CURRENT TARIFFS CHARGED FOR JULY 2018 - JUNE 2019		PROPOSED INCREASE FOR JULY 2019 - JUNE 2020		PROPOSED TARIFFS FOR JULY 2019 - JUNE 2020	
TARIFFS	CURRENT TARIFF FOR 2018/2019 VAT EXCLUSIVE	PROPOSED INCREASE OF 5.2 %	PROPOSED TARIFF FOR 2019/2020 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2019/2020 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2019/2020 VAT INCLUSIVE AT 15 %
Water Delivery					
Labour - Charged per person	44.30	2.30	46.60	6.99	53.59
Travel Expenses - Charged per kilometer	7.90	0.41	8.31	1.25	9.55
Charge per Load	424.00	22.05	446.05	66.91	512.96

2 SANITATION TARIFFS

A flat rate shall be levied in respect of each household / business / institution relating to sanitation. The tariffs applicable for sanitation services shall apply from 01 July 2019 and accounts opened after July 2019 will be

levied for the applicable period of the year. Properties that use septic tank are charged per removal which include charges per kilometre.

CURRENT TARIFFS CHARGED FOR JULY 2018 - JUNE 2019		PROPOSED INCREASE FOR JULY 2019 - JUNE 2020		PROPOSED TARIFFS FOR JULY 2019 - JUNE 2020	
TARIFFS	CURRENT TARIFF FOR 2018/2019 VAT EXCLUSIVE	PROPOSED INCREASE OF 5.2 %	PROPOSED TARIFF FOR 2019/2020 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2019/2020 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2019/2020 VAT INCLUSIVE AT 15 %
SANITATION					
<i>Basic Charge per Month (Flat Rate)</i>					
Domestic / Households	R 59.16	R 3.08	R 62.23	R 9.33	R 71.57
Business	R 97.51	R 5.07	R 102.58	R 15.39	R 117.97
Government	R 98.43	R 5.12	R 103.55	R 15.53	R 119.09
Churches, Hotels, Schools & Hospitals	R 92.86	R 4.83	R 97.69	R 14.65	R 112.34
Honey Sucker / Sewerage Removal					
Labour - Charged per person	R 44.30	R 2.30	R 46.60	R 6.99	R 53.59
Travel Expenses - Charged per kilometer	R 7.90	R 0.41	R 8.31	R 1.25	R 9.55
Charge per Load	R 424.00	R 22.05	R 446.05	R 66.91	R 512.96

CURRENT TARIFFS CHARGED FOR JULY 2018 - JUNE 2019		PROPOSED INCREASE FOR JULY 2019 - JUNE 2020		PROPOSED TARIFFS FOR JULY 2019 - JUNE 2020	
TARIFFS	CURRENT TARIFF FOR 2018/2019 VAT EXCLUSIVE	PROPOSED INCREASE OF 5.2 %	PROPOSED TARIFF FOR 2019/2020 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2019/2020 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2019/2020 VAT INCLUSIVE AT 15 %
Night-Soil Removals Per Load					
Night-Soil Removals (Buckets)	R 64.77	R 3.37	R 68.14	R 10.22	R 78.36
Unblocking of Drains on Customer Properties					
Domestic	R 107.86	R 5.61	R 113.47	R 17.02	R 130.49
Business	R 193.33	R 10.05	R 203.38	R 30.51	R 233.89
Government	R 212.67	R 11.06	R 223.73	R 33.56	R 257.29
New Sewer Connection					
100mm Sewer Connection	R 1,233.18	R 64.13	R 1,297.31	R 194.60	R 1,491.90
150mm Sewer Connection	R 1,519.28	R 79.00	R 1,598.28	R 239.74	R 1,838.02

3.0 Other Tariffs

3.1 Water infrastructure related tariffs

CURRENT TARIFFS CHARGED FOR JULY 2018 - JUNE 2019		PROPOSED INCREASE FOR JULY 2019 - JUNE 2020		PROPOSED TARIFFS FOR JULY 2019 - JUNE 2020	
TARIFFS	CURRENT TARIFF FOR 2018/2019 VAT EXCLUSIVE	PROPOSED INCREASE OF 5.2 %	PROPOSED TARIFF FOR 2019/2020 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2019/2020 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2019/2020 VAT INCLUSIVE AT 15 %
Water Combination Meters					
50mm	32,547.07	1,692.45	34,239.52	5,135.93	39,375.44
80mm	35,493.88	1,845.68	37,339.56	5,600.93	42,940.49
100mm	43,626.94	2,268.60	45,895.54	6,884.33	52,779.87
150mm	69,243.54	3,600.66	72,844.20	10,926.63	83,770.83
Main Meter Connection (incl road crossing)					
15mm	2,240.44	116.50	2,356.95	353.54	2,710.49
15mm WCM	3,225.01	167.70	3,392.71	508.91	3,901.62
25mm	4,180.97	217.41	4,398.38	659.76	5,058.14
Main Meter Connection (excl road crossing)					
15mm	1,705.74	88.70	1,794.44	269.17	2,063.60
15mm WCM	2,729.77	141.95	2,871.72	430.76	3,302.48
ILLEGAL CONNECTIONS PENALTIES					
DOMESTIC	4,938.64	256.81	5,195.45	779.32	5,974.77
BUSINESS	10,063.73	523.31	10,587.04	1,588.06	12,175.10
READING METERS	232.83	12.11	244.93	36.74	281.67
DISCONNECTION AND RESTRICTION FEES					
DELIVERY OF NOTICES	76.96	4.00	80.96	12.14	93.10
Installation of Water Mgt Meter (15mm) Domestic	2,654.79	138.05	2,792.84	418.93	3,211.77
Disconnect the service	824.76	42.89	867.64	130.15	997.79
Adjust the Water Mgt Meter (15mm) Domestic	433.10	22.52	455.62	68.34	523.96
Installation of Water Mgt Meter (15mm) Business & other	2,654.79	138.05	2,792.84	418.93	3,211.77
Terminate - Business & other	824.76	42.89	867.64	130.15	997.79
Re-instate - Business & other	824.76	42.89	867.64	130.15	997.79
Adjust the Water Mgt Meter (15mm) Business & other	433.10	22.52	455.62	68.34	523.96
DAMAGES TO THE MUNICIPAL WATER PIPE SYSTEM					
Pipes with diameter 50mm or less	6,028.77	313.50	6,342.26	951.34	7,293.60
Pipes with diameter between 50mm and 100mm	12,058.52	627.04	12,685.56	1,902.83	14,588.40
Pipes with diameter between 100mm and 250mm	18,087.30	940.54	19,027.84	2,854.18	21,882.01
Pipes with diameter between 250mm and 400mm	24,117.05	1,254.09	25,371.14	3,805.67	29,176.81
Pipes with diameter between 400mm and 700mm	48,234.10	2,508.17	50,742.28	7,611.34	58,353.62
Pipes with diameter greater than 700mm	66,321.40	3,448.71	69,770.11	10,465.52	80,235.63

3.2 Water quality related tariffs

CURRENT TARIFFS CHARGED FOR JULY 2018 - JUNE 2019		PROPOSED INCREASE FOR JULY 2019 - JUNE 2020		PROPOSED TARIFFS FOR JULY 2019 - JUNE 2020	
TARIFFS	CURRENT TARIFF FOR 2018/2019 VAT EXCLUSIVE	PROPOSED INCREASE OF 5.2 %	PROPOSED TARIFF FOR 2019/2020 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2019/2020 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2019/2020 VAT INCLUSIVE AT 15 %
WATER QUALITY - LAB ANALYSIS COSTS					
Bacteriological analysis					
E-coli (count / 100 ml)	90.77	4.72	95.49	14.32	109.81
Coliform Count (count / 100 ml)	74.00	3.85	77.85	11.68	89.53
Physical & Organoleptic analysis					
Ph	20.43	1.06	21.50	3.22	24.72
Turbidity	12.09	0.63	12.72	1.91	14.62
Electrical conductivity	16.64	0.87	17.51	2.63	20.14
Chlorine	6.36	0.33	6.69	1.00	7.69
Total dissolved solids (TDS)	41.09	2.14	43.22	6.48	49.71
Suspended solids	30.93	1.61	32.54	4.88	37.42
Chemical analysis					
Fluoride	69.27	3.60	72.87	10.93	83.80
Nitrate	87.07	4.53	91.60	13.74	105.34
Ammonia	66.30	3.45	69.75	10.46	80.22
Chemical Oxygen Demand (COD)	138.11	7.18	145.29	21.79	167.09
Phosphate	73.92	3.84	77.77	11.66	89.43
Sulphate	69.27	3.60	72.87	10.93	83.80

CURRENT TARIFFS CHARGED FOR JULY 2018 - JUNE 2019		PROPOSED INCREASE FOR JULY 2019 - JUNE 2020		PROPOSED TARIFFS FOR JULY 2019 - JUNE 2020	
TARIFFS	CURRENT TARIFF FOR 2018/2019 VAT EXCLUSIVE	PROPOSED INCREASE OF 5.2 %	PROPOSED TARIFF FOR 2019/2020 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2019/2020 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2019/2020 VAT INCLUSIVE AT 15 %
MUNICIPAL HEALTH SERVICES / ENVIRONMENTAL MANAGEMENT AND WATER QUALITY SERVICES					
VECTOR CONTROL					
Vector control per occurrence	R 295.97	R 15.39	R 311.36	R 46.70	R 358.06
Waste water spillages	R 493.27	R 25.65	R 518.92	R 77.84	R 596.76
Noise control					
Residential	R 493.27	R 25.65	R 518.92	R 77.84	R 596.76
Business	R 591.92	R 30.78	R 622.70	R 93.41	R 716.11
ATMOSPHERIC EMISSIONS LICENCES					
1 unit of listed activities					
New Application	R 1,479.82	R 76.95	R 1,556.77	R 233.52	R 1,790.28
Review	R 986.55	R 51.30	R 1,037.85	R 155.68	R 1,193.53
Renewal	R 986.55	R 51.30	R 1,037.85	R 155.68	R 1,193.53
Transfer	R 493.27	R 25.65	R 518.92	R 77.84	R 596.76
2 to 5 units of listed activities					
New Application	R 2,466.37	R 128.25	R 2,594.62	R 389.19	R 2,983.81
Review	R 1,479.82	R 76.95	R 1,556.77	R 233.52	R 1,790.28
Renewal	R 986.55	R 51.30	R 1,037.85	R 155.68	R 1,193.53
Transfer	R 493.27	R 25.65	R 518.92	R 77.84	R 596.76
6 to 10 units of listed activities					
New Application	R 3,452.90	R 179.55	R 3,632.45	R 544.87	R 4,177.31
Review	R 2,466.37	R 128.25	R 2,594.62	R 389.19	R 2,983.81
Renewal	R 986.55	R 51.30	R 1,037.85	R 155.68	R 1,193.53
Transfer	R 493.27	R 25.65	R 518.92	R 77.84	R 596.76
11 and more units of listed activities					
New Application	R 4,439.44	R 230.85	R 4,670.29	R 700.54	R 5,370.84
Review	R 3,452.90	R 179.55	R 3,632.45	R 544.87	R 4,177.31
Renewal	R 986.55	R 51.30	R 1,037.85	R 155.68	R 1,193.53
Transfer	R 493.27	R 25.65	R 518.92	R 77.84	R 596.76
Certificate of Acceptability (CoA) (FCD Act)					
New Application	R 246.63	R 12.83	R 259.46	R 38.92	R 298.38
Review	R 98.65	R 5.13	R 103.78	R 15.57	R 119.35
Renewal	R 98.65	R 5.13	R 103.78	R 15.57	R 119.35
Certificate of unsound foodstuffs (Condemns Certificate) Health Certificate (HA) (H. Act)					
New Application	R 147.98	R 7.70	R 155.68	R 23.35	R 179.03
Review	R 98.65	R 5.13	R 103.78	R 15.57	R 119.35
Renewal	R 98.65	R 5.13	R 103.78	R 15.57	R 119.35
Certificate of Competence (CoC) (H. Act)					
New Application	R 246.63	R 12.83	R 259.46	R 38.92	R 298.38
Review	R 98.65	R 5.13	R 103.78	R 15.57	R 119.35
Renewal	R 98.65	R 5.13	R 103.78	R 15.57	R 119.35
Application for exhumations and re-burials					
RE-Issue of Certificates	R 246.63	R 12.83	R 259.46	R 38.92	R 298.38
Request for re-inspection or special inspections	R 98.65	R 5.13	R 103.78	R 15.57	R 119.35
Illegal Transport of foodstuffs (FCD Act)	R 197.30	R 10.26	R 207.56	R 31.13	R 238.70
Application for selling of foodstuffs during public events	R 197.30	R 10.26	R 207.56	R 31.13	R 238.70
Meat Safety Inspections (MS Act)	R 98.65	R 5.13	R 103.78	R 15.57	R 119.35
	R 246.63	R 12.82	R 259.45	R 38.92	R298.37 / Hour

CURRENT TARIFFS CHARGED FOR JULY 2018 - JUNE 2019		PROPOSED INCREASE FOR JULY 2019 - JUNE 2020		PROPOSED TARIFFS FOR JULY 2019 - JUNE 2020	
TARIFFS	CURRENT TARIFF FOR 2018/2019 VAT EXCLUSIVE	PROPOSED INCREASE OF 5.2 %	PROPOSED TARIFF FOR 2019/2020 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2019/2020 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2019/2020 VAT INCLUSIVE AT 15 %
FINES ON ACTIVITIES HAVING AN ENVIRONMENTAL IMPACT - LAW ENFORCEMENT OFFICERS (EHP'S)					
Environmental Pollution – (Municipal Boundaries) - Relating to Environmental pollution created during protest Action	R 18,596.50	R 967.02	R 19,563.51	R 2,934.53	R 22,498.04
Air pollution - Residential	R 2,324.57	R 120.88	R 2,445.44	R 366.82	R 2,812.26
Air pollution – Commercial	R 4,649.12	R 241.75	R 4,890.88	R 733.63	R 5,624.51
Trading without COA (Certificate of Acceptability)	R 232.45	R 12.09	R 244.54	R 36.68	R 281.22
Environmental pollution (Waste Water)	R 9,298.24	R 483.51	R 9,781.75	R 1,467.26	R 11,249.01
Illegal transport of Meat	R 232.45	R 12.09	R 244.54	R 36.68	R 281.22
Illegal transport of Milk	R 232.45	R 12.09	R 244.54	R 36.68	R 281.22
Illegal keeping of Animals	R 464.91	R 24.18	R 489.09	R 73.36	R 562.45
Illegal trading – Pesticides / Chemicals	R 232.45	R 12.09	R 244.54	R 36.68	R 281.22

CHAPTER 7

PERFORMANCE MANAGEMENT SYSTEM

Introduction

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

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

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

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

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

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

1.2 Purpose and Objectives

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

To this end, the policy seeks to:

- a) Create a frame of reference which clearly guides political office bearers and municipal officials in the interpretation and application of performance management mechanisms in the CHDM;
- b) Clarify the roles and responsibilities of all stakeholders during the various performance management processes;
- c) Establish a universal performance management language thus promoting consistency and commonality in the application of concepts;

- d) Promote a culture of accountability, responsibility and performance excellence;
- e) Enhance the development of human capital; and
- f) Ensure recognition and reward for performance excellence.

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

1. **Facilitate increased accountability**

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

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

2. **Facilitate learning and improvement**

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

3. **Provide early warning signals**

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

4. **Facilitate decision-making**

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

1.3 Policy Scope and Key Principles

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

applies to the CHDM entity, the Chris Hani Regional Development Agency (CHDA) and its category of officials as determined by the CHDA Board.

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

- a) **Simplicity**: The system must be a simple user-friendly system that enables Council and its external stakeholders to operate it within the existing resource capacity;
- b) **Politically Driven**: Legislation clearly tasks Council as the owner of the performance management system. The Municipal Manager will need to drive both the implementation and improvement of the system and may delegate responsibilities in this regard;
- c) **Incremental Implementation**: It is important that while a holistic performance management system is the ultimate objective, Council could adopt a phased approach to implementation, dependent on the capacity and resources of the municipality. The performance management system will need to be constantly improved based on its workability;
- d) **Transparency and Accountability**: The process of managing performance should be inclusive, open and transparent. Citizens should know how departments are run, how resources are spent, and who is in charge of particular services. Similarly, all information on the performance of departments should be accessible to other managers, employees, the public and specific interest groups;
- e) **Integration**: The performance management system should be integrated into other management processes of Council, such that it becomes a tool for more efficient and effective management rather than an additional reporting burden. It should be seen as a central tool for ongoing management functions;
- f) **Objectivity**: Performance management must be founded on objectivity and should be democratic in pursuance of its objectives. Both the processes of managing performance and the information on which it relies need to be objective and credible. It should promote mutual respect, trust and ensure high levels of co-operation and discipline in the dealings of municipal people among one another; and
- g) **Clear and Accountable**: The intentions of Council's performance management system must be made clear and acceptable especially to its officials, councillors and customers. Concerns and fears about the system must be heard and addressed appropriately to minimise suspicions and maximise the understanding and acceptance of change. International author of public sector management literature Norman Flynn (113:1990) agrees that," the first imperative is to ensure that the purposes for measuring performance are clear and accepted by everyone. If measurements, especially of costs, are to be used punitively, then they will create a different atmosphere than if they are to be used creatively to help people improve their performance".

1.4 Legislative Context

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

The Constitution, Act 108 of 1996

- The Constitution provides that municipalities in South Africa must:
- 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.

The performance of municipalities must be monitored and managed to ensure the achievement of these constitutional provisions.

White Paper on Service Delivery (Batho Pele) 1998

The performance management system must be based on and should give effect to the eight Batho Pele principles of improved service delivery as outlined in and required by the White Paper on Service Delivery. The principles are as follows:

- Consultation;
- Service Standards;
- Access;
- Courtesy;
- Information;
- Openness/ Transparency;
- Redress; and
- Value for Money.

The Local Government: Municipal Structures Act, 117 of 1998

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

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

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

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

- The MSA sets out the legal framework for performance management as a means to measure, evaluate and report on the implementation of the Integrated Development Plan (IDP):
- Chapter 6 of the MSA provides for the establishment, monitoring and review of the performance management system as well as reporting on the organisational performance achievements against the IDP indicators and targets.
- Section 57 of the MSA requires the Municipal Manager and the managers directly accountable to the Municipal Manager (Section 57 employees) to sign annual performance agreements and plans, with a set of performance measures to assess individual achievement against the plans. The performance plans must be aligned to the SDBIP that are based on the IDP.
- According to section 67 of the MSA, a municipality must implement systems and procedures to ensure fair, efficient, effective and transparent personnel administration, including the monitoring, measuring and evaluating of staff performance
- The MSA, in section 81(b), states that the municipality must monitor and assess the performance of a service provider (or municipal entity) in implementing the service delivery agreement (where applicable).
- Section 26 of the *Local Government: Municipal Systems Amendment Act, 44 Of 2003* provides that a parent municipality which has sole control of a municipal entity or effective control in the case of a municipal entity which is a private company:
 - (a)** Must ensure that annual performance objectives and indicators for the municipal entity are established by agreement with the municipal entity and included in the

municipal entity's multi-year business plan in accordance with section 87(5)(d) of the Municipal Finance Management Act; and

- (b)** Must monitor and annually review as part of the municipal entity's annual budget process as set out in section 87 of the Municipal Finance Management Act, the performance of the municipal entity against the agreed performance objectives and indicators.

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

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

- Pertinent provisions include:
- Section 16(2) requires that the municipality's annual budget to be accompanied by measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the IDP.
- Section 53(1)(c) provides for the Mayor to ensure that performance agreements of Section 57 employees comply with the requirements of the MSA to promote sound financial management and are linked to the measurable performance objectives approved with the budget and included in the SDBIP.
- In terms of section 72 (1) (a) (iv), the accounting officer of a municipality must, by 25 January of each year, assess the performance of the municipality during the first half of the financial year, taking into account the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports from any such entities.
- The MFMA, section 165 (2) (b), requires each municipality and municipal entity to have an internal audit unit to advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to, inter alia, performance management.
- In turn, section 166 requires each municipality and municipal entity to have an audit committee to advise the municipal council, accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to inter alia, performance management and performance evaluation.

The Local Government: Municipal Performance Management Regulations, 2001

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

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

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

Skills Development Act, 97 of 1998 (SDA)

The SDA supports occupational development which in turn acts as a catalyst for enhanced performance within the workplace. It provides for the development of specific managerial and occupational competencies which must be aligned to specific jobs, job profiles and consequently Personal Development Plans which form an integral aspect of performance management.

Labour Relations Act, 66 of 1995 (as Amended) (LRA)

The LRA creates an enabling framework for the application of fair labour principles and practices in dealing with capacity challenges in the workplace as outlined in chapter 8.

1.5 Internal Capacity and Stakeholder Roles and Responsibilities

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

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- o **MUNICIPAL MANAGER/MANAGER PMS**

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

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

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

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

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

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

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

Portfolio/Standing Committees need to manage the performance of sectors and functions respective to their portfolios. While it is important that they at least review performance of organisational priorities that lie within their portfolio, it is desirable that they review additional sectoral priorities determined by them. In

order to build the role played by standing or portfolio committees, while ensuring that their role remains strategic and not operational, these committees must review performance as often as monthly.

o PERFORMANCE MANAGEMENT STRUCTURES: EXTERNAL STAKEHOLDERS

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

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

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

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

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

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

Highlighted hereon above are the key policy principles that underpin the application of the Chris Hani District Municipal Performance Management processes. The Chris Hani District Municipality's Performance Management and Monitoring practices continue to evolve given the dynamic operating environment. Monitoring Evaluation and Reporting Practices are driven from a premise that they are integrally connected and should be pursued in a collaborative manner. Another key objective of this policy and system at large is the extent to which it successfully allows for accurate implementation and tracking of service delivery priorities as articulated in strategic and operational documents. The key measure of its success is the extent to which these have enabled the municipality to progressively achieve its intended short, medium and long term objectives

GLOSSARY OF TERMS

ABET	Adult Based Education and Training
ABSA	Amalgamated Banks of South Africa
AG	Auditor-General
AIDS	Acquired Immune Deficiency Syndrome
CBO	Community Based Organization
CPF	Community Policing Forum
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DEAT	Department of Tourism, Environment and Economic Affairs
DEDEA	Department of Economic Development & Environmental Affairs
DFA	Development Facilitation Act No 67 of 1995
DHS	District Health System
DRDLR	Department of Rural development & Land Reform
DM	District Municipality
DIMAFO	District Mayors Forum
DME	Department of Mineral and Energy
DRDAR	Eastern Cape Department of Rural Development Rural Development and Agrarian Reform

DoE	Department of Education
DoH	Department of Health
DoSD	Department of Social Development
DoT	Department of Transport
COGTA	Department of Co-operative Governance & Traditional Affairs
DPSS	Department of Public Safety and Security
DRPW	Department of Roads & Public Works
DSAC	Department of Sport, Arts and Culture
DWA	Department of Water Affairs
DAFF	Department of Agriculture, Forestry & Fisheries
ECA	Environmental Conservation Act
EIA	Environmental Impact Assessment
ES	Equitable Share (grant)
FBO	Faith Based Organizations
ECDC	Eastern Cape Development Corporation
PGDP	Provincial Growth & Development Plan
GCIS	Government Communication and Information Systems
GGP	Gross Geographic Product
GIS	Geographical Information System
GTZ	German Technical Cooperation
GVA	Gross Value Added
HDI	Human Development Index
HIV	Human Immune Deficiency Virus
HR	Human Resource
IDC	Independent Development Corporation
IDP	Integrated Development Plan
IDT	Independent Development Trust
ICT	Information Communication Technology
ITP	Integrated Transportation Plan
IWMP	Integrated Waste Management Plan
JOC	Joint Operational Centre
LDO	Land Development Objectives
LED	Local Economic Development
LSA	Local Service Area (Primary Health)
MAYCO	Mayoral Committee

MEC	Member of the Executive Committee
MIG	Municipal Infrastructure Grant
MFMA	Municipal Finance Management Act
MSIG	Municipal Support & Institutional Grant
MSyA	Municipal Systems Act, 2000
MStA	Municipal Structures Act, 1998
NDC	National Development Corporation
NDP	National Development Plan 2030
NEMA	National Environmental Management Act
NER	National Electrification Regulator
NGO	Non Governmental Organizations
NSS	National Sanitation Strategy
PATA	Promotion of Administrative Justice Act
PMS	Performance Management System
PPP	Public Private Partnership
RDP	Reconstruction and Development Programme
REDs	Regional Electricity Distributors
SADC	Southern African Development Community
SALGA	South African Local Government Association
SANDF	South African National Defense Force
SAPS	South African Police Service
SGB	School Governing Body
SMME	Small, Medium and Micro Enterprises
STDs	Sexual Transmitted Diseases
TB	Tuberculosis
VAT	Value Added Tax
VIP	Ventilated Improved Pit (dry sanitation facility)
WSDP	Water Services Development Plan
BDS	Business Development Services
CASP	Comprehensive Agriculture Support Programme
CHARTO	Chris Hani Regional Tourism Organisation
CHDM	Chris Hani District Municipality
RTP	Responsible Tourism Planning
SLA	Service Level Agreement
SMME	Small Medium and Micron Enterprises

SOE	State Owned Enterprises
SoR	State of Environment Report
Stats SA	Statistics South Africa
SODA	State of the District Address
SONA	State of the Nation Address
SOPA	State of the Province Address

IDP REVIEW 1st DRAFT 2019-2020 for Council Adoption

The process of approval for this Final IDP Review for 2019-2020 IDP involved some consultative sessions/meetings with all stakeholders including: all municipalities planning unit within CHDM, representative forum members, sector departments, internal departments and some comments from MEC for Cooperative Governance of previous years. After Council approved the 2019-2020 Draft IDP document copy was submitted to the MEC for Local Government in the Eastern Cape Province, Provincial Treasury as well as National Treasury for noting as well as to community members for comments as their comments and consultation were critical. By the month of May 2019 IDP/Budget Roadshows were conducted to ensure inputs and comments are sought and are taken care of and incorporated on this Final IDP Review. Such inputs from IDP Roadshows are considered as community members are great and important stakeholder.

DECLARATION OF 2019- 2020 CHDM FINAL IDP REVIEW FOR ADOPTION BY COUNCIL MAY 2019

SIGNATURES

Dr. B. J. Mthembu
ACTING MUNICIPAL MANAGER

29 May 2019

DATE

Cllr W. GELA
EXECETIVE MAYOR

29 May 2019

DATE

