

2009/10

GREATER TZANEEN MUNICIPALITY



ANNUAL REPORT

Annual report on service delivery progress and challenges for the 2009/10 financial year.

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FOREWORD BY THE HONOURABLE MAYOR,



It is my privilege to introduce the Annual Report for the 2009/10 Financial Year.

I want to take this opportunity to firstly thank our residents and all other stakeholders for their continued support and contribution as we passionately work towards our vision of being the “Fastest Growing Economy in Limpopo where All Households have Access to Sustainable Services”.

In the year under review, as we continued to feel the remnants of the worst global recession in the recent past, continuing to affect the affordability of commodities dearly needed for service delivery, we thus remained steadfast in our commitment for socio-economic development of our people, particularly the rural poor. We wish to report that the Government had issued directive in order speed up services delivery and also eliminating bottle-necks delayed an integrated and sustainable service delivery. We are proud to report that the Mayor of Greater Tzaneen has, along with other Mayors signed the Outcome 9 service delivery contract with the Minister of Corporate Governance and Traditional Affairs.

We are therefore proud to report that Greater Tzaneen Municipality has began paying allowances to Ward Committees in an attempt to strengthen their work and ensure their mobility in their task of supporting their respective Ward Councilors. We will continue to ensure that we give the necessary administrative support to ensure that their work is effective and efficient.

Our quest for effective, efficient, and sustainable service delivery cannot be achieved without a strong administrative component. We had, in the year under review, reaffirmed our commitment to the core values of our Municipality, i.e. Commitment; Integrity, and Accountability. In the course of these values we are going to built an all-rounder employee cadreship and political leadership that is committed to routing out corruption, maladministration and complacency that had cog its head to bedevil our institution.

It is my pleasure to report that the contraction work of the over R90m tar road work stretching from Rita, linking with Burgersdorp, Pharare, and Julesburg to Sekororo has began and will be concluded in the next 24 months. A consultant to design the tar road from Khujwana to Lephepane has been appointed and we expected the appointment and commencement of the contraction work in the first quarter of 2011. The designs of a linking road from Dan (R36) to Nkowankowa have been concluded and Mopani District Municipality will soon appoint contractors for civil works. The Municipal Infrastructure Grant (MIG) has already approved R36m grant for the upgrading from gravel to tar of the road from Sasekani to Nkowankowa, which we expect work to be started before the end of this financial year. Equally we await approval from MIG for a grant for the upgrading of gravel to tar of the road from Ramotshinyadi to Mokgwathi. We believe that the implementation of these important projects will not only improve our road infrastructure, but will also ensure that their achievement will be making Tzaneen a tourism and business destination of choice.

Our programme of rural electrification is intensified and we remain confident that Greater Tzaneen will be one of those few Municipalities which will meet the Millennium Development Goals as agreed upon by our government. We are proud to report on the progress made in terms of electrification of our villages and towns as indicated in the summary below. The construction of 250 RDP units has brought the total number of RDP units in GTM to 10,848. Also, GTM hosted 4 2010 World Cup games at Public Viewing Areas.

We are pursuing our quest to reclaim our place as the No 1 cleanest and greenest town in the country and we have commenced with waste minimization projects in various schools and villages.

I am proud to equally report on the adoption for the development of a business plan for the Greater Tzaneen Vision 2030. It is through this vision that we intent to tap on the economic developmental potentials of Greater Tzaneen Municipality. This will see us creating mega urban villages and a boom of a new mega suburb in Tzaneen, linking Letsitele with Tzaneen Town. R20 million has already been sourced for providing services to Mbambemencisi.

The Department of Water and Environmental Affairs also awarded Greater Tzaneen Municipality the Blue Drop score for high quality of water provided province wide.

We present this report mindful that many infrastructures, social, economic, social economic and environment development challenges remain. However, we take pride in the difference we have made in the lives of many of our people in this financial year.

This report is also presented, acknowledging the contribution of members of the Executive Committee, all Councilors, Management and Staff, strategic partners and communities themselves. We further acknowledge the support of SALGA, as well as Government at the provincial and national governments.

As we recommit ourselves to speed up our pace, improve communications, and be more responsive, we can indeed say that today our glass is half full as we move together in unity towards its brim.

Alderman OJ Mushwana

Mayor

EXECUTIVE REVIEW BY THE ACTING MUNICIPAL MANAGER



Greater Tzaneen Municipality has through the review of the Integrated Development Plan (IDP) reaffirmed its commitment to deliver services to our community in a sustainable manner. The 3 key performance areas agreed on were:

- Local Economic Development – aimed at an increased income for all
- Social, Environmental sustainability and infrastructure development - aimed at ensuring a sustainable quality of life
- Good Governance – aimed at ensuring a good credit rating

The financial year under review (2009/10) was a challenging year for Greater Tzaneen Municipality (GTM). During this year GTM continued to implement a financial recovery plan in an attempt to improve the financial situation of the institution. Since GTM is characterised by a large rural community and urban areas with aging infrastructure, there is enormous pressure on our limited financial resources. In spite of this GTM has managed to implement various projects in an attempt to improve access to basic services and to maintain the existing infrastructure. Our efforts resulted in the following performance highlights:

- GTM awarded Blue Drop status for water quality
- 2nd Place in the provincial Cleanest Town Competition
- A recommendation from National Treasury on the high standard of our budget
- The electrification of farm labour housing process developed by GTM recommended to other provinces by the Department of Energy and incorporated into their guidelines

- Bid to host the Southern Africa Inter Municipal Sport Association (SAIMSA) 2010/11 games awarded to GTM

We have continued to improve our administrative and management systems through the cleaning of our billing system, implementing a new filing system and upgrading our website. Detailed information regarding the activities of GTM is presented in the chapters to follow. Comments and recommendations from all stakeholders are invited to ensure that we improve our service delivery efforts.

LIST OF ABBREVIATIONS

AMEU	Association of Municipal Electricity Undertakings
ARV	Anti Retro Viral
CBD	Central Business District
CBO	Community Based Organization
CBP	Community Based Planning
CFO	Chief Financial Officer
CORP	Corporate Services Department
CSD	Community Services Department
CPA	Community Property Association
DBSA	Development Bank of Southern Africa
DGCF	District Communicators Forum
DLTC	Drivers License Testing Centre
DME	Department of Minerals and Energy
DoC	Drop off Centre
DWAF	Department of Water Affairs and Forestry
EED	Electrical Engineering Department
ESD	Engineering Services Department
EU	European Union
GCF	Government Communicators Forum
GTEDA	Greater Tzaneen Economic Development Agency
GTM	Greater Tzaneen Municipality
HCW	Health Care Waste
HR	Human Resource
ICT	Information Communication Technology

IDP	Integrated Development Plan
IGR	Inter Governmental Relations
IMASA	Institution of Municipal Administration for Southern Africa
IMATU	Independent Municipal Association of Trade Unions
IMPISA	Institute for Municipal Practitioners for South Africa
JAQ	Job Analysis Questionnaires
JOC	Joint Operational Centre
LAN	Local Area Network
LDV	Light Delivery Vehicle
LED	Local Economic Development
LGCF	Local Government Communicators Forum
LIBSA	Limpopo Business Service Agency
LISSC	Local Inter-Sectoral Steering Committee
LLF	Local Labour Forum
MM	Municipal Manager
MoA	Memorandum of Agreement
MPCC	Multi Purpose Community Centre
MSP	Municipal Service Provider
NDPG	Neighborhood Development Grant
NGO	Non Governmental Organization
PED	Planning and Economic Development
PEIG	Premier Emergency Infrastructure Grant
PHP	Peoples Housing Programme
POF	Public Off-loading Facility
PMS	Performance Management System
REDS	Regional Electricity Distributors
RDP	Reconstruction and Development Plan

RSC	Regional Service Council
SABC	South African Broadcasting Corporation
SABS	South African Bureau of Standards
SALGA	South African Local Government Association
SAMWU	South African Municipal Workers Union
SANS	South African National Standards
SAPS	South African Police Service
SCM	Supply Chain Management
SDF	Spatial Development Framework
SEDA	Small Enterprise Development Agency
SONA	State of the Nation Address
TASK	Tuned Assessment of Skills and Knowledge
TSC	Thusong Service Centre (same as MPCC)
TCE	Total Control of Epidemic
WAN	Wide Area Network
WSP	Workplace Skills Plan

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1. Municipal Overview

1.1 Institutional Arrangements

A set of clear institutional arrangements govern matters of the Greater Tzaneen Municipality. The council structure of the Municipality consists of the political appointments of a Mayor and elected councilors from the community, and the administrative structure consists of appointed staff members tasked with operational matters.

1.1.1 Political and Governance Structures

GTM's political leadership is headed by the Mayor and the Executive Committee, which comprises ten Members of the Municipal Council (MMCs) charged with executing the political mandate with regard to the upliftment of the socio-economic conditions of residents.

The Office of the Municipal Manager is responsible for the overall support to the Executive Committee. Among others, it is responsible to ensure that GTM complies with legislation; it tracks procurement policies and council resolutions; manages international relations, facilitates engagement at inter-governmental level; monitors performance of departments, coordinates community outreach; and assists in elections and participatory democracy programmes.

The Office of the Speaker acts as a link between the Council and the communities. Ward committees are made up of elected volunteers from the community who represent different interests in the ward. Their purpose is to enhance participatory democracy in local government.

The Office of the Chief Whip is mainly responsible for the political operations of the Council, being responsible for discipline and regulating interactions between the Executive Committee (EXCO) and the Council as well as between the ruling party and other parties in the Council.

Three different levels of oversight are required, that is administrative oversight, political oversight, and independent financial oversight. Within these processes the Oversight Committee and Audit Committee play a key role in evaluating the success of the Municipality in performing its functions.

1.1.2 Administrative and Operational arrangements

The Municipal Manager manages the following departments:

- Office of the Chief Financial Officer
- Corporate Services
- Engineering Services
- Electrical Engineering
- Community Services
- Planning and Economic Development
- Office of the Mayor

The following functions also reports directly to the Municipal Manager:

- Disaster Management
- Internal Audit
- Integrated Development Planning
- Performance Management

1.2 Administrative Organogram

The administrative structure is presented in **Annexure A**

1.3 Vision, Mission and Values

The Vision for Greater Tzaneen Municipality is:

"To be the fastest growing economy in Limpopo where all households have access to sustainable basic services"

The Mission of GTM is mission is as follows:

"To stimulate economic growth through sustainable, integrated service delivery and partnerships"

The values of GTM where agreed to be:

- **Commitment**
- **Integrity**
- **Accountability**

1.4 Integrated Development Plan

The process followed during the drafting of the IDP is presented below:

Phase 0 Preparatory phase: The IDP/Budget and PMS Calendar for the 2009/10 financial year was approved by Council on the 25th August 2008

Analysis Phase 1: This phase was implemented from the 19 May – 24 May 2009 throughout the 34 wards of the Greater Tzaneen Municipality

Strategies Phase 2: The Strategies Phase was the result of a session conducted with members of the management team of the Greater Tzaneen Municipality during November 2008.

Project Phase 3: IDP Projects were identified and prioritized for the 2009/10 financial year for both rural, township and town.

Integration Phase 4: The Integrated Organizational Performance Management System and the Spatial Development Plan were reviewed and were submitted for Council approval. The Housing Chapter (final document) was attached for adoption by Council. The Draft served before Council on 7 April 2009 under Item B11.

Approval Phase: The Final IDP 2009/10 was adopted by Council on the 29th May 2009

1.5 Strategic Focus Areas for 2009/10

- Accelerated roads, water, sanitation and electricity service delivery
- Quality houses for the people

1.6 Challenges

Below are some of the challenges that need to be addressed:

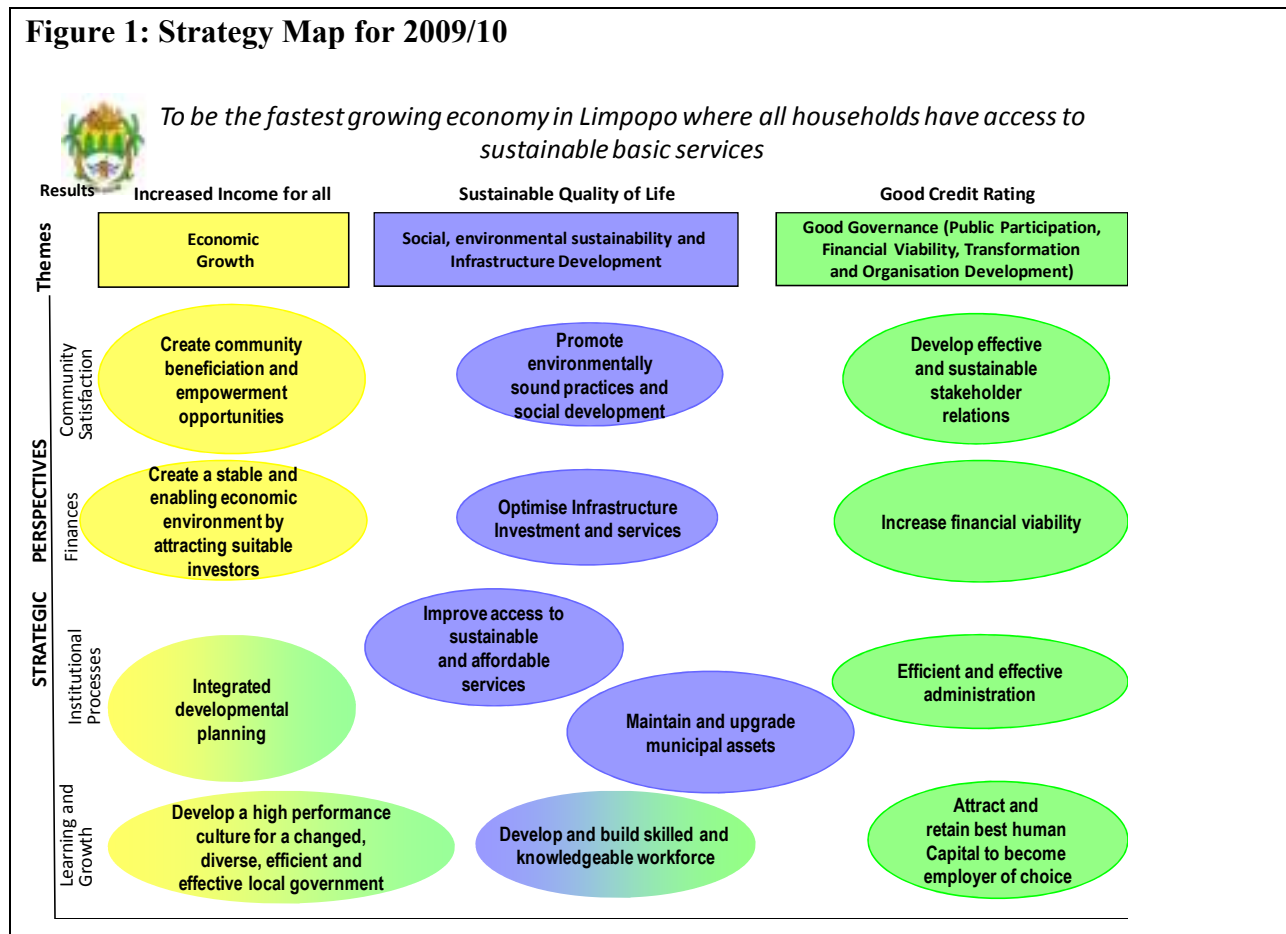
- Cash flow constraints hampering project implementation
- Budget limitations that lead to limited maintenance of an no expansion of existing infrastructure
- Cost recovery in rural areas
- Management of the indigent register in a largely rural community
- Alignment of the IDP and Budget
- Simplifying the Performance Management System and cascade to all staff levels
- Adherence to the service level agreement by the Water Service Authority (Mopani District Municipality)
- Operationalisation of the solid waste collection points at schools in rural areas
- Acquiring sufficient funding to improve the electrical network capacity to be able to support all planned developments
- Implementation of the Tuned Assessment of Skills and Knowledge (TASK) Job evaluation as required by SALGA

2. Performance Highlights per Thrust

The Strategy Map (Figure 1 below) for Greater Tzaneen Municipality has been developed around three major performance areas i.e. Thrusts. These thrusts were agreed upon at a strategic session during the review of the IDP and are the following:

- Economic Growth
- Social, Environmental sustainability and infrastructure development
- Good Governance and administration

The performance of the institution during the 2009/10 year, as contained in the Service Delivery and Budget Implementation Plan (SDBIP), will now be summarized in line with these thrusts.



2.1 Economic Growth Thrust

2.1.1 Strategic Focus

The first leg of the growth strategy is to stimulate the economy of the Greater Tzaneen Municipal area and is based on the attainment of the following objectives:

- Create community beneficiation and empowerment opportunities
- Create a stable and enabling economic environment by attracting suitable investors
- Integrated Developmental Planning
- Develop a high performance culture for a changed, diverse, efficient and effective local government

To achieve economic growth the municipality must first ensure that all employees are committed to improve service delivery and to become an efficient and effective institution. Once everybody is committed to a changed working environment it will lead to total integrated planning and development within the Tzaneen municipal area. This will in turn lead to a situation whereby different economic activities will be established and investors attracted to the Tzaneen municipal area. These new investors will directly lead to growth in the economy of the area and increased employment opportunities. The growth in the economy and job opportunities will result in increased income for all, thereby contributing to poverty alleviation and eradication of the dependency on free minimal services and well-fare grants.

2.1.2 Key Results

Objective: Integrated developmental planning

Table 1: KPIs for Integrated Developmental Planning						
KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
# of monthly NDPG meetings	PED	7.00	10.00	-42.86%		4.6
# of monthly NDPG projects finalised	PED	Reporting Only ¹	0.00	NA	Continuous projects	NA
# of Steering Committee meetings	MM	12.00	2.00	83.33%	Delays in implementation of process plan	1.00
# of Rep forum meetings	MM	4.00	1.00	75.00%	Delays in implementation of process plan	1.25

Objective: Create a stable economic environment by attracting suitable investors

Table 2: KPIs for Creating a stable economic environment by attracting suitable investors						
KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
% of Serviced proclaimed sites sold	PED	100.00	100.00	0.00%	4 sites: Erf 2640/2 TZN Ext 40 Erf 2420 Nkowa B, Erf 738/39 Nkowa B, Erf 489 Nkowa C	3.00
# of GTEDA board meetings attended	PED	4.00	5.00	-25.00%	2 attended 3 delegated	4.33

¹ Reporting only indicates that a target could not be set as the outcome of the indicator is beyond the control of a specific Director.

Objective: Create community beneficiation and empowerment opportunities through networking for increased employment and poverty alleviation

Table 3: KPIs for Creating community beneficiation and empowerment opportunities through networking for increased employment and poverty alleviation						
KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
Number of jobs (jobs are defined as employment above minimum wage, for at least three months) created by municipal capital projects	PED	Reporting Only	3 025	NA	No system developed	NA
Number of jobs created through municipal LED initiatives	PED	500.00	3 025	-505%		5.00

Table 4: Number of Town Planning Applications processed during 2009/10			
Category	Applications outstanding 1 July 2009	New Applications Received 2009/10	Applications outstanding 30 June 2010
Rezoning/permit	3	11	3
Township Establishment/ extension	1	1	2
Special Consent	0	13	1
Reg. 188	33	50	24
Subdivision/consolidations	1	26	0

2.1.3 Constraints

With regard to Local Economic Development Thrust the following challenges exist:

- Current infrastructure capacity and cash flow constraints hamper the ability of GTM to provide incentives to stimulate economic development by attracting investors. Therefore the lack of funding for infrastructure development compromise economic growth and development.

- Contract management where the leading department does not take control of its Departmental obligations (land matters).
- Finalization of the legal status of GTEDA.
- A system to report on job creation was not developed but will be addressed next financial year

2.2 Social, Environmental sustainability and Infrastructure Development

2.2.1 Strategic Focus

To ensure that everyone living within the Greater Tzaneen municipal area experience a sustainable quality of life, the second leg of the growth strategy is build around the following objectives:

- Promote environmentally sound practices and social development
- Optimise infrastructure investment and services
- Improve access to sustainable and affordable services
- Maintain and upgrade municipal assets
- Develop and build skilled and knowledgeable workforce

One of the main responsibilities and functions of local government is to provide services to the local community. Greater Tzaneen Municipality is focusing on the improving of the quality of life for all community members by firstly ensuring that the available human resources are skilled and trained to deliver what is expected of them. Through knowledgeable and a skilled workforce Tzaneen Municipality will be able to enhance the provision of infrastructure and accessibility of services to our communities. Through proper asset maintenance and upgrade programmes the municipality can ensure the optimal utilisation and recovery of capital investments. Through skill-full facilitation of social development and management of environmental aspects the municipality can contribute significantly towards the quality of life of our community.

2.2.2 Key Results

Objective: Improve access to sustainable and affordable services

Table 5: KPIs for Improving access to sustainable and affordable services						
KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
% households earning less than R1100 with access to basic water services	ESD	Reporting Only	Actual Value ² not available	NA		NA
% households earning less than R1100 with access to basic sanitation services	ESD	Reporting Only	Actual Value not available	NA		NA
% households earning less than R1100 with access to basic electricity	ESD	Reporting Only	Actual Value not available	NA		NA
# of new basic water connections	ESD	Reporting Only	Actual Value not available	NA		NA
# metered water connections / total figure of households as %	ESD	Reporting Only	Actual Value not available	NA		NA
% electricity backlog (# Households that needs electrical connections / Total # households as %)	EED	18.00	17.00	5.56%		3.14
R-value sourced to implement electricity recovery plan	EED	100 000 000.00	30 000 000	70.00%	Was carried over due to DBSA delays	1.00
# of new electricity connections in licensed distribution area	EED	Reporting Only	8.00	NA	No capacity for new connections	NA
MVA increase of urban capacity	EED	10.00	0w	0w	No funds received	0w
Total number of households served with electricity	EED	Reporting Only	83.00	NA	83% of households	NA
Number of jobs created through departmental capital projects (women)	EED	Reporting Only	14.00	NA		NA

² GTM only keeps record of those Households earning less than R1100 that register as indigents. Furthermore, most of these indigents reside outside the service area of GTM where water & sanitation is provided by the Mopani District Municipality while electricity is provided by ESKOM.

Table 5: KPIs for Improving access to sustainable and affordable services						
KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
Number of jobs created through departmental capital projects (youth)	EED	Reporting Only	138.00	NA		NA
Number of jobs created through departmental capital projects (disabled)	EED	Reporting Only	0.00	NA		NA
R-value generated for vehicle registration (Agency agreement)	CSD	Reporting Only	2 744 780	NA		NA
R-value generated by the issuing of learners and drivers licences	CSD	Reporting Only	5 824 974	NA		NA

Objective: Maintain and upgrade municipal assets

Table 6: KPIs for Maintain and upgrade municipal assets						
KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
% Progress with development of integrated Repairs and maintenance plan	ESD	100.00	75.00	25.00%		2.74
R-value spent on water and sanitation infrastructure maintenance	ESD	Reporting Only	R 4,832,441.95	NA		NA
R-value spent on road and storm water maintenance	ESD	Reporting Only	R 28,612,656	NA		NA
R-value maintenance on the fleet / R-value fleet asset as a %	ESD	100.00	120.00	-20.00%	The maintenance budget for fleet is very low as a result it is overspent	3.22

Objective: Optimise infrastructure investment and services

Table 7: KPIs for optimising infrastructure investment and services						
KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
% of Electricity losses	EED	12.00	13.29	-10.75%		0w

Objective: Promote environmentally sound practices and social development

Table 8: KPIs for Promoting environmentally sound practices and social development						
KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
R-value of council property lost through theft	CSD	Reporting Only	R355,274.22	NA		NA
% progress with the review of the Environmental management plan	CSD	100.00	100.00	0.00%		3.00
% progress with development of the State of the Environment report	CSD	100.00	100.00	0.00%		3.00
% Service delivery backlog for solid waste	CSD	87.50	89%	0w		0w
# of Tzaneen Social Security Forum meetings	MM	4.00	0.00	100.00 %	Not yet established	1.00

2.2.3 Constraints

Delivering on the mandate of sustainable service delivery is hampered by the following constraints:

- The lack of infrastructure development and maintenance plans as no funding is available to develop these.
- The absence of an Integrated Infrastructure Development Plan and the non-adherence to the Spatial Development Framework leads to fragmented development which compromises income generation.
- Insufficient funding to develop infrastructure and improve service delivery capacity results in the current network being overloaded.
- Insufficient funding to maintain the existing infrastructure networks results in the infrastructure deteriorating beyond repair.
- Insufficient funding to eradicate service delivery backlogs resulting in illegal connections to water, sewer and stormwater lines.
- Unfunded mandates such as the maintenance of Provincial and District Roads as well as providing services beyond the service area of the Water Service Provider i.e. Mopani

District Municipality (MDM) while the Equitable Share is given to MDM to cover the cost,

- Insufficient funds to counter fund MIG projects and to maintain the infrastructure once put in place.

2.3 Good Governance and Administration

2.3.1 Strategic Focus

To obtain a good credit rating Greater Tzaneen Municipality will focus on achieving the following objectives:

- Develop effective and sustainable stakeholder relations
- Increase financial viability
- Develop and improve policies and systems
- Attract and retain best human capital to become employer of choice

Greater Tzaneen municipality will focus on improving the quality of their workforce, but also to creating an environment conducive for these people to work in, where all policies and systems are in place, distinguishing Greater Tzaneen municipality as an employer of choice. Special focus will be placed on the improvement of the financial position of Greater Tzaneen municipality to ensure that financial viability and associated credit rating is improved. Transparency and co-operation between politicians and administration will enhance informed decision making and sound governance principles will be adhered to. Greater Tzaneen is not functioning in isolation and therefore need to interact and participate in various intergovernmental forums and departments to ensure integration of all the activities and programmes.

2.3.2 Key Results

Objective: Effective and efficient administration

Table 9: KPIs for Effective and efficient administration						
KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
Number of departmental visits to Thusong centres to create awareness on services rendered	PED	4.00	1.00	75.00%	Only TP made visits not Department	1.00
Number of departmental visits to Thusong centres to create awareness on services rendered	Corp	4.00	4.00	0.00%		3.00
% of Information requests responded to according to guidelines (PAI Act)	Corp	100.00	100.00	0.00%		3.00
% progress with the development of the Corporate Image strategy	Corp	40.00	0.00	100.00%		1.00
Number of departmental visits to Thusong centres to create awareness on services rendered	ESD	4.00	1.00	75.00%	One visit undertaken in late 09/10 f/y. However there is marked improvement in 2010 / 11 visits which are 5 in total (Bulamahlo - 25/07/2010 And 21/08/2010, Lesedi 14/08/2010, Runnymede 28/08/2010 and Relela 04/09/2010	1.00
Number of departmental visits to Thusong centres to create awareness on services rendered	EED	4.00	0.00	100.00%	No electrical services in the Eskom areas. Awareness done by Eskom	0w
Number of departmental visits to Thusong centres to create awareness on services rendered	CSD	4.00	0w	0w		0w
# of Departmental policies developed	PED	3.00	0.00	100.00%	Policies at draft stage	1.00
# of Departmental policies developed	Corp	1.00	0.00	100.00%		1.00
# of Departmental policies developed	ESD	1.00	0.00	100.00%	Still using old policies with a view to review in 2011/12 f/y	1.00
% of Council resolutions implemented	PED	100.00	80.00	20.00%		1.67
% of Council resolutions implemented	CFO	100.00	100.00	0.00%		0w
% of Council resolutions implemented	Corp	100.00	80.00	20.00%		1.67
% of Council resolutions implemented	ESD	100.00	100.00	0.00%		3.00
% of Council resolutions implemented	EED	100.00	100.00	0.00%		3.00
% of Council resolutions implemented	CSD	100.00	100.00	0.00%		3.00
# of Cluster committee meetings attended	PED	12.00	4.00	66.67%	Per invitation	1.11

Table 9: KPIs for Effective and efficient administration

KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
# of Cluster committee meetings attended	CFO	12.00	0.00	100.00%		1.00
% of Cluster committees quorated	Corp	100.00	100.00	0.00%		3.00
# of Cluster committee meetings attended	Corp	12.00	12.00	0.00%		3.00
# Fully functional ward committees	Corp	34.00	34.00	0.00%		3.00
# of Cluster committee meetings attended	ESD	12.00	12.00	0.00%	Attend as per invitation	3.00
# of Cluster committee meetings attended	EED	8.00	8.00	0.00%	All scheduled meetings attended	3.00
# of Cluster committee meetings attended	CSD	12.00	4.00	66.67%		1.27
# of Cluster committee meetings attended	MM	12.00	7.00	41.67%	Minutes in place.	1.55
# of departmental meetings	PED	6.00	2.00	66.67%		1.00
# of departmental meetings	CFO	4.00	1	3		1.00
# of departmental meetings	Corp	4.00	4.00	0.00%		3.00
# of departmental meetings	ESD	4.00	4.00	0.00%	The number could be higher if we count special dept meetings	3.00
# of departmental meetings	EED	2.00	2.00	0.00%		3.00
# of departmental meetings	CSD	4.00	4.00	0.00%		3.00
# Management meetings	MM	52.00	27.00	48.08%		1.52
# Mass meetings (MM meeting with all staff) per annum	MM	2.00	1.00	50.00%		1.50
% Personnel costs / Operating expenses (excl Salaries of councillors)	Corp	37.00	37.00	0.00%		3.00
% of reported cases of corruption prosecuted	Corp	100.00	0.00	100.00%		1.00
# of quarterly internal audit reports submitted to audit committee	MM	4.00	3.00	25.00%	To be held in August 2010.	2.75
% of Audit queries responded to within 14 days	MM	100.00	0.00	100.00%		1.00

Objective: Develop effective and sustainable stakeholder relations**Table 10: KPIs for Developing effective and sustainable stakeholder relations**

KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
% Progress with the internal customer satisfaction survey	Corp	100.00	100.00	0.00%		3.00

Table 10: KPIs for Developing effective and sustainable stakeholder relations

KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
# of CDW monthly reports submitted	Corp	12.00	12.00	0.00%		3.00
# of quarterly reports from MDM council representatives	MM	4.00	1.00	75.00%	No meeting attended this quarter	1.25
Number of District MM Forum attended	MM	Reporting Only	2	NA		NA

Objective: Develop a high performance culture for a changed, diverse, efficient and effective local government

Table 11: KPIs for Developing a high performance culture for a changed, diverse, efficient and effective local government

KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
% of HOD's with signed performance plans	CFO	100.00	100.00	0.00%		NA
% of PED HOD's with signed performance plans	PED	100.00	67.00	33.00%	Only 2 HOD's of 3 signed	3.00
% of HOD's with signed performance plans	Corp	100.00	100.00	0.00%		3.00
% of HOD's with signed performance plans	ESD	100.00	100.00	0.00%	Acting Manager ESD finalised the signing of Performance plans.	3.00
% of HOD's with signed performance plans	EED	100.00	100.00	0.00%		3.00
% of HOD's with signed performance plans	CSD	100.00	100.00	0.00%	N/A	3.00
% Quarterly performance reports submitted on time	CFO	100.00	100.00	0.00%		3.00
% Quarterly performance reports submitted on time	Corp	100.00	100.00	0.00%		3.00
% Quarterly performance reports submitted on time	ESD	100.00	100.00	0.00%	All performance reports submitted on time	3.00
% Quarterly performance reports submitted on time	EED	100.00	100.00	0.00%		3.00
% Quarterly performance reports submitted on time	CSD	100.00	100.00	0.00%		3.00
Number of Quarterly performance reports submitted on time	MM	4.00	2.00	50.00%	Quarterly assessments not done. Only 1 st & 2 nd Quarter SDBIPs	1.50

Table 11: KPIs for Developing a high performance culture for a changed, diverse, efficient and effective local government

KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
					submitted to Council	
% of Personnel budget spend on implementing the Workplace skills plan	Corp	0.10	0.01	90.00%		3.30
% of Sec 57 managers undergone Leadership Development Training	Corp	100.00	43.00	57.00%		1.05
# of Bursaries awarded per annum	Corp	50.00	44.00	12.00%		2.85
% of new appointees induced within 3 months	Corp	100.00	100.00	0.00%		3.00

Objective: Develop and build skilled and knowledgeable workforce

Table 12: KPIs for developing and building a skilled and knowledgeable workforce

KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
% of Personnel budget spend on implementing the Workplace skills plan	Corp	0.10	0.01	90.00%		3.30
% of Sec 57 managers undergone Leadership Development Training	Corp	100.00	43.00	57.00%		1.05
# of Bursaries awarded per annum	Corp	50.00	44.00	12.00%		2.85
% of new appointees induced within 3 months	Corp	100.00	100.00	0.00%		3.00

Objective: Attract and retain the best human capital to become employer of choice

Table 13: KPIs for attracting and retaining the best human capital to become employer of choice

KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
# Industrial actions	Corp	0.00	1.00	100.00%		2.75
% Compliance to Employment Equity plan	Corp	100.00	100.00	0.00%		3.00
# of meetings with Employment Equity Consultative forums	Corp	4.00	2.00	50.00%		1.50
% Vacancies in the services departments (Post level 1-6)	Corp	25.00	36.00	-44.00%		
% Vacancies within the municipality	Corp	30.00	31.00	-3.33%		3.06

Table 13: KPIs for attracting and retaining the best human capital to become employer of choice

KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
# of injuries on duty	HR	0.00	8.00	100.00%		2.87

Objective: Increase financial viability**Table 14: KPIs for increasing financial viability**

KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
Cost coverage ratio	CFO	Reporting Only	0.68	NA		NA
R-value all cash at a particular time	CFO	Reporting Only	-4 159 424.00	NA		NA
R-value investments	CFO	Reporting Only	17 927 535.00	NA		NA
R-value monthly fixed operating expenditure	CFO	Reporting Only	288 893 415.00	NA		NA
Debt coverage ratio	CFO	6.91	13.32	-92.76%		
R-value Total operating revenue received	CFO	579 558 356.00	290 785 843.00	49.83%		1.45
R-value Operating grants	CFO	226 487 609.00	204 674 839.00	9.63%		2.90
R-value debt service payments (i.e. interest + redemption) due within financial year	CFO	51 603 338.00	246 801 574.00	-378.27%		
% revenue generated through services (R-value revenue from services / R-value total revenue)	CFO	45.00	56.00	-24.44%		
% Revenue from grants	CFO	39.00	204 674 839.00	- 524807179.49 %		
Reporting	CFO	39.00	204 674 839.00	- 524807179.49 %		
R-value MIG funding / R-Value Capital budget as %	CFO	22.40	28.00	-25.00%		
% of income from Agency services (R-value income from agency services / of total revenue)	CFO	5.60	2.00	64.29%		1.00
% equitable share received	CFO	100.00	100.00	0.00%		3.00

Table 14: KPIs for increasing financial viability						
KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
% of Loan amount utilised for capital projects	CFO	100.00	0.00	100.00%		0w
R-value total outstanding service debtors	CFO	Reporting Only	175 300 314.00	NA		NA
R-value annual revenue actually received for services	CFO	Reporting Only	290 785 843.00	NA		NA
Average % payment rate for municipal area	CFO	90.00	71.00	21.11%		1.65
Reporting	CFO	90.00	71.00	21.11%		1.65
R-value total debts written off annually	CFO	10 000 000.00	12 496 020.00	-24.96%		
Reporting	CFO	10 000 000.00	12 496 020.00	-24.96%		
% variance from annual Budget process plan	CFO	10.00	10.00	0.00%		3.00
% Capital Budget actually spent on capital projects identified for financial year in the IDP	CFO	100.00	100.00	0.00%		3.00
% of capital budget spent	CFO	100.00	100.00	0.00%		3.00
Reporting	CFO	100.00	100.00	0.00%		3.00
% of budget allocated for training and development (SDP)	CFO	0.17	0.12	29.41%		2.71
% of departmental budget spent	PED	100.00	80.00	20.00%	Cash flow problems and some activities blocked	2.75
% Operating budget for Councillor allowances (Councillor allowances budgeted / total operating budget)	CFO	3.10	3.10	0.00%		3.00
% General expenses budget / Operating expenses budget	CFO	12.90	13.30	-3.10%		3.04
% of budget allocated for free basic services	CFO	11.00	11.00	0.00%		3.00
% of municipal budget spent	CFO	Reporting Only	102.00	NA		NA
% of departmental budget spent	Corp	100.00	78.00	22.00%		2.73

Table 14: KPIs for increasing financial viability						
KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
% of departmental budget spent	ESD	100.00	120.00	-20.00%	The budget is not enough to cover the actual activities	3.25
% of departmental budget spent	EED	100.00	97.16	2.84%		2.96
% of departmental budget spent	CSD	100.00	100.00	0.00%		3.00
% of departmental queries arising from previous audit report attended to by the end of the financial year	PED	100.00	100.00	0.00%	All queries attended	3.00
% Financial statements audited by AG by Nov every year	CFO	100.00	100.00	0.00%		3.00
% of departmental queries arising from previous audit report attended to by the end of the financial year	CFO	100.00	100.00	0.00%		3.00
% of departmental queries arising from previous audit report attended to by the end of the financial year	Corp	100.00	100.00	0.00%		3.00
% of departmental queries arising from previous audit report attended to by the end of the financial year	ESD	100.00	75.00	25.00%	Audit queries are attended to and rectified upon receipt and also as ongoing process.	1.58
% of departmental queries arising from previous audit report attended to by the end of the financial year	EED	100.00	100.00	0.00%	No queries noted	0w
% of departmental queries arising from previous audit report attended to by the end of the financial year	CSD	100.00	100.00	0.00%		3.00
% GRAP compliance (asset register)	CFO	70.00	100.00	-42.86%		

Table 14: KPIs for increasing financial viability						
KPI	Owner	Financial Year 2009/2010				
		Annual Target	Annual Actual	Deviation	Reason for Deviation	Score
%of SCM reports submitted to council and national treasury	CFO	100.00	100.00	0.00%		1.00
Total R-value of contracts awarded during 2009/10	CFO	57 694 293.00	24,980,567			

2.3.3 Constraints

The major constraints in relation to Good governance, Financial Viability and Public Participation are as follows:

- Non-adherence to submission timeframes to comply reporting timeframes set out in the Municipal Finance Management Act (MFMA) and the Municipal Systems Act (MSA).
- Human resource constraints to cascade the PMS to all staff levels.
- Credit control in areas where we do not supply electricity
- Culture of non-payment for services such as the non-payment of accounts by National and Provincial Departments
- Human Resource constraints to roll-out the Community Based Planning (CBP) programme.

3. Human Resource and Organisational Development

3.1 Introduction

The mission of the Human Resources Division is to effectively manage the rendering of Human Resources advisory and support services to Council and internal/external clients through the following functions:

- Personnel Administration
- Personnel Provisioning & Employment Equity
- Training, Education and Development
- Labour Relations
- Organizational Development
- Occupational Health & Safety

Achievements

- New aligned organogram compiled for the amalgamated Water & Sewerage function.
- Comprehensive skills audit conducted for all staff; including DWAE staff.
- Skills audit data analyzed and report drafted/submitted.
- WSP compiled by using electronic data from comprehensive Skills Audit.
- Update of HR Ringfencing for RED 6 was done.
- Money sourced from LG Seta for ABET programme (130 learners).
- Smooth implementation of stipends for 340 ward committee members.
- Preparatory work done for implementation of TASK Job Evaluation outcome.
- Tax numbers were obtained for all staff & captured
- Addresses (residential & postal) were captured on PAYDAY for all staff.
- Employment Equity Project sustained with focus on gender & disability.
- Local Labour Forum (LLF) sustained.
- Sustained the OHS Management System and conducted OHS Risk Assessment.

- Two successful Employee Wellness Days conducted.
- Continue the process of HR Policy review.
- Mr. Tienus Visser received the IMPSA HR Practitioner of the Year Award for 2009 and Ms Granny Matsaung the Norlanga Branch HR Practitioner of the Year Award for 2010.

Challenges

- Filling of essential & critical vacancies due to financial constraints.
- Planning for smooth integration of DWAE Water & Sewerage Staff.
- Implementation of more learner ships.
- Sourcing of more funding for education, training & development.
- Lack of office space and inadequate HR Archive.
- Finalizing a HR Strategy.
- Implementation of the TASK Job Evaluation outcome.
- Cash flow that constrains the conducting of training as per WSP.

3.2 Organisational restructuring and recruitment

A comprehensive organogram (see Annexure A) review took place during 2009 to, inter alia, cater for the, to be, amalgamated Water & Sewerage function with effect from 1 December 2009. However, a decision was taken that the staff of the Department of Water Affairs & Environment (DWAE) will only be transferred to the Mopani District Municipality (MDM); which is the Water Services Authority (WSA). This resulted in the revised organogram not being approved by Council for implementation. Where ad hoc amendments were effected, the staff establishment was updated in line with the functional structure.

As on 30 June 2010 906 positions were approved of which 611 were filled with 295 vacancies. The breakdown of the staff vacancies per department is presented in Table 15.

Table 15: Staff vacancies per department, 2008/09 – 2009/10								
	2008/09				2009/10			
Department	Positions Approved	Positions filled	Positions vacant	% Vacant	Positions Approved	Positions filled	Positions vacant	% Vacant
Municipal Manager	16	9	7	43.8	19	12	7	36.8
Planning & Economic Development	24	15	9	37.5	21	15	6	28.5
Finance	75	50	25	33.3	75	50	25	33.3
Corporate Services	71	47	24	33.8	71	47	24	33.8
Engineering Services	258	154	104	40.3	258	158	100	38.7
Community Services	341	233	108	31.7	341	238	103	30.2
Electrical Engineering	121	99	22	18	121	91	30	24.7
Total	906	607	299	33	906	611	295	32.5

Fifty (50) employees were engaged on a permanent basis for the 2009/2010 financial year; whilst 47 employees' services were terminated. Table 16 reflects a breakdown of the reasons for termination:

Table 16: Breakdown of termination, 2009/2010			
Resignation	Deceased	Pension & medical unfit	Dismissed
11	9	24	3

As far as Task Job Evaluation is concerned, it can be indicated that Greater Tzaneen Municipality submitted its duly signed job descriptions for evaluation by the Regional Job Evaluation Committee on the 30 March 2006. A Final Outcomes Report (FOR) after moderation

by the National Moderation Committee (NMC) was received on 6 December 2007. Implementation of the outcome could not be done as the grading and wage/salary structuring were not finalized. Due to many problems that were experienced; the matter of implementation dragged on until April 2010 when the national strike forced the parties back to the negotiation table which resulted in the Categorization and Job Evaluation Wage Curves Collective Agreement being signed on 21 April 2010 for implementation with effect from 1 July 2010. In terms of the categorization Greater Tzaneen Municipality was determined to be a Grade 4 municipality. However, due to inaccurate data used in the weighting of the criteria for equitable share income, an appeal was lodged on 7 June 2010 against the categorization. A response was still being awaited during the period under review.

Employees per occupational category

The following table indicates the workforce profile as per occupational category:

Table 17: Workforce Profile per occupational category											
Occupational Levels	Male				Female				Foreign National		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Top management	3	0	0	2	2	0	0	0	0	0	7
Senior management	12	0	0	13	1	0	0	2	0	0	28
Professionally qualified and experienced specialists and mid-management	13	1	0	6	5	0	0	6	0	0	31
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	62	0	0	14	77	3	2	20	0	0	178
Semi-skilled and discretionary decision making	98	0	0	0	9	0	0	0	0	0	107

Table 17: Workforce Profile per occupational category											
Occupational Levels	Male				Female				Foreign National		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Unskilled and defined decision making	194	0	1	4	61	0	0	0	0	0	260
TOTAL PERMANENT	382	1	1	39	155	3	2	28	0	0	611

Labour Relations

Sound labour relations are being maintained with organized labour. The Local Labour Forum (LLF) is functioning well and nine meetings of the Forum took place over the period under review. A national strike on, inter alia, the wage/salary dispute and in particular the demands for the implementation of TASK Job Evaluation as well as the outlaw of the legal fraternity from the disciplinary process took place from 13 April 2010 to 21 April 2010. Both IMATU and SAMWU partook in the strike and an average 186 workers strike per day over the seven day period. The total lost of income of the workers was in the order of R500 000.

Employee Administration

A high standard of leave administration was maintained and Table 18 reflects a breakdown of the leave days recorded:

Table 18: Leave days recorded 2009/10	
Type of service	Days recorded
Study Leave	469
Leave Sold	2 897
Long service leave sold	1 045
Special leave	490

Table 18: Leave days recorded 2009/10	
Vacation leave	9 203
Family responsibility leave	554
Sport	205
Sick leave	3 100

An array of other personnel administration services were conducted for staff and ex-staff. The following table (Table 19) is an indication of the services rendered:

Table 19: Service provision with regard to other personnel administration during 2009/2010	
Type of service	Number of cases
Paying work outside Council approved	7
Employees declaring interest	32
Councilors declaring interest	11
Personnel files maintained	2 018
Permanent entrants engaged	50
Temporary/casual staff engaged	46
Students engaged	10
Number of exists administered	47
Long Service Awards made	11
Advertisements prepared & placed	66
Short listing meetings held	66
Interviews held	66
Probations approved	49
Disciplinary cases recorded	21
Grievances recorded	3
Job descriptions maintained	46

3.3 Institutional Transformation

An Employment Equity Consultative Forum (EECF) is in place as per the requirements of the Employment Equity Act, Act No. 55 of 1998. This Forum is functioning well and gathered at least three times annually. The Forum consisted of representatives from Council, organized labour and the five occupational categories for the designated and non-designated groupings, respectively. Vacancies on the Forum were filled and representatives were trained on Employment Equity (EE) matters by a representative of the Department of Labour (DOL). It is the task of the EECF to oversee the EE Project. Table 20 reflects the population group of employees for 2008/09 & 2009/10.

Table 20: Population group of employees, 2008/09 & 2009/10				
	2008/2009		2009/2010	
Population group	Number	%	Number	%
Black	537	88.5	539	88.2
White	63	10.3	65	10.6
Coloured	4	0.7	4	0.7
Indian	3	0.5	3	0.5
Total	607	100	611	100

Table 21 indicates the gender profile of the workforce for 2008/09 & 2009/10.

Table 21: Gender profile, 2008/09 & 2009/10				
	2008/2009		2009/2010	
Gender	Number	%	Number	%
Male	434	71%	427	69.9
Female	173	29%	184	30.1
Total	607	100%	611	100

Table 22 gives an indication of the designated group as a percentage of the total employees per occupational category since the start of the EE Project.

Table 22: Percentage of Employees from designated groups per occupational category								
Category	September 1996		September 2002		September 2009		June /2010	
	Total employees	% Designated Employees	Total Employees	% Designated Employees	Total Employees	%Designated Employees	Total Employees	% Designated Employees
Top Management (Levels 0-3)	17	0%	21	52.3%	26	61.5%	28	64.2%
Middle Management (Levels 4-6)	47	31.9%	89	53.9%	97	81.4%	97	82.4%
Supervisory (Levels 7-9)	53	64%	64	82.8%	100	96%	104	96.1%
Operational (Levels10-15)	62	100%	144	95.1%	146	97.9%	140	97.8%
Labourers (Levels16-17)	299	100%	235	99.5%	246	99.1%	242	99.1%

In the top management category the percentage of designated employees as on 1 September 2009 increased from 61.5% to 64.2% as on 30 June 2010. This is below the target of 85% for 2009/2010 for that level. In the middle management category the percentage of designated employees as on 1 September 2009 increased from 81.4% to 82.4% as on 30 June 2010. The target for this group is 85% for 2009/2010. On the supervisory category the percentage of designated employees as on 1 September 2009 increased slightly from 96% to 96.1% as on 30 June 2010. The target for this group (85%) was already reached and the best and/or disabled candidates must be appointed. On the operational category the “non-designated” group must be accommodated and insignificant progress of only .1% i.e. from 97.9% to 97.8% from 1 September 2009 to 30 June 2010 was made. The target that was set at 8% “non-designated” employees for end June 2010 was not achieved. On the labourer category the “non-designated” grouping must also be accommodated and no progress was made at all as the percentage non-designated employees still stood on .9% on 30 June 2010 against a target of 8%.

Gender Perspective

Table 23 gives a perspective of progress and/or lack thereof with gender advancement.

Table 23: Percentage of women per occupational category								
Category	As on 01/09/1996		As on 01/09/2002		As on 01/09/2009		As on 30/06/2010	
	Total employees	% Designated Employees	Total Employees	% Designated Employees	Total Employees	% Designated Employees	Total Employees	% Designated Employees
Top Management (Levels 0-3)	17	0%	21	14.2%	26	15.3%	28	17.8%
Middle Management (Levels 4-6)	47	27.6%	89	25.8%	97	38.1%	97	40.2%
Supervisory (Levels 7-9)	53	60.3%	64	57.8%	100	63%	104	61.5%
Operational (Levels 10-15)	62	4%	144	4.2%	146	15%	140	15.7%
Labourers (Levels 16-17)	299	4%	235	12.7%	246	20.7%	242	22.3%

Overall gender improved from 4% to 30.1% over the period 1 September 1996 to 30 June 2010; which must be benchmarked against a 51/49 ratio. On the top management category the position of women improved from 15.3% as on 1 September 2009 to 17.8% as on 30 June 2010. This is well below the target of 40% that was set for women for 2009/2010. On the middle management category the percentage women increased from 38.1% as on 1 September 2009 to 40.2% as on 30 June 2010. This is 4.8% below the target of 45% that was set for women in this category. On the supervisory category the 63% women as on 1 September 2009 dropped to 61.5% as on 30 June 2010; which is still higher than the 52% target for women for 2009/2010. Women are thus over represented in this category. On the operational category the percentage women increased from 15% as on 1 September 2009 to 15.7% as on 30 June 2010. The target for women in this category is 40% for 2009/2010. As on 1 September 2009 there were 20.7% women in the labourer category, which improved to 22.3%. However, this is still far from the 45% that was set as target for women for 2009/2010 for this category.

Otherwise abled employees

Table 24 reflects the position of otherwise abled employees as a percentage of total employees per occupational category.

Table 24: Otherwise abled employees as a percentage of total employees per occupational category.								
Category	As on 01/09/1996		As on 01/09/2002		As on 01/09/2009		As on 30/06/2010	
	Total employees	% Designated Employees	Total Employees	% Designated Employees	Total Employees	% Designated Employees	Total Employees	% Designated Employees
Top Management (Levels 0-3)	17	0%	21	0%	26	0%	28	3.4%
Middle Management (Levels 4-6)	47	0%	89	0%	97	3.0%	97	3.0%
Supervisory (Levels 7-9)	53	1.8%	64	6.2%	100	3%	104	2.9%
Operational (Levels 10-15)	62	0%	144	0%	146	0%	140	0.7%
Labourers (Levels 16-17)	299	0%	235	0%	246	1.6%	242	1.6%

As on 30 June 2010 there were only 11 officials in the employ who were classified as disabled. Overall seen there were only 1.7% otherwise abled employees in service seen against a benchmark of 2% for the Public Sector.

Performance Management of employees

During the 2009/10 financial year the Performance Management system only included the following employees:

- Municipal Manager (Post level 1)
- Directors (Post level 2)
- Managers (Post level 3)

The individual performance assessments for the 2009/10 financial year were concluded in January of 2011 with only one employee qualifying for a performance bonus. The Performance

Management Policy has been amended to provide for an incentive system for all the other staff members as well. The PMS will therefore be phased in for all levels of staff as soon as the policy is approved by Council.

3.4 Capacity Building

The Greater Tzaneen Municipality conforms to the legislative requirement of the Skills Development Act, 1998. The submission of the Workplace Skills Plan (WSP) for the 2009/2010 financial year to the Local Government Sector Education and Training Authority (LGSETA) and the implementation thereof confirms compliance to the above legislation. During the 2009/2010 financial year Council approved a budget of R834 725.00 for implementation of the Workplace Skills Plan. The budget was solely for, among others, to finance training interventions which were identified to close the skills gap in the Municipality. The Declaration of Intent (DOI) was again submitted to the LGSETA for funding for the training of employees on Adult Basic Education and Training (ABET), and the request was acceded to.

With the assistance of a Service Provider a comprehensive skills audit was done during 2009 for all staff, including the prospective 200 staff from the Department of Water Affairs and Environment that was to be transferred to Greater Tzaneen Municipality. The report on the Skills Audit for Greater Tzaneen Municipality shows the following:

- 21% of the staff has no schooling (illiterate).
- 46% has below Grade 9 school level.
- 52% of all employees hold a NQF 4 (Gr 12 or equivalent) or higher qualifications.

The Qualifications Profile is presented in **Annexure B**. The training needs ranges from the most basic training, such as:

- Functional literacy,
- Basic maintenance skills,
- Specialized functional training

The following 15 high priority training needs, as per the skills audit results, were identified:

- Advanced – computer MS Word, Power Point, Excel
- Interpersonal Skills
- Electrical
- In-service staff supervision
- ProMis
- Management Skills
- Supervisory Management Skills
- Project Management
- Communication Skills
- Artisan
- Water Quality Management Supervisory and Management
- Garden maintenance
- Welding
- Trade Test
- Driver

In terms of the implementation of learnerships, the Local Government Accounting Certificate which was implemented in partnership with the LGSETA and the Provincial Department of Local Government and Housing has been successfully concluded. The Association of Accounting Technicians – South Africa (AAT-SA) conducted assessment of the programme and two officials were certified competent and graduated on 26 November 2010. The first intake of three Executive Leadership Management Development Programme learners has concluded the programme successfully. The second intake of two middle managers has started with the programme during October 2010 and will be concluded in May 2011. Plans are underway to fast track implementation of Motor Mechanic, Plumbing and Electricity trademenships for the unemployed youth in partnership with the Ramalema Non-Governmental Organization. Thirty eight (38) unemployed youth from the Greater Tzaneen Area has been earmarked. Other training programmes that were attended by staff members are presented in Table 25.

Table 25: Number of staff per training programme (2009/10)		
No	Programme	Number of Staff attended
1	Risk Assessment	21
2	Media Leadership	1
3	Apprenticeship: Electrical	2
4	Contract Management	1
5	Employment Equity	1
6	Minute Taking & Report Writing	1
7	Municipal Institutional Plans	1
8	Managing LED	1
9	Pump Operation	2
10	Archives Programme	4
11	Customer Care	3
12	Line Inspection	10
13	Laboratory System	1
14	Switchgears & Transformers Maintenance	4
15	Chairing Disciplinary Hearings	3
16	Certificate Programme in Management Development	3
17	Monitoring & Evaluation	4
18	Making the Right Decision	1
19	Induction	37
20	Safety Awareness	36
21	Practical Marketing Skills (Unemployed)	8

Staff retention management has become one of the top priorities of strategic planning as the Greater Tzaneen Municipality - as other organizations – endeavours to recruit and select the best candidates to join the Municipality through focused recruitment and selection efforts. The further challenge then is to promote and/or retain the services of those employees who are already employed; especially those whose skills are crucial to the Municipality. Promotion is presently being done by means of internal advertisements for promotion purposes only and by giving preference to internal candidates with the necessary relative potential. For the year under review 14 employees were promoted. A Career Management and Retention Policy were drafted through the structures for approval. However, the item was referred back for further interrogation and will serve in the next financial year.

3.5 Occupational Health and Safety

Achievements:

Greater Tzaneen Municipality was given a contravention notice by the Department of Labour Inspectorate during February 2009 for failing to comply with the requirements of Section 8(1) of the OHS Act. During 29 and 30 March 2010, the Risk Assessment was conducted by the Occupational Health and Safety Risk Assessor from the company, CONOSH, recommended by the Department of Labour as the body that accredits all the Approved Inspection Authorities (AIA's). During the assessment, hazards were identified and recommendations were put in place in order to create a workplace that is safe and without risk to the health and safety of employees. These hazards were also reported by the Occupational Health and Safety Officer to relevant Directors.

The achievements can be summarized as follows:

- *Inspections* - For the 2009/2010 financial year 532 inspections were conducted to ensure compliance with the OHS Act. The inspection process is a one way process of monitoring Council workstations in order to minimize risks and hazards attached to various activities.
- *Construction Work (Construction Regulation, 2003)* - Health and Safety specifications has been drawn up and submitted to the Supply Chain Management Unit for inclusion in all bid documents for construction work together with the Memorandum of Agreement in terms of Section 37(2) of the OHS Act to be signed by the successful bidder. The two units Human Resources and Supply Chain Management work closely and this make it easier for the OHS Officer to monitor and inspect contractors performing Council work.
- *Fire extinguishers (Vessel under Pressure Regulations: Reg. 1, 11, 13 and 14)*- Fire extinguishers are tested and serviced according to the requirements of the regulations as well as Safety Standards incorporated as such under Section 44 of the OHS Act of 1993.

- *First Aid facilities (General Safety Regulations- Reg. 3)* - During 2009/2010, 75 first aid kits were purchased for all workstations to ensure compliance with GSR 3. This is also the reason for the drop in the large number of incidents.
- *OHS Training* - The OHS Officer initiated the training of 57 fire marshals during 2009/2010 financial year as a backup mechanisms so that they can assist fellow employees should another fire starts anywhere on Council properties.
- *Health and Safety representatives (Section 17 and 18 of the OHS Act)* - The term of appointment of all Health and Safety representatives expired at the end of June 2010 .The period of their office is two years as stipulated in the OHS Act. The new representatives were elected from the 1st of July 2010. Health and Safety Representative committees were formed and co-ordinated by the OHS Officer(in terms of section 17 of the OHS Act) were all the representatives meet monthly with the OHS Officer to discuss OHS matters at their workstations and this worked very well as it encourages them to conduct inspections monthly and to give feed back during committee meetings.
- *Health and Safety committees (Section 19 and 20 of the OHS Act)* - 16 committee meetings were held during 2009/2010. The number increased from 14 to 16 as compared to 2008/2009 because of the Health and Safety Representatives committee formed during January 2008. Management and/or delegates from departments continued to be part of their departmental meetings and this resulted in their Committees to work effectively and efficiently and them being up to date with OHS matters within their Division. Training on the OHS Act and roles and responsibilities of management was held during August 2008 which 35 delegates comprising of Managers, Directors, and Supervisors attended. Another training session must be held in the new financial year 2010/2011 as the certificates are valid for two years only.
- *Occupational Injuries and Diseases Reported (COIDA of 1993)* - For the period 1 July 2009 to 30 June 2010 a total number of 9 injuries were reported. The number of injuries was reduced by 4 as compared to the same period of 2008/2009 .In 2008/2009 it was 13. Man-hours lost due to injuries on duty are 152.3. The number is lower as compared to

the same period 2008/2009 (The figure then was 441.15). Please note that these hours are not Disabling Incident Frequency Rate (DIFR), but hours lost directly due to injured employees not being able to perform their tasks (hours of IOD's and sick leave).

Challenges:

During the risk assessment which was conducted during March 2010, the following was identified as hazards which are risky and it was recommended that it be rectified in order to create a workplace that is safe and without risk to the health and safety of employees. Challenges are that even to date no response and/or implementation of problems identified below were taken into consideration by relevant Departments:

- The conditions of ablution facilities to a majority of Council's workstations are deteriorating and in a bad state; especially to employees who work at public toilets. Some does not have showers, change rooms (males and females share) and even dining facilities. These employees work with biological agents that can cause terrible diseases. They need to have these facilities to eliminate or minimize transmissions (Facilities Regulation 2(1-5), Regulation 3(1-3), Regulation 4(1-3), Regulation 5(1-2), Regulation 8(1) and Regulation 9).
- OHS Act training: Roles and responsibilities of employees.
- Machine operators training.
- Due to high heat at Tzaneen, heat stress is also identified as a hazard which could lower productivity amongst employees leading to nausea and even drowsiness that could lead in it being an Occupational Disease (Environmental Regulation 5). Amongst heat measurements that were taken, Licensing Section (Tzaneen Civic Centre) and Lenyenye plumbing at supervisor's office came out extremely high and it was recommended that air conditioners be installed at these places. There is also a Council resolution stating that safety glasses as well as air conditioners be installed at Licensing, but to date nothing has happened.
- At Haenertsburg Library sleeping camp, there is no electricity installed and employees uses candles as source of light and candles can cause fire.

- Council does not have a Medical Surveillance Plan and a majority of the departments within Council does not have safe or standard work procedures. It was recommended that such plans be put in place so that employees could be sent for medical check ups and procedures be developed thereafter.
- Employees at the sewage plant share sleeping quarters (males and females). They also share the toilets and do not have dining facilities.
- Oils spillages that contaminate the soil at the workshop (Tzaneen Power Station) need to be looked into by means of installing oil bays as it also contravenes the environmental legislation.
- Bath rooms and toilets at Parks, Tzaneen do not comply with the requirements of the OHS Act and it is three years now since this issue has been reported with no action being taken. There is no privacy at all in this facility.

Fire precaution and means of egress (Environmental Regulation for Workplaces – Reg. 9)

- Emergency conditions as reported in the previous OHS reports i.e. 2004/2005, 2005/2006, 2006/2007, 2007/2008, 2008/2009 and 2009/2010 have not yet been attended to. The Engineering Services Department was tasked to ensure that emergency stairs are developed at the wing of the Office of the Chief Financial Officer, Municipal Manager's and PED departments, but to date nothing have been done. Cases of people being trapped in buildings due to lack of emergency exits are common these days and it is better to prevent it before a real situation occurs. This issue has being reported for the past five years, this is the sixth year and it is recommended that it be attended to since it is a contravention of the Act. The incident at Paarl, Cape Town where nine people died inside a building that caught fire, should serve as a caution for Council.
- An evacuation plan have being drafted and approved, but not practically tested yet due to lack of emergency exits and means of communication. This is a long over due matter and this plan need to be practically tested as required in terms of the OHS Act, so that everyone will know what to do in case there is a bomb threat, fire, armed robbery, etc. For the plan to be tested, a proper working intercom is needed, emergency stairs as

indicated above needs to be developed and Council must not wait for a real situation to happen before doing the correct thing.

- On two occasions our Library nearly caught fire due to failure of electrical starter motors. There are no smoke detectors and the fire alarms are not working. Luckily the incidents happened during the day. Should it have happened at night Council could have lost millions of assents; including the building.

Ablution facilities (Facilities Regulation 2, 3, and 4) -

- Unfortunately, the conditions as reported in the previous reports (financial years 2004/2005/, 2005/2006, 2006/2007, 2007/2009, 2008/2009) still exist.
- As reported in the previous reports, these ablution facilities are deteriorating and some do not have the necessary facilities to cater for both sexes (males and females), including dining facilities. (At some stations employees eat in the toilets, workshops, etc, due to not having dining facilities). Although some have been renovated, it continues to deteriorate since it is not kept in a clean and good state since there is no one responsible for cleaning.
- Ablution facilities at Tzaneen parks were previously not designed to accommodate the employees it is currently having i.e. it was designed only for males but since females employees are employed at Parks, there is a need for the structure to be altered. Besides being in a bad state there are no doors at the entrance of both toilets and female employees pass in front of male toilets when going to their showers. This makes them not to be encouraged to take a shower after work as they see that they violate male's privacy. The matter has been reported for the past four financial years with no response.

Sleeping quarters (Facilities Regulation 8(1) of the OHS Act) -

Employees at Tzaneen Sewage plant are compromising their privacy and dignity by sharing inadequately provided sleeping quarters, i.e. male and female employees have to sleep and/or rest in one room. This has become a work related problem affecting not only work performance,

but relatives and/or families of these affected employees. Reports were sent to the Engineering Services Department to address the issue by providing adequate sleeping quarters, but no developments and/or response to date.

OHS Training -

- A total of 35 health and safety representatives are to be trained during the 2010/2011 financial year.
- Managers, Directors, and Supervisors must also be trained on the OHS Act roles and responsibilities during the 2010/2011 financial year.
- 30 First aiders must also be trained on first aid level one and/or two.
- Labourers are to be given OHS awareness training.

The challenges for 2009/2010 were mostly due to directors not responding to memorandums sent to their offices on non compliances. Training initiatives were hampered due to financial constraints.

3.6 Employee Assistance Programme

An Employee Assistance Programme (EAP) was established for Greater Tzaneen Municipality since 2004. The EAP policy and programme is being implemented and maintained by the OHS Officer and is designed to assist-

- Council in addressing productivity issues; and
- Employees in identifying and resolving personal concerns, including health, marital, family, financial, alcohol, drug, legal, emotional, stress or other personal issues that may effect job performance.

All employees are conversant as to how the programme operates and it is being used well. For the 2009/2010 financial year 179 cases were recorded on different matters. The following aspects can be highlighted:

- Debt counseling – correctly 186 employees are in this programme for assistance. Debt consolidation and arrangements are being done with the help of external service providers.
- Family problems – the statistics show that 58% of employees with such problems have been utilizing the programme. These employees are being assisted by referring them to social workers or psychologists / psychiatrists if the cases cannot be resolved internally.
- Illnesses – Employees who are suffering from various illnesses are being assisted by referring them to doctors to identify the exact problems and to treat them accordingly.
- HIV/AIDS – 2.5% of the employees are suffering from this dreaded disease; whilst 5 have passed away from it during the period under review. These employees are being assisted by linking them with support groups where they collect medication and by assisting them to live positively. They are being visited regularly at work and encouraged to eat healthy. Support is also being given to their families; especially the spouses, who are encouraged to go for testing.
- Home visits – nineteen (19) home visits to those seriously ill were done during 2009/2010.

An EAP Committee is also in place and the Committee meets at least four (4) times per annum to deal with EAP matters. An annual Employee Wellness Day is being arranged with the assistance of a sponsor which was attended by not less than 429 employees/councilors during 2009/2010.

Information shared in the EAP is treated as strictly confidential and no information about individuals who use the programme is shared with other employees or the employer. A strict Code of Ethics, to protect the identification of persons using the programme, is in place.

3.7 Workforce expenditure

Table 26: Councilor Allowances for 2008/09 to 2010/11(R)				
	2007/2008	2008/2009	2009/2010	2010/11
Allowance Mayor	483,652	571,982	593,375	471,105
Allowance Full time Councilors	2,222,911	2,636,208	2,735,070	2,143,524
Allowance Executive Committee	1,009,197	1,106,802	1,253,539	971,654
Allowance Other Councilors	8,203,718	9,739,429	10,141,448	7,773,182
Councilors allowance Travel	0	0	0	4,614,623
Contribution – Councilors other	53,767	0	0	96,392
Total Cost	11,973,245	14,108,421	14,723,432	16,070,480

Table 27: Senior official's salaries and allowances, 2009/10 (R)							
Item	Municipal Manager	Planning & Economic Development Director	Chief Financial Officer	Corporate Services Director	Community Services Director	Electrical Engineering Director	Engineering Services Director
Base salary	971,114	714,809	416,972	446 755	714,809	754,898	476,539
Incentive bonus	0	0	0				
Annual bonus	140,541	103,448	0	0	103,448	109,250	53,883
UIF	1,497	1,497	873	998	1,497	1,497	999
Seta	11,258	7,055	3,653	3 967	7,778	7,826	4,609
Telephone Allowance	7,500	6,000	6,000	6 000	6,000	6,000	2,000
Leave redemption	0	0	0	0	67,295	85,145	31,612
TOTAL	1,131,956	832,854	427,525	457,797	900,873	964,662	569,664

Table 28: Personnel Expenditure versus the total budget, 2001/02 to 2009/10			
Year	Personnel Expenditure	Total Budget	%
2001/2002	R 58,417,205	R 194,824,456	29.98
2002/2003	R 59,930,618	R 204,468,743	29.31
2003/2004	R 56,791,828	R 226,609,538	25.06
2004/2005	R 63,556,842	R 274,061,622	23.19
2005/2006	R 70,993,634	R 329,631,453	21.54
2006/2007	R 83,725,900	R 303,777,315	27.56
2007/2008	R 57,951,171	R 309,987,346	18.69
2008/2009	R67,646,316	R399,323,160	16.94
2009/2010	R102,415,113	R429,143,386	23.87

The personnel cost for 2008/9 (Table 28) represent only 23.87% due to the fact that some of the personnel cost have been allocated to repairs and maintenance which consist of material, transport and labour. The personnel cost including labour cost debited out represents 30.45% of the total expenditure for the 2008/2009 financial year and 36.02% of the total expenditure for the 2009/2010 financial year. The increase from the 2008/2009 to the 2009/2010 financial year represents the provision for the post- employment health care benefit and provision for long service awards which amount to R30 865 140

Table 29: GTM salary budget, 2007/08 - 2011/12					
	2007/2008	2008/2009	2009/2010	2010/2011	2011/12
Basic Scale	64,195,387	67,084,179	77,905,942	83,121,504	86,861,972
Overtime	7,753,691	8,102,607	10,008,205	7,869,046	8,223,153
Pensionable Allowance	7,369,932	7,701,579	9,383,333	9,308,894	9,727,794
Annual Bonus	3,599,173	3,761,136	6,220,884	6,647,260	6,946,387
Standby Allowance	669,861	700,005	895,921	621,749	649,728
Leave Payments	6,216,222	6,495,952	7,448,077	6,553,238	6,848,134
Housing Allowance	671,184	701,387	1,030,323	959,755	1,002,944
Travel Allowance	3,836,497	4,009,139	5,314,839	4,065,007	4,247,932

Table 29: GTM salary budget, 2007/08 - 2011/12					
	2007/2008	2008/2009	2009/2010	2010/2011	2011/12
Relocation Allowance	19,697	20,584	0	0	0
Medical Examination	15,552	16,252	20,000	20,000	20,900
Performance Incentive Schemes	1,396,994	1,459,859	1,867,560	1,108,748	1,158,642
Total (Employee related costs)	95,744,190	100,052,679	120,095,084	120,275,201	125,687,585

Table 30: Contributions to Pension funds and Medical Aid, 2007/08 – 2011/12 (R)					
CONTRIBUTIONS	2007/2008	2008/2009	2009/2010	2010/2011	2011/12
Medical Aid Scheme	5,807,254	6,068,580	3,923,697	5,521,389	5,769,852
Pension Schemes	11,123,114	11,623,654	14,165,726	13,965,492	14,593,939
UIF	821,289	858,247	673,509	740,172	773,480
Group Insurance	805,552	841,802	1,073,928	1,106,411	1,156,199
Medical Aid continued Member	0	0	0	0	
Workers Compensation	359,005	375,161	649,929	645,756	674,815
Levies - Seta	518,228	541,548	928,605	1,053,236	1,100,632
Levies – Bargaining Council	23,463	24,519	28,326	29,867	31,211
Employee Related Costs – Social Contribution	19,457,905	20,333,511	21,443,720	23,062,323	24,100,128
GRAND TOTAL	115,202,095	120,386,190	141,538,804	143,337,524	149,787,713

4. Financial Performance

4.1 Introduction

The year 2009/2010 was not only the year in which the biggest event in Africa, the Fifa Soccer World Cup took place in South Africa, but it was also a year of large economic and service delivery challenges for the Country and Greater Tzaneen municipality. In this 2009/10 year the Finance Department's main objective was to supply financial administration with all guide lines as set out by Legislation and Accounting standards. For the past financial year the primary objectives for the Greater Tzaneen Financial Department was

- Credible Approved Budget with full compliance to Budget Reporting.
- GRAP compliant AFS submission on 30th August 2010
- GRAP compliant Asset Register with unbundled infrastructure
- Implementing Revenue enhancement
- Clean Audit

4.2 Report of the Auditor General

See Annexure C.

4.3 Action Plan in respect to the Auditor General Report for 2009/10

Not available yet, as the plan will only serve before Council by the end of February 2011.

4.4 Recommendations from the Audit Committee

None received formally.

4.5 Report of the Chief Financial Officer

Outcomes of the Past Years and Current year

Table 31 presents the operating expenditure from 2004/5 to 2009/10. The graph below (Figure 2) indicates the comparison between budgeted and actual operating expenditure over the past 6 years:

Table 31: Operating Expenditure 2004 - 2010		
YEAR	BUDGET	ACTUAL
2004/2005	270,218,800	273,261,622
2005/2006	293,533,474	329,631,453
2006/2007	304,739,349	329,472,551
2007/2008	331,225,571	333,231,173
2008/2009	399,323,160	368,815,783
2009/2010	495,396,965	516,860,033

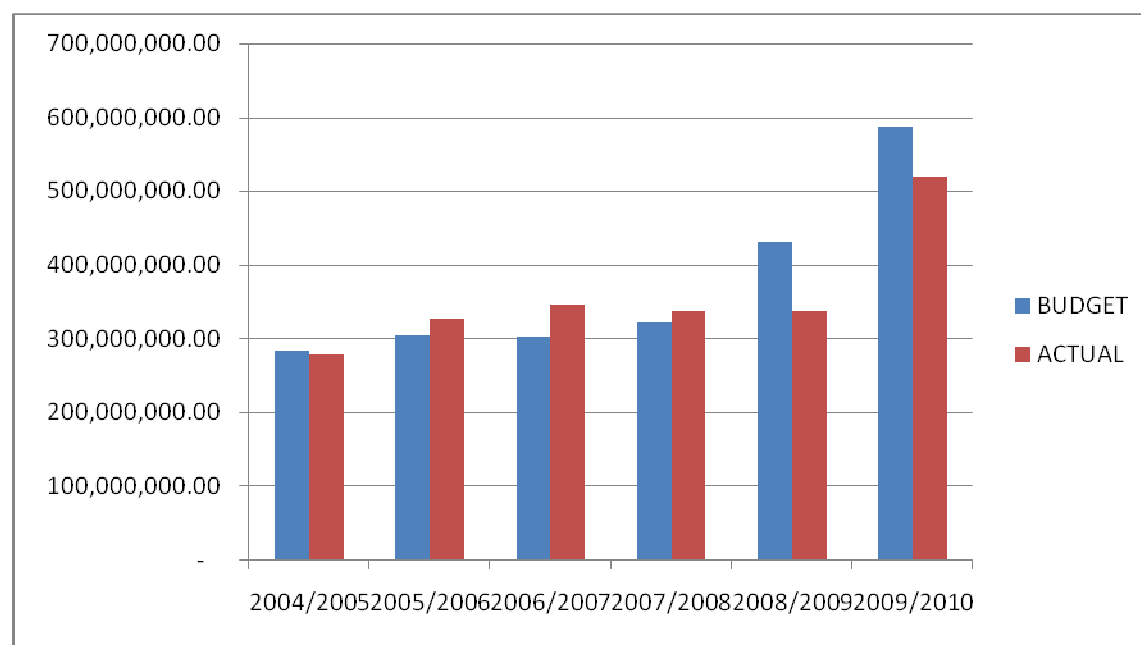
Figure 2: Operating Expenditure Graph (2004/5 – 2009/10)



Table 32 presents the operating income from 2004/05 to 2009/10, also see Figure 3:

Table 32: Operating Income 2004 - 2010		
YEAR	BUDGET	ACTUAL
2004/2005	283,934,170	278,089,403
2005/2006	304,665,997	325,810,839
2006/2007	302,218,188	345,928,848
2007/2008	321,808,837	336,481,594
2008/2009	430,916,687	382,896,432
2009/2010	586,472,838	527,816,223

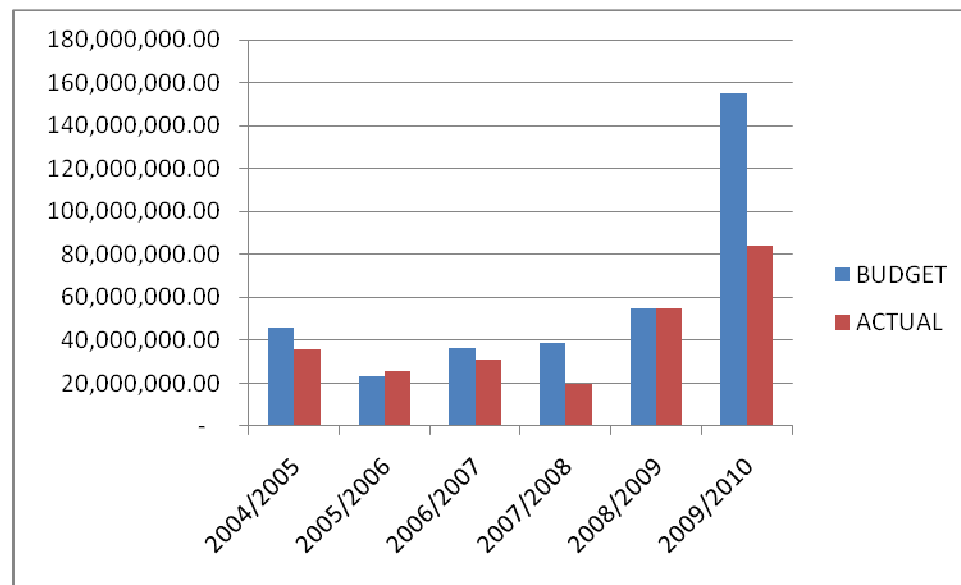
Figure 3: Operating Income Graph 2004 – 2010



The capital expenditure against the budget of the past 6 years is also indicated graphically below (Table 33 & Figure 4):

Table 33: Capital Expenditure – MIG INCLUDED (2004 – 2010)		
YEAR	BUDGET	ACTUAL
2004/2005	45,813,859	35,729,703
2005/2006	23,453,033	25,729,847
2006/2007	36,364,059	30,747,402
2007/2008	38,888,000	19,406,629
2008/2009	54,605,000	54,626,953
2009/2010	154,704,450	84,646,163

Figure 4: Capital Expenditure Graph 2004 - 2010



Actual Operating Revenue, Expenditure against Budget 2009/2010:

Operating Revenue:

The revenue of Greater Tzaneen Municipality is pre-dominantly raised through rates and tariffs. Grants and subsidies from National and Provincial Government constitute a relative small portion of the total revenue and thus the budget is based on a strong base of own sources.

Metered services contributed the following revenue to Greater Tzaneen Municipality during the 2009/2010 financial year:

- Electricity 34%
- Water 3%
- Refuse Removal 3%
- Sewerage 1%

Since the 2008/2009 financial year the fair market value of a property has been applied in terms of the Property Rates Act. The Greater Tzaneen Municipal operating income was allocated as follows during 2009/10 Financial year (see Table 34):

Table 34: Operating income per source of revenue (2009/10)		
Revenue Source	Budget	Actual
Property rates	R 51,760,175	R 36,309,586
Property rates – penalties imposed and collection charges	R 1,500,000	R 2,902,462
Service charges	R263,210,800	R 239,918,950
Rental of facilities and equipment	R 458,914	R 1,072,738
Interest earned – external investments	R 1,650,000	R 2,144,762
Interest earned – outstanding debtors	R 6,000,000	R 9,188,053
Fines	R 730,707	R 862,821
Licenses and permits	R 226,375	R 376,846
Income from agency services	R 32,743,425	R 33,628,556
Government Grants and Subsidies	R226,487,609	R 190,383,208
Other Revenue	R1,075,185	R 11,469,161
Gains on disposal of property, plant & Equip	R 1,500,000	R -440,920
Income Foregone	R 7,784,838	0
TOTAL REVENUE	<u>R579,558,356</u>	<u>R527,816,223</u>

Operating Expenditure:

The budgeted expenditure per item is as follows for the 2009/2010 financial year (see Table 35):

Table 35: Operating expenditure per item for 2009/10		
Item	Budget	Actual
Employee Related Costs	R120,095,084	R117,919,287
Employee Related Cost Social Contributions	R 21,443,720	R 51,874,390
Employee Cost Capitalized	R -5,583,014	R 0
Employee Costs Allocated to other Operating Items	R -66,418,216	R -64,967,271
Remunerations of Councillors	R 15,380,429	R 14,723,432
Bad Debts	R 11,252,513	R 31,158,707
Collection Costs	R 100,000	R 616,024
Inventory Surplus/Loss	R 0	R -48,799
Depreciation	R 22,778,407	R 6,264,584
Repairs and Maintenance	R83,586,918	R 96,910,010
Interest Expense – External Borrowings	R 14,341,706	R 7,708,087
Bulk Purchases	R 136,663,320	R127,160,404
Contracted Services	R 57,694,293	R 34,475,086
Grants & Subsidies paid	R 10,086,125	R 32,272,604
General Expenses	R 63,975,680	R 60,793,488
EXPENDITURE TOTAL	<u>R495,396,965</u>	<u>R516,860,033</u>

Funding Measures:

Internal Financial Recovery Plan

At a previous Management meeting it was agreed that in order to resolve the cash flow problems which were experienced by Greater Tzaneen Municipality, quick-win interventions should be developed. It was also agreed that departments would come up with their own quick-win

suggestions to ensure that the cash flow problems are addressed by all departments. Quick-win suggestions were received and it was consolidated in the following quick-win proposal that the following issues be investigated and addressed.

- *Personnel*
 - Moratorium on filling of vacant posts
 - Temporary positions to be investigated
 - Overtime
 - Unproductive staff
 - Bonuses
 - Subsistence and Travelling expenses
 - Training
 - Payment of bursaries
- *Disposal of Municipal land/stands*
- *Cancellation of Recognition Day*
- *Credit Control and Debt collection*
 - Municipal accounts (user charges) - Defaulters to be handed over for legal action.
 - Sundry Accounts – Defaulters to be handed over for legal action
- *Property Rates*
- *Running Cost Analysis of Municipal Fleet*
- *Service Delivery Contracts*
- *Traffic Fines*
- *Administration of Grants*
- *Auction of Obsolete Assets*
- *Telephone Calls*

It was also resolved that all officials should be made aware of the need to save costs in all areas. Council is also informed that the financial position of Greater Tzaneen Municipality has improved from a R21 million overdraft at 30 June 2007 to a positive bank balance of R257,085 at 30 June 2009.

Financial Challenges

The challenges facing Greater Tzaneen Municipality are, inter alia, the following:

- Debt collection and Credit control
- The levying of property rates with emphases on sub-divisions and consolidations
- Recovering of all Greater Tzaneen Municipality income with emphasis on land sales
- Execution of the Internal Financial Recovery Plan.
- Implementing Revenue Enhancement Strategy.

Sources of Funding

The 2009/2010 expenditure was funded as follows (see Table 36):

Table 36: Funding sources 2009/10		
Funding source	Budget	Actual
Grants & Subsidies	R226 million	R190 million
Rates & Service Charges	R315 million	R275 million
Sundry Income	R 39 million	R63 million
Budgeted Revenue	R580 million	R528 million

Property valuation rates tariffs and other charges

Property Rates

Property rates are the only tax available to Local Authorities and the revenue is not dependant on a metered service. There is no direct relationship between the services rendered to individual ratepayers and the tax levied. Property rates are based on the valuation of the property and the tariff is calculated as a cent in every rand of the valuation of the property. The proceeds from property rates must cover the shortfall in the provision of general service. It is also seen as the most important source of general revenue for Municipalities, especially in developed areas. The

revenue generated from property rates is used to fund services like maintaining streets, roads, sidewalks, lighting, storm water drainage, parks and cemeteries. An increase in the assessment rates tariff on the previous year was proposed for 2009/2010 to ensure that revenue to the amount of R52 million is levied.

Water Service

The proposed Water and Sanitation Tariffs for 2010/2011 was consistent with National Policy on the extension of free basic services, the National Strategic Framework for Water and Sanitation and with Council's Indigent Relief Measures, Rates and Tariff Policies and Equitable Service Framework. The progressive nature of the existing domestic stepped tariff structure both for water and sanitation is pro-poor and allows for the needs of the indigent. It is also designed to discourage high water consumption levels, which have an impact on the size of both the water and sanitation portions of a consumer's bill. It enables all consumers to adjust their consumption levels to ensure affordability. It was proposed that the tariff step structure from the 2010/2011 financial year be retained, with a proposed 5, 9% increase in volumetric water tariffs generally, and a proposed 6, 0% increase in sanitation tariffs generally. The proposed tariffs were cost-reflective and provided for income to cover the cost of water and sanitation during the 2009/2010 financial year. The water and sanitation services were subsidized by the equitable share at R10, 3 million and R2, 7 million, respectively. The indigent received a fixed account of R30, 00 for all services, provided that not more than 12kl water is consumed. This fixed amount has been in place since the 2004 financial year.

Electricity Service

The proposed revisions to the tariffs have been formulated in accordance with Section 74 of the Municipal Systems Act as well as the recommendations of the National Energy Regulator of South Africa (NERSA). Guidelines for the Municipal Electricity tariff increases in July are normally published by NERSA in the previous December. National Treasury has indicated that municipalities had to prepare their budgets using ESKOM bulk increases.

Refuse Removal Service

According to the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) a municipality must ensure a safe and healthy environment for its residents. Greater Tzaneen Municipality is therefore responsible for adequately maintaining its refuse removal service. We must also maintain our refuse sites and solid waste disposal efforts. The solid waste tariffs were levied to recover costs of services provided directly to customers and include collection fees, disposal fees and other ad hoc services.

Tariffs and Charges Book

Council is permitted to levy rates, fees and charges in accordance with the Local Government Municipal Property Rates Act, the Local Government: Municipal Systems Act, Act 32 of 2000, Section 75A and the Municipal Finance Management Act, no. 56 of 2003, 17 (a)(ii).

Debtors

The table below (Table 37) illustrates the debtor revenue in millions for the 6 months, January 2010 to June 2010:

Table 37: Debtor revenue per month						
Debtor revenue	Jan 10	Feb 10	Mar 10	Apr10	May 10	Jun 10
	R000,	R000,	R000,	R000,	R000,	R000,
Revenue Billed	22,062	23,203	25,590	26,041	36,365	24,566
Revenue Collected	20,897	24,608	28,302	22,498	25,554	23,740
% Revenue Collected	95	106	111	86	70	97

Savings and efficiencies

To ensure value for money and efficient utilization of resources, performance indicators have been set for all Section 57 managers as well as all HOD's. In-year reports (monthly and quarterly) as well as annual reporting are done on functional service delivery against information

contained in the approved SDBIP. Performance plans and productivity measures exist for each manager and it is expected of top management (all managers) to manage their respective votes/departments.

Investments

Adequate provision has been made by way of external investments to ensure that cash is available on the maturity date of external sinking fund loans. Investment income on the other hand is utilized to fund the operational budget. Details of the investments of Greater Tzaneen Municipality are disclosed. Valuation of unlisted Investments is as follows:

- Liberty - R 1 809 149
- BOE (Sinking fund) - R 16 118 386
- Liberty - R 0

Excelsior 1000 Investment

An investment of R 855,619 has been made with Liberty to repay a loan of R15 million on maturity date. The loan bears interest on variable rate and the value of the investment amounts to R838 756.

Sinking Fund

An investment of R 6,982,292 has been made with BOE to repay a loan of R20,000,000 on maturity date. The loan bears interest on a variable rate and the value of the investment amounts to R14,509,615. The BOE investment has been ceded to ABSA.

Local registered Stock

An investment of R1 800 000 has been made with Liberty to repay the loan of R10 292 000 on maturity date. This loan bears interest on a variable rate and the value of the investment amounts to R10 516 978.

Grant allocation and actual

The grant allocations as published in the Division of Revenue Act are summarized as follows: against actual received.

Table 38: Grant allocation for 2009/10		
Allocation	Budget	Actual
Equitable Share	R121,187,000	R121,186,930
Infrastructure Grant	R34,711,000	R28,553,415
Financial Man Grant	R750,000	R1,471,922
INEP (Elect)	R20,829,000	R17,802,233
Municipal Systems Improvement Grant	R400,000	R0
Neighbourhood Development Grant	R5,000,000	R9,733,702

Expenditure on allocations and grant programmes

According to the introduction of the Municipal Infrastructure Grant (MIG) the grant has been divided as follows for the National Budget year:

MIG Projects

The MIG Grant is divided as follows:

Administration	R 1 735 550
Capital Projects	<u>R32 975 450</u>
Total Grant 2009/10	<u>R34 711 000</u>³

³ The total expenditure on MIG for a specific financial year may differ from the allocation as the financial years for National Treasury and the of GTM do not correspond.

Table 39: 2009/2010 MIG Budget		
Project Name	Budget	Amount spent
Hweetji Access Road Phase 2	R2,446,050.86	3,434,609
Rural Waste Removal	R16,000,000.00	18,492,591
Pharare Access Road	R2,442,001.00	2,336,966
Gabaza Access Road	R2,779,584.00	2,878,945
Makhefora Access Road	R3,037,200.00	2,780,557
Ramotshinyadi Internal Street Phase 1	R4,846,565-00	1,482,996
Mamitwa Taxi Ranks		3,191,154
Marumo fase		560,244
Leseka Access Roads		939,755
Sedan		173,700
Marironi Acc Roads		2,877,194
PMU-Management	R1,660,600.00	250,916
TOTAL	R33,212,000.00	39,399,627

Table 40: 2010/2011 MIG Budget	
Project Name	Estimated budget
Rural Waste Removal	R3,220,926.00
Ramotshinyadi Internal Street Phase 2	R20,245,975.00
Sasekani Access Road	R2,371,200,00
PMU Management	R1,359,900.00
Total	R27,198,000.00

Table 41: 2011/2012 MIG Budget	
Project Name	Estimated Budget
Ramotshinyadi	24,576,400
Sasekani	19,800,000
PMU-Management	2,335,600
TOTAL	46,712,000

The MIG capital projects registered for the 2010/2011 financial year are as follows:

Hweetji across road	R 2 477 511
Makhefora across road	R 1 758 672
Tzaneen Rural Waste	R 25 888 210
PMU Management	R 1 941 950
Sasekani Acc Road	R 3 386 329
Ramotshinyadi	<u>R 3 386 329</u>
TOTAL	<u>R38 839 000</u>

It must be emphasized that an amount of R13 376 362 for rural waste removal phase 4 will be rolled over, from the national year to the municipal year when funds are available.

The MIG for the following two years have been allocated as follows:

Grant	2009/2010	2010/2011	2011/2012
MIG	R34 711 000	R36 446 550	R38 268 878

Table 42: Multi-year grant allocations in terms of DORA			
Grant	2009/2010	2010/2011	2011/2012
MSIG	R400,000	R420,000	R441,000
MIG	R34,711,000	R36,446,550	R38,268,878
INEG	R20,829,000	R21,870,450	R22,963,973

EQUITABLE SHARE	R121,187,000	R124,210,549	R130,421,077
FMG	R750,000	R787,500	R826,875
NDPG	R5,000,000	R5,250,000	R5,512,500

Grant funding multi-year allocations according to the Division of Revenue Act is summarized as follows:

Allocations of grants made by the municipality

The allocations made by Council during the first six months for the 2009/2010 financial year can be summarized as follows:

Table 43: Grants allocated by GTM for 2009/10		
Allocation	Budget	Actual
Museum	R33,326	R0
Eskom EBSST	R3,500,000	R3,032,697
Mayor Special Account	R50,968	R35,508
SETA	R26,000	R25,916
SPCA	R37,770	R37,770
Mayors Bursary Account	R157,200	R26,214
Sport Council	R106,644	R106,644
Arts & Cultural	R24,217	R0
MSIG	R1,150,000	R1,471,922
Other	R 0	R0

Capital expenditure by vote.

Capital Expenditure per vote for 2009/10 is presented in Table 44.

Table 44: Capital Expenditure by vote for 2009/10				
Vote	Own sources	Loans	Grants	Total
Finance			11 536	R39,399,627.60
PED				R3,433,190.89
Corporate Services				
Engineering Services				R37,013,160.39
Electrical Services				R2,234,433
Community Services				R3,612,598
TOTAL				R85,693,009.88

Contracts having future and budgetary implications

- A list of contracting parties is presented below:
- Quality Plant Hire - Maintenance of tarred Roads & Plant and Equipment Hire
- Selby Construction - Maintenance of Drainage and Storm Water System
- African Meter Reading - Fleet Lease Agreement
- Sipiwe Engineering - 66 kV Line and Western Substation
- Motla Engineering - 66 kV Line and Western Substation
- Motla Engineering - Specialized Engineering Services
- Green Valley Contractors - Rebuilding and Refurbishing of electricity lines
- Thlaola Dynamics - Municipal Valuation Roll
- Tukisha Trading - Supply of Fuel and Oil
- Nkumisi Trading Enterprise - Motor Vehicle Parking Meter Management
- TMT Transport Solutions - Maintenance of a Turnkey Digital Red Light
- Cetlelo Supplies - Supply and Delivery of Protective clothing

Information on expenditure on each contract for the last three years

Table 45 presents the expenditure on each contract for the last 3 years as well as the total to date with an indication of the planned expenditure for the following 3 years.

Table 45: Expenditure per contracted service provider			
Contractor	Expenditure (past 3 years)	Total to date expenditure	Planned expenditure (2010/11-2012/13)
Quality Plant Hire	R19,446,514.44	R25,352,946.50	R8,450,982.17
Selby Construction	R9,354,542.91	R21,937,442.66	R7,312,480.89
African Meter Reading	R5,480,874.69	R8,538,825.69	R2,134,706.42
Motla Engineering	R1,915,692.00	R2,611,564.00	R870,521.33
Green Valley Contractors	R2,889,115.38	R6,670,767.00	R3,335,383.50
Thlaola Dynamics	R2,981,776.38	R2,981,776.38	R1,192,710.55
Tukisha Trading	R7,537,752.00	R8,997,409.00	R2,999,136.33
Cetlelo Supplies	R0	R248,329.85	R0

Estimate of the total budgetary implications of each contract

Provision has been made on the budget by the department to accommodate the cost i.e. Contracted Services, Repairs & Maintenance, Depreciation, etc., of all contracts.

Asset register

During the 2009/2010 Financial Year DeLoitte was appointed to help Greater Tzaneen Municipality to get the Asset Register fully GRAP compliant. This process included the following;

- The Approval of a Reviewed Asset Management policy as per Council Resolution
- Full verification of Moveable assets
- Unbundling of infrastructure assets
- Updating of Finance Lease Register

The value of the Greater Tzaneen Municipality's Asset Register increased from a amount of R1,453,151,538 to an amount of R1,449,245,834. It must be mentioned that all water infrastructure to the value of R71 234 522.56 was removed from Council's Asset Register.

4.6 Consolidated accounting policies

Acts:

Constitution of the Republic of South Africa (No108 of 1996)

Local Government: Municipal Systems Act (No. 32 of 2000)

Local Government: Municipal Structures Act (117 of 1998)

Local Government: Municipal Finance Management Act (No 56, 2003)

Municipal Budget & Reporting Regulations

Local Government: Municipal Finance Management Act (No 56, 2003) Municipal Supply Chain Management Regulations

Broad Based Black Empowerment Act 53 of 2003

Preferential Procurement Framework Act No. 5 of 2000

Local Government: Municipal Property Rates Act, No 6 of 2004

Accounting Standards:

Generally Recognized Accounting Practice (GRAP)

International Financial Reporting Standards (IFRIS)

Generally Accepted Accounting Principles (GAAP)

Policies:

Supply Chain Management

Preferential Procurement Policy

Tariff Policy

Budget Policy

Credit Control & Debt Collection

Rates Policy

Indigent Policy

Cellphone Policy

Subsistence & Travel Policy

Asset Policy

The 5 year financial plan, as contained in the IDP, focuses on the improvement of service delivery and the addressing of the physical infrastructure backlog's facing Greater Tzaneen Municipality.

4.7 Assessment on arrears on municipal taxes and service charges

Table 46: Arrears per service debtor 2007/08 – 2009/10 (R)			
Service debtors	2007/2008	2008/2009	2009/10
Rates	25,851,355	29,595,066	36,522,302
Electricity	20,902,754	28,182,539	35,381,080
Water	33,272,168	35,210,658	
Sewer	7,924,495	8,663,591	
Refuse	18,432,846	19,770,802	24,814,922
Service debtors	106,383,618	121,422,656	96,718,304

Outstanding Debtors

Table 47: Total Debtors outstanding for 2009/10, 30, 60, 90, 120 and longer days (R'000s)						
	30 Days	60 Days	90 Days	120 Days	120 + Days	Total
Water						
Assessment Rates	3,277,351	1,619,835	1,208,682	1,179,467	29,236,967	36,522,302
Electricity	18,646,734	3,707,279	1,542,913	935,139	10,549,015	35,381,080
Refuse Removal	1,746,909	963,226	725,568	693,530	20,685,689	24,814,922
Sewerage						

Largest creditors:

Table 48: Five Largest Creditors for 2009/10						
Creditor	30 Days	60 Days	90 Days	120 Days	120 + Days	Total
Eskom	145,480,061					
Quality Plant Hire	12,493,853					
Infrastructure Finance Corporation	4,153,018					
Noordelike Provinsie Wet Administrator	17,977,233					
Development Bank of SA	12,450,758					

External Loans:

Table 49: External Loans 2008/09						
External Loan	Loan Agency	Year approved	Loan amount	Amount repaid by June 2010	Balance due date	Interest rate
1	INCA	1998		4,153,018	21,357,971	12.50%
2	DBSA	1980	10,292,000	512,909	0	13.95%
	DBSA	1980		1,709,502	460,829	16.15%
3	ABSA	2003	20,000,000	2,616,858	20,000,000	14.50%

Arrears owed by Officials and Councilors:

Table 50: Arrears owed to the municipality by Officials and Councilors for 2009/10			
	30 Days +	60 Days +	90 Days +
Councillors:			
<i>Name: Mogoboya WM</i>		<i>Name: Mogoboya WM</i>	
Senior officials (Level 3)	NONE		

4.8 Grant Expenditure per quarter

Table 51: Quarterly information on grants (2009/10)									
Grant Details	1st Qtr ending 30 Sept '09		2nd Qtr ending 31 Dec '09		3rd Qtr ending 30 Mar '10		4th Qtr ending 30 June '10		
	Received	Expenditure	Received	Expenditure	Received	Expenditure	Received	Expenditure	
<i>List grants individually</i>									
EQUITABLE SHARE	50,494,758		36,280,316		26,411,855				
FMG	750,000	480,216		467,797		516,733			7,177
MSIG									
SETA	468,807	8,981		16,031			426,762		904
IRISH GRANT				1,112,229	1,253,622	1,451,760			668,974
NDPG		1,361,948		1,259,533	6,033,325	2,332,309			889,053
DORA-ELECTRICATION GRANT	4,125,000	262,804		10,571,484	4,207,000	3,709,113			3,180,832
MIG	17,085,000	4,527,207		15,702,830	17,167,365	9,136,635	14,715,000		10,032,956

4.9 Financial Statements

Table 52: Statement of Financial Position as at 30 June 2010(R)			
	NOTE	2010	2009
COMMUNITY WEALTH AND LIABILITIES			
Accumulated Surplus /(Deficit)		1,370,854,264	1,422,526,531
LIABILITIES		<u>216,368,436</u>	<u>147,410,589</u>
Non-Current liabilities		83,944,099	46,390,089
Borrowings	1	46,451,304	43,335,805
Non- current Provisions	4	33,023,445	1,962,096
Financial lease liability	2	4,469,350	1,092,188
Current liabilities		132,424,337	101,020,500
Consumer deposits	3	6,658,556	6,152,859
Provisions	5	1,845,782	1,547,258
Accounts Payable	6	90,251,762	66,335,840
VAT Payable	7	6,232,587	-1,664,036
Unspent Conditional Grants and Receipts	8	21,677,942	26,812,982
Bank, cash and overdraft balances	16	4,159,424	0
Current portion of long-term borrowings	1	1,598,284	1,835,597
Total Net Assets and Liabilities		<u>1,587,222,700</u>	<u>1,569,937,120</u>
ASSETS			
Non-current assets		1,467,173,369	1,479,051,436
Property, plant and equipment	9	1,449,245,834	1,453,151,538
Held-to-maturity Investments	10	17,927,535	25,865,349
Non-current receivables	11	0	34,549
Current assets		120,049,331	90,885,684
Inventory	12	8,518,617	8,160,133
Receivables	13	38,634,477	38,703,873
Other receivables	15	70,439,627	43,357,898
Current portion of long-term receivables	11	2,456,610	406,695
Cash and cash equivalents	16	0	257,085
Total Assets		<u>1,587,222,700</u>	<u>1,569,937,120</u>

Table 53: Statement of Financial Performance for 2009/10

	NOTE	ACTUAL	
		2010	2009
REVENUE		R	R
Property rates	17	36,309,586	27,734,237
Property rates - penalties imposed and collection charges		2,902,462	1,737,196
Service charges	18	219,760,736	185,593,762
Rental of facilities and equipment		1,072,738	442,383
Interest earned - external investments		2,144,762	3,679,040
Interest earned - outstanding receivables		9,188,053	6,004,714
Fines		862,821	852,479
Licenses and permits		376,846	355,202
Income for agency services		10,307,858	9,108,870
Government grants and subsidies	19	178,774,116	121,498,729
Other income	20	11,673,275	3,428,504
Public contributions, donated and contributed property, plant & equipment			0
Total Revenue		473,373,253	360,435,116
EXPENDITURE			
Employee related costs	21	102,415,113	62,431,964
Remuneration of Councillors	22	14,723,432	14,108,421
Bad debts		32,993,337	13,554,457
Collection costs		820,138	852,088
Loss on Inventory		-48,799	-2,216
Depreciation		88,045,172	16,370,693
Repairs and maintenance	23	77,541,280	68,921,527
Finance cost	24	7,096,748	9,182,224
Impairment of assets		0	16,863
Bulk purchases	25	125,623,411	93,161,971
Contracted services	26	25,217,455	19,936,805
Grants and subsidies paid	27	32,272,604	10,190,509
General expenses	28	33,366,693	26,103,064
Total Expenditure		540,066,584	334,828,370
Gain/(loss) on sale of assets	31	440,920	0
NET SURPLUS / (DEFICIT) FOR THE YEAR		-67,134,251	25,606,746

Table 54: Statement of Changes in Net Assets for the year ending 30 June 2010

2009	Accumulated Surplus/ (Deficit)
	R
Balance at 30 June 2008	155,072,766
Changes in accounting policy	
Correction of prior period error	1,241,066,254
Restated balance	1,396,139,020
Surplus/(Deficit) on revaluation of PPE	
Other items	
Transfers to / from accumulated surplus/(deficit)	
Surplus/(deficit) for the period	25,827,195
Balance at 30 June 2009	1,421,966,215
Surplus/(deficit) on revaluation of PPE	
Other items	-547,360
Transfers to / from accumulated surplus/(deficit)	1,107,676
Surplus/(deficit) for the period	
Balance at 30 JUNE 2009	1,422,526,531
2010	Accumulated Surplus/ (Deficit)
	1,422,526,531
Balance at 30 June 2008	1,422,526,531
Changes in accounting policy	
Correction of prior period error 2008	
Correction of prior period error 2009	
Restated balance	1,422,526,531
Surplus/(Deficit) on revaluation of PPE	
Other items	81,780,588
Transfers to / from accumulated surplus/(deficit)	
Surplus/(deficit) for the period	-67,134,251
Balance at 30 June	1,437,172,868
Surplus/(deficit) on revaluation of PPE	
Other items	547,360
Transfers to / from accumulated surplus/(deficit)	-66,865,964
Surplus/(deficit) for the period	
Balance at 30 JUNE 2010	1,370,854,264

Table 55: Cashflow Statement for the Year ending June 2010 (R)

	NOTE	2010	2009
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		445,920,000	338,997,482
Cash paid to suppliers and employees		-381,282,659	-268,250,786
Cash generated from operations	32	64,637,341	70,746,696
Interest received		11,332,815	9,683,754
Interest paid		-7,096,748	-9,182,224
NET CASH FROM OPERATING ACTIVITIES		68,873,408	71,248,226
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-84,646,163	-54,626,953
Proceeds on disposal of property plant & equipment		0	0
Increase/(Decrease) in non-current receivables		34,549	3,227,789
Increase/(Decrease) in non current investments		7,937,814	-4,207,284
NET CASH FROM INVESTING ACTIVITIES		-76,673,800	-55,606,448
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised / (repaid)		2,878,186	-1,903,258
Increase in consumer deposits		505,697	-586,370
NET CASH FROM FINANCING ACTIVITIES		3,383,883	-2,489,628
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		-4,416,509	13,152,150
Cash and cash equivalents at the beginning of the year		257,085	-12,895,065
Cash and cash equivalents at the end of the year	17	-4,159,424	257,085

The Notes to the Consolidated Annual Financial Statements is contained in **Annexure D**

4.10 Auditor General's report on Performance Report

The comment of the Auditor General on the Performance Report is presented in **Annexure C**. Due to the contents of this report it has been decided not to include the Performance Report in the Annual report as the content will differ. However an attempt has been made in Chapter 2 to provide accurate information as per the performance indicators per key performance area.

5. Functional Area Service Delivery

5.1 General Information			
Reporting Level	Detail	Total	
Overview:	The Greater Tzaneen Municipality is located in the Limpopo Province of South Africa in the Mopani District Municipal area. The municipality is characterised by well established infrastructure in the towns of Tzaneen, Letsitele and Haenertsburg with the towns of Nkowankowa and Lenyenye lagging behind in this respect. The municipality also serves 125 rural villages which are spread throughout the municipal area. Although most households have access to basic water provision great backlogs exist with regard to the access to basic sanitation, electricity and waste removal services.		
Information:			
1	<i>Geography:</i> Geographical area in square kilometres Source: SDF	3240km ²	
2	<i>Demography:</i> Total population (Projected for 2006) Source: Global Insight Database	396,711	
3	<i>Indigent Population (registered)</i> Households earning less than R1600 per month collectively and are thus unable to afford basic municipal Services	28,552	
4	Total number of voters Source: IEC (VRS)	158,775	
5	<i>Aged breakdown:</i> - 65 years and over - between 40 and 64 years - between 15 and 39 years - 14 years and under Source: Global Insight Database, 2006	No 16,009 74,200 173,706 132,796	% 4.04 18.70 43.79 33.47
6	<i>Household income:</i> Less than 1,500 1501-3500 3501-6000 6000 or more Source: Global Insight Database, 2006	No 48,330 25,657 12,968 17,282	% 46 25 12 17

5.2 Function: Executive and Council

Reporting Level	Detail	Total	
Overview:	Includes all activities relating to the executive and council function of the municipality including costs associated with mayoral, councilor and committee expenses and governance.		
Description of the Activity:	<p><i>The function of executive and council within the municipality is administered as follows and includes:</i></p> <p>The Mayor is the ceremonial representative of the Council.</p> <p>Executive Committee: Is the head of the executive branch of the Council. Gives political direction to the executive management team. Gives recommendations to Council in respect of its executive and legislative powers. Makes recommendations to Council on proposed political structures of Council. Works closely in a co-ordinated and co-operative relation with the Municipal Manager. The Executive Committee and Mayor within the legislative framework provided by the Municipal Structures Act, the Municipal Systems Act, the Municipal Finance Management Act and subject to Council resolutions direct and drive the transformation and development of the municipality.</p> <p>Council: Exercises control of its legislative and executive functions and directs its administration accordingly. Council has responsibilities as a sphere of government at Local level, as ascribed to it in terms of the Constitution, legislation and the common Law. Council monitors and takes resolutions to fulfill its role and responsibilities.</p> <p><i>The strategic objectives of this function are to:</i></p> <ul style="list-style-type: none"> • To achieve the objectives set out in section 152 of the Constitution. • Reviewal of community needs • Develop mechanisms to consult the community • Provision of services to all its rate payers 		
Analysis of the Function:			
1	<p><i>Councillor detail:</i></p> <p>Total number of Councillors</p> <p>Number of Councillors on Executive Committee</p>	67 10	
2	<p><i>Ward detail:</i></p> <p>Total number of Wards</p> <p>Number of Ward Meetings</p>	34 402	12 per ward
3	<i>Number and type of Council and Committee meetings:</i>	<i>Nr of meetings</i>	

	1.Infrastructure cluster	11	
	2.Sports Arts and culture cluster	3	
	3.Economic cluster	3	
	4 Finance cluster	5	
	5 Governance and Administration cluster	7	
	6 Local Labour Forum	8	
	7 Social Cluster	8	
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Council and Exco Support	% Council / EXCO resolutions referred to Departments within 7-working days from council / EXCO resolution	100%	100%
	% of Council agendas distributed within the 72-hours prior to the meeting	97%	100%
	# of Council sittings	4	4
Ward committee support	Number of Fully functional ward committees	34	32

5.3 Function: Finance and Administration, Sub Function: Procurement:

Reporting Level	Detail	Total	
Overview:	Includes all activities relating to overall procurement functions of the municipality including costs associated with orders, tenders, contract management etc		
Description of the Activity:	<p>The function of procurement within the municipality is administered as follows and includes:</p> <p>The procurements of goods and services (e.g. electrification of villages) for the entire user departments. SCM is divided into the following five elements (Which works as a chain)Demand, Acquisition, logistics performance and risk management</p> <p><i>The municipality has a mandate to:</i> The procurement is done in accordance with the constitution of the republic of South Africa section 217 which indicates that it must be done in a fair, transparent, equitable, cost effective and competitive manner.</p> <p><i>The strategic objectives of this function are to:</i> Procure goods and services in line with the legislation (constitution of SA and PFMA)in efficient and effective way</p> <p><i>The key issues for 2009/10 were:</i> More emergency needs of services and goods which results in deviation from the SCM policy.</p>		
Analysis of the Function:			
1	<p>Details of tender / procurement activities:</p> <ul style="list-style-type: none"> - Total number of times that tender committee met during year - Total number of tenders considered - Total number of tenders approved - Average time taken from tender advertisement to award of tender 	<p>5</p> <p>11</p> <p>7</p> <p>70 days</p>	
2	Details of tender committee:		
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Procurement	% of tenders awarded within 30 days after closing date of tender	100%	
	Number of Tenders awarded that deviated from the adjudication committee recommendations	0	0
	R-value of tenders awarded		24 980 567

5.4 Function: Planning and Development - Sub Function: Economic Development

Reporting Level	Detail	Total	
Overview:	To promote and network economic opportunities that will ensure job creation, poverty alleviation and investment for economic growth		
Description of the Activity:	<p><i>The function of economic planning / development within the municipality is administered as follows and includes:</i></p> <p>A division exists in the Planning and Economic Development Department that is responsible for Socio-Economic Development, Tourism and LED.</p> <p><i>These services extend to include Socio-Economic Development, Tourism and LED. The municipality has a mandate to:</i></p> <p>To promote and network economic opportunities that will ensure job creation, poverty alleviation and investment for economic growth</p> <p><i>The strategic objectives of this function are to:</i></p> <ol style="list-style-type: none"> 1. To create better local economic well-being through small medium macro enterprise support, 2. To alleviate poverty 3. To attract investment through establishment of the Development Agency <p><i>The key issues for 2009/10 were:</i></p> <ol style="list-style-type: none"> 1. Support of the established Economic Development Agency (GTEDA) 2. SMME Support in collaboration with other development agencies e.g. Seda, LIBSA 3. Partnership establishment with developed MOU/TOR 4. Implementation of the Hawkers strategy 5. Tourism development and events 6. Mefakeng project 7. Land Reform and Agriculture Projects Support 8. Socio Economic projects Support (NGO's, CBO's and Community Works Programmes) 9. Revitalization of SAPEKOE 		
Analysis of the Function:			
1	<p><i>Number and cost to employer of all economic development personnel:</i></p> <ul style="list-style-type: none"> - HOD - Senior Admin Officer - LED Officer - Tourism Officer - Tourism Information Officer 	<p><i>Number</i></p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p>	<p><i>R (000s)</i></p> <p>R798,488.90</p> <p>R454,093.08</p> <p>R287,662.68</p> <p>R250,837.66</p> <p>R97,405.07</p>
2	<p><i>Detail and cost of incentives for business investment:</i></p> <p>None</p>		<p><i>R (000s)</i></p>
3	<p><i>Detail and cost of other urban renewal strategies:</i></p> <p>None</p>		<p><i>R (000s)</i></p>
4	<p><i>Detail and cost of other rural development strategies:</i></p>		<p><i>R (000s)</i></p>

	None		
5	<p><i>Number of people employed through job creation schemes:</i></p> <ul style="list-style-type: none"> - Short-term employment - Long-term employment <p>Note: total number to be calculated on full-time equivalent (FTE) basis, and should only be based on direct employment as a result of municipal initiatives</p>	Not available Not available	
6	<p><i>Number and cost to employer of all Building Inspectors employed:</i></p> <ul style="list-style-type: none"> - Number of Building Inspectors - Temporary - Contract <p>Note: total number to be calculated on a full-time equivalent (FTE) basis, total cost to include total salary package</p>	<number> 8 none none	R (000s) R4 882 620
7	<p><i>Details of building plans:</i></p> <ul style="list-style-type: none"> - Number of square meters new houses approved - Number of square meters additions to existing houses approved - Number of square meters new shops approved - Number of square meters additions to existing shops approved - Number of square meters additions to existing industrial approved - Number of square meters new churches approved - Number of square meters new townhouses approved - Number of square meters new other (cell phone towers) approved <p>Note: Figures are aggregated over year to include building plan approvals only</p>	<p>m²</p> <p>15816 3019 7316 1585 1125 0 3109 3</p>	<p>Value</p> <p>63,264,000 1,2076,000 29,264,000 6,340,000 4,500,000 0 12,436,000 3,000,000</p>
8	<p><i>Type and number of grants and subsidies received:</i></p> <p>None</p>		Value
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Economic Growth and Investment	% of Serviced proclaimed sites sold	100%	100%
Poverty Alleviation	Total Number of jobs created through municipal LED initiatives, capital and infrastructure projects	500	3025
Integrated Planning	% Compliance to the integrated IDP/ PMS/ Budget Process Plan	100%	90%
	IDP credibility rating	High	Medium

5.5 Function: Community and Social Services

Reporting Level	Detail	Total	
Overview:			
Description of the Activity:	<p><i>The function of provision of various community and social services within the municipality is administered as follows and includes:</i></p> <p>Develop and maintain community parks, cemeteries and open spaces. Support development and participation in the community sports field</p> <p>These services extend to include Waste Management, Parks development and maintenance, Cemetery management, Community facilities and Libraries but do not take account of Museums, Child care and aged care which resides within the jurisdiction of provincial government.</p> <p><i>The municipality has a mandate to:</i></p> <ol style="list-style-type: none"> 1. Provide waste removal services to all households 2. To develop and maintain parks and open spaces 3. To develop and maintain cemeteries 4. To develop and maintain community halls and recreational facilities <p><i>The strategic objectives of this function are to:</i></p> <p>To promote environmental sound practice and social development. To improve access to sustainable community sports facilities and cemeteries. To maintain and upgrade, community parks, sport facilities and park. To create community beneficiation and empowerment opportunities. The key issues for 2009/10 were:</p> <ul style="list-style-type: none"> • Maintenance and upgrade of municipal assets. • Development entrances A and B, Nkowankowa. • Support in organising of 2010 public viewing area at Nkowankowa stadium. • Organising GTM Jazz Festival • Created community beneficiation. • Hosted intellectual games at Nkowankowa stadium 		
Analysis of the Function:	<p>1 Nature and extent of facilities provided:</p> <ul style="list-style-type: none"> - Library services - Museums and art galleries - Other community halls/facilities - Cemeteries and crematoriums - Child care (including crèches etc) - Aged care (including aged homes, home help) - Schools 	<p><i>no of facilities:</i></p> <p>3</p> <p>1 museum</p> <p>2</p> <p>1</p> <p>0</p> <p>0</p> <p>0e</p>	<p><i>no of users:</i></p> <p>92,217</p> <p>4000</p> <p>164,1800</p> <p>All Wards</p> <p>n/a</p> <p>n/a</p> <p>n/a</p>

	<ul style="list-style-type: none"> - Sporting facilities (specify): <ul style="list-style-type: none"> • Municipal Swimming pool • Stadiums • Tennis Courts • Bowling greens • Golf Course -Parks: <ul style="list-style-type: none"> • Developed (recreational) • Open natural parks • Township entrance gardens – 	1 3 7 1 1	Non functional 989 Bookings 500 Privatised Privatised
2	<p>Number and cost to employer of all personnel associated with each community services function:</p> <ul style="list-style-type: none"> - Library services - Museums and art galleries - Other community halls/facilities - Cemeteries and crematoriums - Child care - Aged care - Schools - Sporting facilities - Parks <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>	<i>Number of employees</i> 11 none 6 136 none none none 13 45	<i>R(000s)</i> R2,820,589 n/a R492,265.62 R738,398.43 n/a n/a n/a R1,066,575.5 R5,906,069.6
6	Total operating cost of community and social services function		R40 288 471
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Environmental Management	% progress with development of the State of the Environment report	100%	100%
Parks & Open spaces	% progress with the development of a Parks Management Plan	100%	100%
Cemeteries	# new cemeteries established	1	0
Libraries	# people using the GTM libraries	84,500	97,217

5.6 Function: Housing

Reporting Level	Detail	Total	
Overview:			
Description of the Activity:	<p>The function of provision of housing within the municipality is administered as follows and includes:</p> <p>The aim of the land, property and housing services is to Manage and administer Municipal land (Land sale. Lease, Donations, expropriation of land and negotiate land purchase) and to Administer the allocation of beneficiaries in Pioneers Old Age Home.</p>		
Analysis of the Function:			
1	Number and cost of all personnel associated with provision of municipal housing: <ul style="list-style-type: none"> - Professional (Architects/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract 	<i>number</i> <i>Not applicable</i>	<i>R (000s)</i> <i>Not applicable</i>
2	Number and total value of housing projects planned and current: <ul style="list-style-type: none"> - Current (financial year after year reported on) - Planned (future years) 	400 1660	R28 144 700 <i>R30M</i>
3	Total type, number and value of housing provided: <ol style="list-style-type: none"> 1. Rural Housing(RDP) 2. Blocked Projects 	400 270	R28 144 700 R16 106 448
4	Total number and value of rent received from municipal owned rental units Pioneer homes for the aged	87	<i>R152 415 00</i>
5	Estimated backlog in number of (and costs to build) housing: RDP houses	<total> 13688	<cost> <i>R748 049-21</i>
6	Type of habitat breakdown: <ul style="list-style-type: none"> - number of people living in a house or brick structure - number of people living in a traditional dwelling - number of people living in a flat in a block of flats - number of people living in a town/cluster/semi-detached group dwelling - number of people living in an informal dwelling or shack - number of people living in a room/flatlet 	2001 56,393 23,154 714 461 3,487 3,330	2009/10 <i>Not available</i>
7	Type and number of grants and subsidies received: Integrated Rural Development Programme (IRDP)	<i>number</i> 650	<i>R (000s)</i> R45 086 200
8	Total operating cost of housing function	Combined with Land & property division	
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Housing Development	Not applicable (allocation is done by the Department of Housing)		Not applicable

5.7 Function: Public Safety, Sub-Function: Traffic

Reporting Level	Detail	Total	
Description of the Activity:	<p><i>The policing and traffic control functions of the municipality are administered as follows and include:</i></p> <p>Patrols, Escorts, Point duties, Roadblocks, Speed (checking) measuring, Scholar patrols</p> <p><i>These services extend to include all devoluted areas (previously under the Provincial Government), The municipality has a mandate to render services to all of these areas</i></p> <p><i>The strategic objectives of this function are to:</i></p> <p>To secure and keep our roads safe, educate members of our motoring and pedestrian community, and punish all (law) transgressors</p> <p><i>The key issues for 2009/10 were:</i></p> <ul style="list-style-type: none"> -Escorts (Funerals, dignitaries) - Roadblocks -Speed measurements / checking -Point duty -Scholar Patrols -Foot patrols 		
Analysis of the Function:			
1	<p><i>Number and cost to employer of all personnel associated with policing and traffic control:</i></p> <ul style="list-style-type: none"> - Professional (Senior Management) - Field (Detectives/Supervisors) - Office (Clerical/Administration) - Non-professional (visible police officers on the street) - Volunteer - Temporary - Contract 	<p><i>Number</i></p> <p>1</p> <p>5</p> <p>0</p> <p>13</p> <p>0</p> <p>0</p> <p>2</p>	<p><i>R (000s)</i></p> <p>R765,977.40</p> <p>R2,4662,227.84</p> <p>R2,696,492.76</p> <p>R120,000</p>
2	<p><i>Total number of call-outs attended:</i></p> <ul style="list-style-type: none"> - Emergency call-outs - Standard call-outs <p>Note: provide total number registered, based on call classification at municipality</p>	<p>128</p> <p>149</p>	
3	<p><i>Average response time to call-outs:</i></p> <ul style="list-style-type: none"> - Emergency call-outs - Standard call-outs <p>Note: provide average by dividing total response time by number of call-outs</p>	<p>7 min</p> <p>10 min</p>	
4	<p><i>Total number of targeted violations e.g.:</i></p> <p><i>Traffic offences:</i></p> <ul style="list-style-type: none"> • Speeding, • Parking offences, • Drunken driving, • Cell phone offences, • Safety belt offences, • Driving licenses offences, 	<p>1,604</p> <p>5,447</p> <p>6</p> <p>353</p> <p>723</p> <p>494</p>	

	• Disregard for Road Traffic signs/ Markings	487	
5	<i>Total number and type of emergencies leading to a loss of life or disaster:</i> Speeding, especially with trucks, others overturn and such accidents are coupled with chemical spillage that can lead to disasters.	288	
6	<i>Type and number of grants and subsidies received:</i> No grants/subsidies received	<total>	R (000s)
7	<i>Total operating cost of police and traffic function</i>		R2 8244698.00
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Traffic Law Enforcement	Rand value received for fines issued / R value of fines issued (%)	80%	11.37%
	# road safety campaigns	3	511
	% error free rate of the capturing of the summonses	100%	100%

5.8 Function: Community Services, Sub Function: Licensing

Reporting Level	Detail	Total	
Overview:	This includes all activities relating to vehicle and driver related licenses Traffic fine payments. Trade license applications and all temporary advertisements and dog licenses applications		
Description of the Activity:	<p><i>The Licensing and Testing functions of the municipality are administered as follows and include:</i></p> <p>Issue learners and drivers licenses and all vehicle registration and licenses <i>These services extend to include:</i></p> <p>Vehicle registrations, vehicle licenses, Learners licenses, Drivers license , but do not take account of Vehicle related issues outside the GTM jurisdiction but driver related from any where in RSA and foreigners which resides within the area of jurisdiction.</p> <p><i>The municipality has a mandate to:</i></p> <p>Render agency agreement between GTM and Department of Roads and Transport</p> <p><i>The strategic objectives of this function are to:</i></p> <p>Follow guidelines in agency agreement and also in legislation</p> <p><i>The key issues for 2009/10 were:</i></p> <p>Shortage of staff Corruption</p>		
Analysis of the Function:	<p><i>Number and cost to employer of all personnel associated with Licensing and Testing:</i></p> <ul style="list-style-type: none"> - Professional (Senior Management) - Field (Detectives/Supervisors) - Office (Clerical/Administration) - Temporary - Contract <p>Total</p>	<p><i>number</i></p> <p>1</p> <p>16</p> <p>14</p> <p>31</p>	<p><i>R (000s)</i></p> <p>R6,798,568</p>
	<p><i>Number of licenses renewed & issued per category</i></p> <ul style="list-style-type: none"> 1. Learners licenses issued 2. Drivers licenses issued 3. Number of vehicle licensed 4. Number of vehicles registered 5. Number of permits issued <p><i>Total operating cost of the Licensing function</i></p>	<p>5449</p> <p>15,964</p> <p>45,654</p> <p>11,143</p> <p>280</p>	<p>R27,835,366</p>
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Licensing	% complaints for driver related licenses resolved within 2-days	100%	100%
	% complaints for vehicle related licenses resolved within 2-days	100%	100%
	R-value generated for vehicle registration (Agency agreement)	1.2 mil	R950,523
	R-value generated by the issuing of learners and drivers licenses	3 mil	R3,534,938

5.9 Function: Waste Management, Sub Function: Solid Waste

Reporting Level	Detail	Total	
Overview:	Includes refuse removal, solid waste disposal and landfill, street cleaning and recycling		
Description of the Activity:	<p><i>The refuse collection functions of the municipality are administered as follows and include:</i></p> <p>Waste Minimisation:</p> <ul style="list-style-type: none"> • Recycling • Composting • Rural Waste Minimisation <p>Collection and Transportation: Treatment & Disposal Pollution Control</p> <p>The jurisdiction area is divided by the main roads from Politsi via Tzaneen, Tarentaalrand, Letsitele and Trichardsdal, in a Northern and Southern service region</p> <p><i>The municipality has a mandate to:</i></p> <p>To provide all households with a basic removal service to protect the environment for the benefits of future and present generations through legislative and other measures to prevent pollution and ecological degradation promote conservation to secure sustainable development Including ± 129 Villages or another 80,034 residential stands, which are situated within the jurisdiction area of G.T.M.</p> <p><i>The strategic objectives of this function are to:</i></p> <ul style="list-style-type: none"> • To provide all households with a basic removal service • To protect the environment for the benefits of future and present generations • To prevent pollution and ecological degradation (through legislative and other measures) • To promote conservation to secure sustainable development <p><i>The key issues for 2009/10 were:</i></p> <ul style="list-style-type: none"> • Reduce (e.g. reject over packaged and/or disposable products, use both sides of a piece of paper) • Re-use (e.g. choose products in returnable containers and/or use containers yourself) • Recycle (e.g. choose recycled and/or recyclable packaging and make sure that as much of your waste as possible (paper, plastics, glass, metal and organic material) enters the recycling loop • Recover (e.g. the energy value of a resource can be recovered from waste during incineration) • Landfill (only after the preceding strategies have been followed should the remaining, much reduced, waste be buried in the ground) • Personnel:- of utmost importance is the recognition of human-capital in the approach towards integrated waste management 		
Analysis of the Function:		<i>Number</i>	<i>R (000s)</i>
1	<i>Number and cost to employer of all personnel associated with refuse removal:</i>		

	Divisional Head. (Degree / Diploma)	1	720,000
	Sir. Superintendents. (Degree / Diploma)	2	430,000
	Superintendents (Degree / Diploma)	1	180,000
	Administration Clerk	1	130,000
	Snr. Team leaders.(Grade 10)	11	990,000
	Snr. Labourers.	121	7,180,000
	Contract (3x contractors)	3	17,900,000
	Total cost(personnel excluding contractors) -		27,530,000
2	<i>Number of households receiving regular refuse removal services, and frequency and cost of service:</i> Residential removals / stands. Business removals / stands. Own removals-villages / stands. Litter picking/Streets Public Toilets. Removal and Disposal services Total Cost	9,892 694 80,034 5,312m ³ 10	R (000s) 6.9M 3.3M 28.5M 37.7M
3	<i>Total and projected tonnage of all refuse disposed:</i> - Domestic/Commercial - Garden	<i>Total</i> 78,000m ³ 21,436m ³	<i>Projected</i> +10% +10%
4	<i>Total number, capacity and life expectancy of refuse disposal sites:</i> - Domestic/Commercial (1) - Garden (1)	<i>Capacity</i> 711,000m ³ N/A	<i>Lifespan</i> 20 x years N/A
Reporting Level	Detail	Total	
5	Anticipated expansion of refuse removal service: - Domestic/Commercial - Garden	6000 m3 6000 m3	R (000s) R6.0mil. R6.0mil
6	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household) Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.	3825 1	R2.8mil R74.21 p.m.
7	<i>Total operating cost of solid waste management function:</i> 1. Operating cost of collections & disposal 2. Operating cost of litter picking 3. Operating cost of public toilet management 4. Total Operating Cost of Waste function		R (000s) R28.5mil R 6.9mil R 3.3mil R38.7mil
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Waste Management	% litter picking schedules adhered to	100%	100%
	Number of school Drop off centres waste removals undertaken	24	24
	Number of curbside domestic removals undertaken	11,242	11,242

5.10 Function: Waste Water Management, Sub Function: Sewerage etc

Reporting Level	Detail	Total	Cost
Overview:	Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities		
Description of the Activity:	<p><i>The sewerage functions of the municipality are administered as follows and include:</i></p> <p>Influent enters the wastewater works from both domestic and industrial sources, treated to specific level as required by SANS 241:2005 (special standard) and to the satisfactory of Green Drop Certification and Assessment. The final product (Effluent) is discharged into the river</p> <p><i>The municipality has a mandate to:</i></p> <p>Render wastewater services to its entire community</p> <p><i>The strategic objectives of this function are to:</i></p> <ol style="list-style-type: none"> 1. Render a service with cost recovery in a sustainable manner 2. Provide sustainable and reliable services to all rural and urban areas of: Tzaneen, Lenyenye, Nkowankowa, Haenertsburg and Letsitele. 3. These services include sustainable and reliable maintenance programme for 24 hours a day basis, wherein GTM is currently a Water Service Provider while Mopani District Municipality is a WSA. <p><i>The key issues for 2009/10 were:</i></p> <ul style="list-style-type: none"> • Preparing wastewater works for Green Drop Assessment for 2010. • Completion of 1682 VIP sanitation with the help of MDM for rural communities. • Sewer connection to 540 RDP houses in Dan X1 		
Analysis of the Function:			
1	<p><i>Number and cost to employer of all personnel associated with sewerage functions:</i></p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>	<p><i>Number</i></p> <p>2</p> <p>4</p> <p>2</p> <p>26</p> <p>0</p> <p>0</p>	<p><i>R (000s)</i></p> <p>R1.01M</p> <p>R 0.40M</p> <p>R 0.35M</p> <p>R 1.56M</p>
2	<p><i>Number of households with sewerage services, and type and cost of service:</i></p> <ul style="list-style-type: none"> - Flush toilet (connected to sewerage system) - Flush toilet (with septic tank) - Chemical toilet - Pit latrine with ventilation - Pit latrine without ventilation - Bucket latrine 	<p><i>Number</i></p> <p>13,003</p> <p>260</p> <p>0</p> <p>1,682</p> <p>0</p> <p>0</p>	<p><i>R (000s)</i></p> <p>R 18M</p> <p>R 0.460M</p> <p>R 10.93M</p>

	- No toilet provision Note: if other types of services are available, please provide details	74,000	R 444M
3	<i>Anticipated expansion of sewerage:</i> - Flush/chemical toilet - Pit latrine - Bucket latrine - No toilet provision Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality	10,050 1,800 0 1,800	R (000s) R 10M R 10.8M R 10.8M
4	<i>Free Basic Service Provision:</i> - Quantity (number of households affected) - Quantum (value to each household)	Number 68900 Not available	
5	<i>Total operating cost of sewerage function</i>		R 2.3 M
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Sanitation	# of monthly water samples taken at purification plant and sewer plant	24	24
	% Sewer blockages reported attended to within 3hrs	100%	99.3%
	# of Sewer blockages reported attended to within 3hrs	2455	2440

5.11 Function: Road Transport, Sub Function: Roads & Stormwater

Reporting Level	Detail	Total	Cost
Overview:	The municipality is responsible for creating and maintenance of all municipal roads and storm water management systems including the disposal of storm water within its area of jurisdiction .The total road network of GTM is +_ 2300km. The entire network consist of both rural gravel and Surfaced roads		
Description of the Activity:	<p><i>The road maintenance and construction responsibilities of the municipality are administered as follows and include:</i></p> <p>Road and Stormwater is the responsibility of the Engineering Services Department with a specific division responsible for this function</p> <p><i>The municipality has a mandate to:</i></p> <p>To do repairs and maintenance of all road and storm water management within Greater Tzaneen Municipal area in Mopani District.</p> <p><i>The strategic objectives of this function are to:</i></p> <p>To create access roads to communities , maintenance of existing roads and storm water management within the municipal area of jurisdiction</p> <p><i>The key issues for 2009/10 were:</i></p> <ol style="list-style-type: none"> 1. .Construction of sand seal roads to the value of 26 million Tar patching for sealing of potholes in Tzaneen, Nkowankowa, Lenyenye, Letsitele and Haenertsburg 2. Stone pitching for sand seal roads and other storm water measures in various wards within GTM 3. Construction of Craighead bridge which was done by internal staff 50 meters of stormwater pipes installed in various villages Regravelling of all internal streets at Nkowankowa B and Mbambamecisi 4. Grading of internal streets in all four clusters to the total of 600km Grading to assist on bad roads during funerals and special occasions 300km. 		
Analysis of the Function:			
1	<p><i>Number and cost to employer of all personnel associated with road maintenance and construction:</i></p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Total</p>	<p><i>Number</i></p> <p>0</p> <p>6</p> <p>2</p> <p>34</p> <p>2</p> <p>0</p>	<p><i>R (000s)</i></p> <p>9 ,269,039</p>
2	<p><i>Total number, kilometres and total value of road projects planned and current:</i></p> <ul style="list-style-type: none"> - New bitumenised (number) - Existing re-tarred (number) 	<p><i>Km</i></p> <p>none</p> <p>14</p>	<p><i>R (000s)</i></p> <p>26,000,000</p>

	- New gravel (number) - Existing re-sheeted (number) Note: if other types of road projects, please provide details	19.57 none	17,387,855
3	<i>Total kilometres and maintenance cost associated with existing roads provided</i> - Tar - Gravel Note: if other types of road provided, please provide details	<i>Km</i> 200 2,100	<i>R (000s)</i> 6,574,384 4,420,000
4	<i>Average frequency and cost of re-tarring, re-sheeting roads</i> - Tar - Gravel Note: based on maintenance records	<i>Frequency</i>	<i>R (000s)</i> No funding
5	<i>Estimated backlog in number of roads, showing kilometres and capital cost</i> - Tar - Gravel Note: total number should appear in IDP, and cost in future budgeted road construction programme	<total> 110.2 2,100	<i>R (000s)</i> 305,000,000
6	<i>Type and number of grants and subsidies received:</i> Municipal Infrastructure Grant Note: total value of specific road grants actually received during year to be recorded over the five quarters - Apr to Jun this year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.	33,336,000	<i>R (000s)</i> 33,336,000
7	Total operating cost of road construction and maintenance function		31,470,644
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Roads and Storm water Infrastructure	% MIG funding spent by March	100%	90%
	m ² of stone pitching constructed	8,000m ²	11,425 m ²
	Km of municipal roads maintained	2,067km	2,067km
	Km of transportation routes upgraded	58.5km	65km

5.12 Function: Water, Sub Function: Water Distribution

Reporting Level	Detail	Total	Cost
Overview:	Provisioning of water services from abstraction to treatment and eventually distributing up to the customer. Included in the services is maintenance of the infrastructure: both bulk and distribution network.		
Description of the Activity:	<p><i>The water purchase and distribution functions of the municipality are administered as follows and include:</i></p> <p>Purchasing, abstracting, purification and supplying to both rural and urban segments within Greater Tzaneen Municipality through Water Reticulation network and water tankers.</p> <p><i>The municipality has a mandate to:</i></p> <p>Render the provisioning of Water Services within the area of its jurisdiction.</p> <p><i>The strategic objectives of this function are to:</i></p> <p>Plan, manage, maintain and deliver water and wastewater services to the communities within GTM.</p> <p><i>The key issues for 2009/10 were:</i></p> <ul style="list-style-type: none"> • Greater Tzaneen Municipality is a proud receiver of Blue Drop Certification for 2009 assessment. • Water connection to 540 RDP houses in Dan Extension 1 • Water Connection to Maribethema- 19 water taps in 8 streets (RDP standard <200m distance) to supply almost 450 households. • Establishment of an accredited Water lab for analysing our water and wastewater quality as required by SANS 241 and Blue Drop Certification criteria. • Borehole drilled, tested and equipped at Morapalala Village. 		
Analysis of the Function:			
1	<p>Number and cost to employer of all personnel associated with the water distribution function:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.</p>	<p><i>Number</i></p> <p>2</p> <p>4</p> <p>2</p> <p>56</p> <p>0</p> <p>0</p>	<p><i>R (000s)</i></p> <p>R 1.01</p> <p>R 1.2</p> <p>R 0.41</p> <p>R 3.02</p>
2	<p>Percentage of total water usage per month</p> <p>Also Refer to Table 56</p>	94%	R 5,309,366.31
3	<p><i>Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer</i></p> <ul style="list-style-type: none"> - Category 1 Ground Water (Borehole) 	6,756.24	<p><i>R (000s)</i></p> <p>R 21,569.77</p>

	- Category 2 From Ebenezer Dam (Georges Valley)	2511734	R 556,821.56
	- Category 3 From Tzaneen Dam (Tzaneen Water Works)	261654.8	R 298,286.46
	- Category 4 From N&N Canal (Letsitele Water Works)	261885	R 77,114.85
	-Category 5 From Lepelle Northern Water (Haenertsburg)	68213	R 275,334.96
	-Category 6 From Lepelle Northern Water (Maribathema)	28005	R 113,039.39
	-Category 7 Pusela Irrigation Water Rights		R 52,501.81
	Category 8 Letaba Water Users		R 7,887.07
	Category 9DWAF servitude		R 4,649.99
4	<i>Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer:</i>		<i>R (000s)</i>
	Category 1: Residential (10431)	6307521	R10,207,167.97
	Category 2: Business (543)	570398	R 1,799,432.53
	Category CA: Industrial (230)	384653	R 1,141,357.16
	Category EA: State (52)	422033	R 873,956.66
	Category FA: Departmental (61)	93556	R 552,307.28
	Category IA: Flats (84)	292390	R 349,039.43
	Category JA: Education (25)	94633	R 568607.63,
	Category AB: Residential Rebate Indigent	549519	R 161,726.27
	Category AC: Residential Rebate 100%	307999	R3,341,338.71
	Category MW: Write Offs (1,563)		R 7,053,136.00
5	<i>Total year-to-date water losses in kilolitres and rand</i>	Kilolitres	<i>R (000s)</i>
		20263	R 32,790.66
6	<i>Number of households with water service, and type and cost of service:</i>		<i>R (000s)</i>
	- Piped water inside dwelling	4130	R 7,550,455.00
	- Piped water inside yard	1922	R
			18,550,000.00
	- Piped water on community stand: distance < 200m from dwelling	1250	R 32,000.00
	- Piped water on community stand: distance > 200m from dwelling	3000	R66,800.00
	- Borehole	268	R 5,500,000.00
	- Spring	0	
	- Rain-water tank	0	
7	<i>Number and cost of new connections:</i>		<i>R (000s)</i>
	Water connections including 540 Dan X1 (RDP houses)	667	R 1,334,000.00
8	<i>Number and cost of disconnections and reconnections:</i>		<i>R (000s)</i>
	Disconnections	49	R34,300.00
	Reconnections	44	R 30,800.00
9	<i>Number and total value of water projects planned and current:</i>		<i>R (000s)</i>
	- Current (financial year after year reported on)	1	R 460,000.00
	- Planned (future years)	3	R 7,000,000.00
	Note: provide total project and project value as per initial or revised budget		
10	<i>Anticipated expansion of water service:</i>		<i>R (000s)</i>
	- Piped water inside dwelling	48	R 30,000.00
	- Piped water inside yard	50	R 35,000.00
	- Piped water on community stand: distance < 200m from dwelling	80	R 90,000.00
	- Piped water on community stand: distance > 200m from dwelling	70	R 85,000.00

	- Borehole - Spring - Rain-water tank Total	12 0 0 7500	R 4,160,000.00 R 7,500.000.00
11	Estimated backlog in number (and cost to provide) water connection: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 200m from dwelling - Piped water on community stand: distance > 200m from dwelling - Borehole - Spring - Rain-water tank Total	500 480 400 400 12 0 0 70000	R (000s) R 80,000.00 R 70,000.00 R 66,950.00 R 74,000.00 R 4,160,000.00 0 0 R 140,000,000
12	<i>Free Basic Service Provision:</i> - Quantity (number of households affected) - Quantum (value to each household) Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.	68900 Not available	R 13,2 M
13	<i>Type and number of grants and subsidies received:</i> Free Basic Water Grant Water Note: total value of specific water grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		R (000s) R 10 M R 33 M
14	<i>Total operating cost of water distribution function</i>		R 2.4M
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Water distribution	m ³ increase of water quota	2,400,000 m ³	0
	# of water network bursts and leaks per 100km of pipeline	33	17
	# Hrs water interruptions	120	48

Table 56: Percentage of water usage per month		
Month	Volume utilised	% of total quota
July '09	335,127	112
August '09	321,612	107
September '09	299,835	100
October '09	364,213	121.4
November '09	309,236	103.1
December '09	332,969	111

Table 56: Percentage of water usage per month		
Month	Volume utilised	% of total quota
January '10	328,344	109
February '10	289,047	96.3
March '10	328,194	109.4
April '10	300,413	100.14
May '10	202,969	67.7
June '10	346,290	115.43

Water Quality reports are available in **Annexure E**.

5.13 Function: Electricity, Sub Function Electricity Distribution

Reporting Level	Detail	Total	Cost
Overview:	The Electrical services department's main function is to distribute and sell electricity within its licensed area. It is responsible for constructing networks, connecting customers and repairing and maintaining networks. It is also responsible for maintaining public lighting and street lights. The Greater Tzaneen Municipality consumers consist of domestic, agricultural, industrial and business customers		
Description of the Activity:	<p><i>The electricity purchase and distribution functions of the municipality are administered as follows and include:</i></p> <p>New connections</p> <ul style="list-style-type: none"> •Upgrading •Down grading •Extension of network <p>The municipality has a mandate to act in accordance to its Distribution Licenses as issued by the National Electricity Regulator of South Africa (N.E.R.S.A).</p> <p><i>The strategic objectives of this function are to:</i></p> <ul style="list-style-type: none"> • To improve access to sustainable and affordable services • To maintain and upgrade municipal assets <p><i>The key issues for 2009/10 were:</i></p> <ul style="list-style-type: none"> • Insufficient electrical capacity for new developments and connection upgrades • Consultants appointed for the 'Capacity Project" who completed the detailed design of the proposed Western Sub, 66kv overhead line and 11kv network • Overall maintenance issues as required maintenance continues to occur at the required rate due to financial constraints • Primary plant equipment such as main distribution transformers and breakers are fast deteriorating from unsafe to potentially unstable due to little or no maintenance. • Rural overhead lines and substations are a major operational and safety concern as the system continues to deteriorate. 		
Analysis of the Function:	<p>1 <i>Number and cost to employer of all personnel associated with the electricity distribution function:</i></p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Total Cost to Employer of Electrical Department</p>	<p><i>Number</i></p> <p>4</p> <p>12</p> <p>10</p> <p>65</p> <p>0</p> <p>1</p>	<p><i>R (000s)</i></p> <p>R19,311,439.93</p>

2	Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer Urban Division Rural Division	KWH 104,320,095.9 243,413,557.1	R (000s) R 39,375.6 R 91,876.4
3	Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer: Urban Division Rural Division	91,196,051.1 212,790,785.9	R 81,660.39 R 190,540.91
4	Total year-to-date electricity losses in kilowatt hours and rand 12.58%	kwh 43746816 kWh	value R15,831,972.71
5	Number of households with electricity access, and type and cost of service: Municipal Eskom Non-electrified (Eskom distribution area)	Households 8,978 64,125 16,728	R (000s)
6	Number and cost of new connections:	Number 58	R (000s) R 1,038,247
7	Number and cost of disconnections and reconnections Disconnections Reconnections	Number 1,945 765	R (000s) R14,702,493 R2,422,343
8	Number and total value of electrification projects planned and current: - Current (financial year after year reported on) (Farm Labour Housing) - Planned (future years) (Farm Labour Housing) - Current (financial year after year reported on) (Eskom Distribution Area)	Number 527 200 1 854	R (000s) R 2,329,698 R 1,600.00 R18,331,928
9	Anticipated expansion of electricity service: Currently expansion has been halted due to capacity constraints. Impossible to predict expansion once Phase 1 of improving the capacity has been concluded.	Households	R (000s)
10	Estimated backlog in number (and cost to provide) Electricity connection:	Number 16728	R (000s) R167,280.00
11	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household)	8619 50kWh	
12	Type and number of grants and subsidies received: D.M.E Grant for the electrification of farm labour housing & Villages (Eskom Distribution Area) List others here	1	R (000s) R20,829.00
13	Total operating cost of electricity distribution function		R3,892,613
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Electricity Infrastructure	R-value sourced to implement electricity recovery plan	R100M	R30M
	MVA increase of urban capacity	10MVA	0
	# of Farm labour houses electrified	509	527
Network	% of Substations maintained (11kv substations)	100%	100%

maintenance	% of Substations maintained (132/66/33/11kv)	100%	100%
	# Meter boxes maintained (Urban)	500	33
	# Meter boxes maintained (Rural)	40	37
	% of Auto reclosers maintained	14%	3%

5.14 Function: Electricity, Sub Function: Street Lighting

Reporting Level	Detail	Total	Cost
Overview:	The municipal is responsible for the provision and maintenance of public and street lights in the municipality' electricity distribution area i.e. Tzaneen, Letsitele, Gravelotte & Haenertsburg. It is also responsible in Eskom's distribution area such as Nkowankowa Township. The other responsibility is providing strategic lights in villages		
Description of the Activity:	<p><i>Street lighting responsibilities of the municipality are administered as follows and include:</i></p> <p>Maintenance and Installation of lights</p> <p><i>The municipality has a mandate to:</i></p> <p>Maintain all streetlights</p> <p><i>The strategic objectives of this function are to:</i></p> <p>To ensure safe community</p> <p><i>The key issues for 2009/10 were:</i></p> <p>Capital for new lights</p>		
Analysis of the Function:			
1	<p><i>Number and total operating cost of streetlights servicing population:</i></p> <p>Note: total streetlights should be available from municipal inventory</p>	<p>Number 2,829</p>	<p>R (000s) R257,123</p>
2	<i>Total bulk kilowatt hours consumed for street lighting:</i>	<p>kwh 2,791,341</p>	
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Target	Actual
Street lighting	% of Streetlights maintained	100%	100%
	# of new streetlights installed	140	0

5.15 Access to Free Basic Services

Table 57: Household Access to free basic services			
Service	Level of services (<i>detail of type of service provided and where</i>)	Number of Households benefitting	R-value to Household
Water	Urban areas are fully serviced and metered:	13,542	R 10,411,604
	<ul style="list-style-type: none"> Tzaneen, Nkowankowa, Lenyenye, Haenertsburg and Letsitele 		
	Rural areas receive water from stand pipes supplied by Water works and boreholes: some within 200m while others above 200m distances.		
	<ul style="list-style-type: none"> One borehole was drilled, tested and equipped at Morapalala village. 	358	R 430,000.00
	<ul style="list-style-type: none"> 28 vandalised and damaged boreholes were repaired. 	25,000	R 750,890.00
Water	<ul style="list-style-type: none"> 19 stand pipes in 8 streets were installed in Maribathema village. 	450	R 680,900.00
	<ul style="list-style-type: none"> 5 stand pipes in 2 streets were installed in JB village (Mohlaba cross) 	80	R 33,000.00
	There are those who were catered for by Water tankers during the times when boreholes were dry or vandalized.	59,687	R 44,000,000.00
Sanitation	Urban areas are receiving Waterborne sanitation.	13,542	R 11,000,000.00
	<ul style="list-style-type: none"> Tzaneen, Nkowankowa, Lenyenye, Haenertsburg and Letsitele <p>Majority of villages where there is no wastewater works or Septic tanks receive VIP: During 2009/2010 financial year 1682 VIP were built in rural communities</p>	59,687	R 40,000,000.00
Electricity		7173	R 235,000 per month
Solid Waste	Curbside collections in all formal towns	3,825	R 2.8 mil
	R.D.P. Communal Drop-of-Centers at schools	8,577	R 7.6 mil

5.16 Progress with Capital Projects as per the 2009/10 IDP

The Capital projects planned for 2009/10 is presented in Table 46. The projects presented are as contained in the SDBIP. It should however be noted that most of the projects as planned could not be funded due to the fact that GTM applied for a loan from DBSA, which was not approved in time.

Table 58: Progress with 2009/10 IDP Capital projects					
Project Name	Expected Output	Actual Achieved during 2009/10	Budget allocation	Total Expenditure	Ward
Engineering Services					
Water Meters		None, no funding	R 1,000,000	Loan not approved	20, 23
Rural road projects		None, no funding	R 11,900,000	0	
Mafarana to Sedan road		None, no funding	R 10,000,000	0	20, 25
Lephephane, Khopo, Khujwana road		None, no funding	R 10,000,000	0	18, 34
Morapalala road		None, no funding	R 7,000,000	0	1
Moruji, Thapane Road		None, no funding	R 7,000,000	0	7
Humps in Mokgapene, Mariveni, Nkambako, Bolobedu South and Nwamitwa	Speed humps to be constructed in Mariveni, Nkambako, Bolebedu, South and Nwamitwa	Humps completed	R 1,000,000	R 1,000,0000	
Pharare Access Road	Construction of 3.3 km gravel road	Constructed 3.3km gravel road	R 2,442,001	R2,336,966	27

Table 58: Progress with 2009/10 IDP Capital projects					
Project Name	Expected Output	Actual Achieved during 2009/10	Budget allocation	Total Expenditure	Ward
Ramotshinyadi Internal streets – Phase 1	Construction of 1.5km gravel road	Constructed 1.67km gravel road	R 4,846,565	R1,482,996	3
Rural Waste Removal – Phase 3	Construct 33 Public Off-loading facilities at rural schools	Constructed 34 Public Off-loading facilities at rural schools	R 16,000,000	R18,492,591	All wards
Gavaza Access Road	Construct 6.48km gravel road	Constructed 3.16km with 2.745km of stormwater	R 2,779,584	R2,878,945	28
Hweetsi Access Road – Phase 1	Construct 6.5km gravel road	Constructed 6.54 km gravel road	R 4,550,000	R3,434,609	21
Marironi Access Road phase 2	Construct 2.3km gravel road	Constructed 2.3km gravel road	R 3,156,456	R2,877,194	10
Makhefora Access Road – Phase	Construct 4.5km of gravel road	Constructed 4.5km gravel road	R 3,037,200	R2,780,557	
CFO					
IT Upgrade	IT infrastructure	Server & External drive	R 1,000,000	R11070.76	n/a
Municipal Manager					
Disaster Relief (housing)		None, no funding	R 100,000		All Wards
Electrical Engineering					
Rural Electrification		None, no funding	R 5,000,000		tbd
Rita turn-off Maake Street lighting		None, no funding	R 333,333		30

Table 58: Progress with 2009/10 IDP Capital projects

Project Name	Expected Output	Actual Achieved during 2009/10	Budget allocation	Total Expenditure	Ward
Nkambako four-way stop Street Lighting		None, no funding	R 333,333		5
Moruji, Relela Taxi Rank Street Lighting		None, no funding	R 333,333		7, 8
Mokwati Cross Street lighting		None, no funding	R 333,333		2
Mafarana Taxi Rank Street lighting		None, no funding	R 333,333		22
Nwamitwa Taxi Rank Street lighting		None, no funding	R 333,335		12
Rebuilding of lines		None, no funding	R 3,300,000		15
Power Factor correction equipment		None, no funding	R 1,500,000	0	15
Ring Feeds		None, no funding	R 700,000	0	15
Metering Units		None, no funding	R 100,000	0	15
Capital Tools (rural)		None, no funding	R 150,000	0	15
Auto Reclosers		None, no funding	R 800,000	0	15
Waterbok Upgrade		None, no funding	R 600,000		15
Strategic Lighting		None, no funding	R 400,000	0	15
Street Lights		None, no funding	R 1,000,000	0	15

Table 58: Progress with 2009/10 IDP Capital projects					
Project Name	Expected Output	Actual Achieved during 2009/10	Budget allocation	Total Expenditure	Ward
Capital Tools (town)		None, no funding	R 500,000	0	15
Upgrading of HT Cables		None, no funding	R 950,000	0	15
Purchase transformer (1x20Mva 66/11kv)		None, no funding	R 30,000,000	0	15
Electrification of Villages	Mafarana(1100), Ntsako(718), Lefara(463), Mugwazeni(500), Total of 2781 connections.	Mafarana(653), Ntsako(90), Lefara(256), Mugwazeni(855), Total of 1854 connections. Note:(After adding the savings from the farms there was a saving of R 468,373-71 for the 9/10 year which is transferred to the 10/11 year for farms and villages)	R17,978,400	R18,331,928.20	22
Farm Labour Housing (518 connections)	32 Farms registered with 560 connections	30 Farms done with 527 connections. Note: (Savings of R 300,000 from 8/9 year added to allocation resulted in a saving of R 851,901-92 for the 9/10 year. This saving was transferred to the villages for 9/10)	R2,880,600	R2,329,698.08	13,14,15,16,23
Planning and Economic Development					

Table 58: Progress with 2009/10 IDP Capital projects

Project Name	Expected Output	Actual Achieved during 2009/10	Budget allocation	Total Expenditure	Ward
Nkowankowa River Park	Upgrading of the Ritavi River Park through: <ul style="list-style-type: none"> • Earthworks • Removal & Grub exotic trees • Rehabilitation work • Planting and irrigation • Construction work • Gym equipment 	Earthworks, including Removal & Grub exotic trees, Rehabilitation work, Planting and irrigation done. <ul style="list-style-type: none"> • Construction work: Installation of gym equipment (90% complete) • Completion of ablution blocks (90% complete) • Installation of wooden suspension bridges (80% complete) 	R5,016,605.65	R3,626,667.95	19&21
Nkowankowa Cemetery Upgrading	Upgrading of cemetery through: <ul style="list-style-type: none"> • Earthworks • Construction • Planting & irrigation Upgrading gravel road	Earthworks: <ul style="list-style-type: none"> • Construction of a bridge (road to cemetery) permission must be obtained for approval and for the borrow pit from which 95% was raised. • Pedestrian paving (80% complete) • Planting (69% complete) 	R4,976,799.05	R1,685,055.38	19&21
Nkowankowa Entrance Points	Site clearance and trenching. Construction of signage wall, installation of concrete bollard, litter bins, concrete kerbing and street lights. Planting of	Site clearance and trenching. Construction of signage wall, installation of concrete bollard, litter bins, concrete kerbing and street	R3,809,292.09	R1,038,309.72	19&21

Table 58: Progress with 2009/10 IDP Capital projects

Project Name	Expected Output	Actual Achieved during 2009/10	Budget allocation	Total Expenditure	Ward
	lawns and trees. (Sept 2009) Brick retaining wall at entrance. Planting of encephalartos transvenosus or an alternative Supply of tools and equipment . Maintenance	lights. Planting of lawns and trees. (Sept 2009) Brick retaining wall at entrance (25% complete)			
Nkowankowa CBD Upgrade	These are projects to be derived from the IDP, from official's submissions and the Ward Councillors.	Not yet started. Service Provider appointed to commission study (Market/ economic). Draft Plan presented by Demacon on 15 March 2010. Final draft envisaged to be completed end May 2010 where after Council will make the final approval of projects to be implemented for Dan, Lenyenye and Nkowankowa. Work schedule to be submitted in July 2010	R5,074,911.96	0	19&21
Community Parks (Nkowankowa)		Tender documents completed Drawing Plans completed. Advertising, Adjudication & appointing contractor (80%). Closing date for bids was 16 October 2009.	R5,470,775.04		19&21

Table 58: Progress with 2009/10 IDP Capital projects					
Project Name	Expected Output	Actual Achieved during 2009/10	Budget allocation	Total Expenditure	Ward
		Work in progress although quality issues were raised with the Consultant. Site handover to the Service Provider deferred to 10 July 2010			

5.17 Service Delivery Backlogs

Water & Sanitation

The main challenge with regard to water and wastewater provisioning is the non adherence by Water Services Authority (MDM) to the Service Level Agreement (SLA) between them and GTM as the Water Services Provider. This challenge has resulted in a situation where GTM is also providing services in those areas transferred to MDM by DWAF without being financial assisted or refunded. The manner in which we are responding to the challenges and backlog does not help in eradicating service delivery complaints or reducing the before mentioned backlogs in both water and sanitation. Insufficient budget and minimal water quota from both Tzaneen and Ebenezer dams further prevent the Department to fulfill all its duty in addressing the needs of our communities

Solid Waste Removal

The following backlogs exist within waste management:

Waste minimization - Recycling at source ("yellow-bags") was undertaken in Tzaneen residential areas up until Sept'09,whereafter the M.S.P.(Municipal Service Provider) withdraw due to fluctuating market-price. Composting of ± 21,436 m3 organic waste (garden) is treated at a basic technology (no tub-grinder is available) composting site. Bulky organic waste cannot be

composted. Only 9,892 or 11% urban households (Total = 89,926 households) receive a full curbside service and only 8,577 or 10% of rural households at present receive a basic service.

Rural Waste minimisation – Up to 71,457 households (79%) are not serviced at present this is due to the lack of Community Development Workers (CDWs) to do awareness activities at Eco-club schools. A budget allocation of R 80 milj is required to appoint C.D.W. 's and removal Contractors

Treatment and disposal - One 11ha permitted landfill classified as a G.M.B- site, are managed in compliance with specifications, the expected life-span of the site is +- 20 years. Approximately R 15,000,000-00 is required to select, rank and erect a new site.

Pollution control - 1 Toilet-block at Lenyenye is not operational due to water failure. Also law Enforcement Officers are not appointed to assist in monitoring compliance to relevant policies and by-laws.

Waste Management administration and logistics – The organogram of the division has to be revised based on a workload assessment. The division also requires access to GIS to function optimally as electronic data capturing and analysis is essential.

Electricity

The Greater Tzaneen Municipality (GTM) benefits from the Integrated National Electrification Programme (INEP) through the annual energy forums' allocations of connections and direct applications by the municipality from the Department of Energy. The municipality has a total number of 125 villages, with an estimated 89 831 sites. All villages within the municipality are in Eskom's licensed distribution area. The total electrification backlogs are estimated at 16,728 ($\pm 18\%$). During the inception of the INEP, a criterion was determined within the energy forums for the annual allocations of connections received from the Department of Energy. The criterion took into consideration factors including backlogs, developmental nodal zones, previous benefits from the electrification fund and the IDP. However, the criterion allocation of connections is currently not being used. This resulted in inconsistency with annual allocations of funds for electrification of households in Eskom licensed distribution area. The current annual allocations do not take into consideration the backlogs that have to be eliminated. This is further compounded by the rise in cost per connection as determined by Eskom. The initial cost per connection was R3,600 in 2002. The current cost is estimated at between R 9,000 and R 12,000

per connection. In terms of the 2012/13 universal access, the current backlog of ±16,728 units should be eliminated within a period of 3 years (including the 2010/11 cycle). This translates to 5,576 connections per year at an average cost of R 58.548m per year.

Roads

The main challenges on roads and storm water is budget constraints, insufficient budget to reduce backlog on creation of new assets and maintenance of existing roads. The absence of a roads master plan and roads management systems together with insufficient funds to counter-fund MIG projects to create sustainable roads severely impact on the municipalities ability to improve the road network. There is also a shortage of skilled personnel. e.g. grader operators and other earth moving equipment. Lastly, heavy rainfalls that results in a number of roads and storm water systems being washed away increases the workload of the department. It should also be noted that a lack of cost recovery strategies in rural areas prevents the department from providing reliable service.

Table 59: Service Delivery Backlogs - Water

	2008/09			2009/10			2010/11		
	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (No of Households not Receiving Minimum Service)		29859			29319			28809	
Backlog to be eliminated as % (HH identified as backlogs / total HH in municipality)		5.0%			0.5%			1.0%	
Spending on new infrastructure to eliminate backlogs (R'000)	MDM Function								
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)	MDM Function								
Total Spending to eliminate backlogs (R'000)	MDM Function								
Spending on maintenance to ensure no new backlogs are created (R'000)	5,000,000	4,253,225	4,151,233	6,500,000	4,321,249	5,292,331	22,000,000	10,932,185	

Table 60: Service Delivery Backlogs - Sanitation										
		2008/09			2009/10			2010/11		
		Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (No of Households not Receiving Minimum Service)			29859			27637			23623	
Backlog to be eliminated as % (HH identified as backlogs / total HH in municipality)			5.0%			2.0%			4.0%	
Spending on new infrastructure to eliminate backlogs (R'000)	MDM Function									
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)	MDM Function									
Total Spending to eliminate backlogs (R'000)	MDM Function									
Spending on maintenance to ensure no new backlogs are created (R'000)	13,509,500	10,411,604	10,529,533	14,000,000	11,411,604	2,969,579	MDM	MDM	MDM	MDM

Table 61: Service Delivery Backlogs – Refuse Removal

Table 61: Service Delivery Backlogs – Refuse Removal									
		2008/09			2009/10			2010/11	
	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (No of Households not Receiving Minimum Service)		80034			80034			80,034	
Backlog to be eliminated as % (HH identified as backlogs / total HH in municipality)		89%			89%			89%	
Spending on new infrastructure to eliminate backlogs (R'000)	R58.889M	R6.690M	R6.690M	R52.199M	R16.058M	R16.058M	Not available	Not available	Not available
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)	R4.011M	R4.011m	R4.011M				Not available	Not available	Not available
Total Spending to eliminate backlogs (R'000)	R62.900M	R10.701M	R10.701M	R52.199M	R16.058M	R16.058M	Not available	Not available	Not available
Spending on maintenance to ensure no new backlogs are created (R'000)	R2,100M	R0.00M	R0.00M	R4.800M	R0.000M	R0.000M	Not available	Not available	Not available

Table 62: Service Delivery Backlogs – Electricity

Table 62: Service Delivery Backlogs – Electricity										
		2008/09			2009/10			2010/11		
	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual	
Backlogs to be eliminated (No of Households not Receiving Minimum Service)		20524			17699			16 728		
Backlog to be eliminated as % (HH identified as backlogs / total HH in municipality)		21%			18%			18%		
Spending on new infrastructure to eliminate backlogs (R'000)	Eskom Distribution Area	Unknown	Unknown	46,179,000.00	R 26,076,736.90		Unknown	Unknown	Unknown	
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)	Eskom Distribution Area	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	
Total Spending to eliminate backlogs (R'000)	Eskom Distribution Area	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	
Spending on maintenance to ensure no new backlogs are created (R'000)	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	

Table 63: Service Delivery Backlogs – Roads											
	2008/09			2009/10			2010/11				
	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual		
Backlogs to be eliminated (No of Households not Receiving Minimum Service)		83760									
Backlog to be eliminated as % (HH identified as backlogs / total HH in municipality)		81.70%									
Spending on new infrastructure to eliminate backlogs (R'000)	136,650,000	6,000,000	6,000,000	445 000 000	17 500 000	17 387 554	450 000 000	11 007 839		3 808 663	
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)	26,000,000	4,000,000	4,000,000	200 000 000	0	0	220 000 000	5 000 000		0	
Total Spending to eliminate backlogs (R'000)	162,650,000	10,000,000	10,000,000	645 000 000			670 000 000				
Spending on maintenance to ensure no new backlogs are created (R'000)	24 030 841			65 000 000	24 839 976	28 612 656	70 000 000	24 030 841		24 593 864	

5.18 Special Events

Sporting Events

Greater Tzaneen Municipality hosted a Public Viewing Area for the Fifa Soccer World Cup 2010 at the Nkowankowa stadium, with great success. GTM also arranged a Heroes Walk against AIDS which was very successful in our area where Hospice was visited and sport clinics were held. The Executive Mayors Charity cup was held at Nkowankowa stadium and while cluster indigenous games were held in all four clusters of GTM. Lastly, GTM staff attended the SAIMSA games hosted by Maputo. The maintenance of community sports grounds is a huge challenge as the limited maintenance budget is used for grading the sports grounds only. However, the area is prone to heavy rainstorms which nullify the efforts to grade the areas.

Arts & Culture Events

Arts and Culture talent search was conducted at the Lenyenye Community Hall where those who qualified proceeded to the District wide auditions held at Mokwakwaila. Preparations were also done for the GTM Jazz Festival which would take place along with the SAIMSA games during 2010/11. Providing support to for example the Tsonga Kraal and other cultural events such as the Traditional Healers dances is a challenge since the assistance required is limited. The availability of such support at the municipality is also being misused as in some instances the Mayor is invited to events purely to ensure that GTM maintain the area due to his presence.

Youth, Gender & Disability Events:

Annual Youth Assembly - The last Annual youth assembly was held at Tivumbeni in August 2008. The Annual Assembly of the Youth council was supposed to be held in August 2009, which was re-scheduled for May 2010 but failed due to budgetary constraints in the municipality. Ward Youth forums were launched in wards 1, 4, 5, 6, 7, 12, 13, 20, 24, 27, 28, 29, 30, 31, 32 and 33. The Youth Council had the following sessions:

- Committee Meetings 8

- Youth Unit 4

- Plenary 0

Back to school - The mayor embarked on a back to school campaign on the 13th & 14th of January 2010. He visited the following schools.

- Tzaneen Laerskool - Scholar patrol
- Zivuko High School - Motivational & congratulations on their performance
- Serorobele High School- Motivational speech.
- Mbhekawana High school- Accompanied Executive Mayor

STI Youth Dialogue - Jointly with the HIV/AIDS Co-ordinator, a Youth Dialogue on Sexually Transmitted Infections was held at Bulamahlo Thusong centre. Almost 100 Learners from Bokgaga High school and youth organisations from around Bulamahlo were work shopped by health practitioners.

Youth mobilisation for 2010 fifa world cup - A volunteer call was made for youth to register as volunteers to assist in the 2010 FIFA World cup. This was done on the 3rd of May in partnership with the National Youth Development Agency. 420 youth have registered and participated in activities like door to door campaign, mobilisation rallies and national symbol education as well as soccer events. These events took place at Nkowankowa township, Relela sports ground, Valoyi Traditional authority and Lenyenye stadium.

Limpopo business exhibition and conference - The Limpopo Economic Development & Environment & Tourism and National Youth Development Agency organised a national business exhibition & conference at Polokwane Jack Botes Hall from the 20th to the 22nd of April 2010. Lucky Mkhatswa Trading Enterprises represented the GTM youth enterprises by exhibiting their products. Eight other youth entrepreneurs also attend the event.

Representative council of learner's workshop - On the 5th of May 2010 we organised a workshop in partnership with Grace Mugodeni Youth Centre and Love life. The leadership of schools

ANNEXURE A

Figure 2: Greater Tzaneen Municipality - Administrative Structure 2009/10

