

2012/13

# ANNUAL REPORT



# GREATER TZANEEN MUNICIPALITY

**OFFICE OF THE MUNICIPAL MANAGER**

**Civic Centre**

**Agatha Street**

**Tzaneen**

**Contact no: 015-307 8000**

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## LIST OF ABBREVIATIONS

<b>ABET</b>	Adult Basic Education and Training
<b>AFS</b>	Annual Financial Statements
<b>APR</b>	Annual Performance Report
<b>BDS</b>	Blue Drop Status
<b>CBO</b>	Community Based Organisation
<b>CCMA</b>	Council for Conciliation, Mediation and Arbitration
<b>CDW</b>	Community Development Worker
<b>CFO</b>	Chief Financial Officer
<b>COGHSTA</b>	Department of Cooperative Governance, Housing, Settlements and Traditional Affairs
<b>COIDA</b>	Compensation for Injury Act
<b>CPMD</b>	Certificate Programme in Management Development
<b>DEAT</b>	Department of Environmental Affairs and Tourism
<b>DLTC</b>	Driver License Testing Centre
<b>DoC</b>	Drop off Centre (waste)

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<b>DSAC</b>	Department of Sports, Arts and Culture
<b>EPWP</b>	Expanded Public Works Programme
<b>ESD</b>	Engineering Services Department
<b>EXCO</b>	Executive Committee
<b>GAMAP</b>	Generally Accepted Municipal Account Principles
<b>GTEDA</b>	Greater Tzaneen Economic Development Agency
<b>GTM</b>	Greater Tzaneen Municipality
<b>GRAP</b>	Generally Recognised Accounting Principles
<b>HDA</b>	Housing Development Agency
<b>HIV</b>	Human Immunodeficiency Virus
<b>IDP</b>	Integrated Development Plan
<b>KPI</b>	Key Performance Indicator
<b>LED</b>	Local Economic Development
<b>LTA</b>	Local Tourism Association
<b>MDM</b>	Mopani District Municipality
<b>MEC</b>	Member of the Executive Committee
<b>MFMA</b>	Municipal Finance Management Act
<b>MFMP</b>	Municipal Finance Management Programme
<b>MIG</b>	Municipal Infrastructure Grant
<b>MPAC</b>	Municipal Public Accounts Committee
<b>MSA</b>	Municipal Systems Act
<b>NDPG</b>	Neighbourhood Development Partnership Grant
<b>NERSA</b>	National Energy Regulator of South Africa
<b>NGO</b>	Non Governmental Organisation
<b>NMC</b>	National Moderation Committee

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<b>NYDA</b>	National Youth Development Agency
<b>OHS</b>	Occupational Health and Safety
<b>PA</b>	Personal Assistant
<b>PMS</b>	Performance Management System
<b>PrDP</b>	Professional Drivers Permit
<b>PTH</b>	Personal to Holder
<b>RDP</b>	Reconstruction and Development Programme
<b>SAIMSA</b>	Southern African Inter Municipal Sport Association
<b>SALGA</b>	South African Local Government Association
<b>SALGBC</b>	South African Local Government Bargaining Council
<b>SANS</b>	South African National Standards
<b>SCM</b>	Supply Chain Management
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework
<b>VIP</b>	Ventilated Improved Pit (toilet)
<b>WACCA</b>	Wage Curve Collective Agreement
<b>WSA</b>	Water Service Authority
<b>WSP</b>	Water Service Provider
<b>YGD</b>	Youth Gender and Disability (Programme/ office)



# Chapter 1

## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD

During the 2012/13 financial year the Greater Tzaneen Municipality continued to bolster its position as one of Limpopo’s best managed municipalities. I, together with my executive leadership, with the support of fellow Councillors and officials worked tirelessly to turn the mandate given to us by our residents into tangible deliverables. We worked industriously towards the attainment of the goals as set out in our Integrated Developmental Plan, which is a result of vigorous consultation with members of our communities, across the whole stakeholder spectrum.

We have indentified, funded and in other instances solicited funding for infrastructure projects which will essentially bring into effect our Vision 2030. Vision 2030 seeks to gradually transform Tzaneen into a city over the next 16 years. These projects, we believe, are critical in providing an environment conducive for economic growth which will attract investors and tourists and create jobs in the process.

Our victory in the National Greenest Municipality Competition (GMC) has beyond any doubt cemented our place as the best municipality in terms of environmental management. Similarly, the retention of our Blue Drop Status for water proves that we are a high capacity municipality.

In the 2012/13 financial year we experienced work interruptions due to grievances by employees, specifically with regard to pay disparities. We fruitfully engaged with both the labour unions (IMATU & SAMWU) representing employees in a process referred to as benchmarking. This has resulted in officials being paid market related salaries. These salary adjustments have significantly improved employee morale.

It is also in this period that we succeeded in filling critical vacant positions in terms of Section 57 of the Municipal Systems Act (Act 32 Of 2000), as amended. The appointment of the Municipal Manager and Directors brought much needed stability to the institution.

We continue to support our neediest residents by subsidising their basic services through our indigent programme. However, access to clean drinking water remains a key challenge to most of

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our communities. Ageing infrastructure, theft, vandalism, financial constraints, illegal connections and bureaucratic red tape are some of the obstacles that we face as government in our quest to deliver clean drinkable water to all households. Our position is that, we have proven that we have the capacity to manage our own water services and therefore will continue to engage Mopani District Municipality, as the Water Service Authority, to transfer the powers and resources awarded to water service authorities to GTM.

As GTM Council, we strive for a better life for all and we are also committed to a transparent accountable government that is responsive to the needs of its residents. In 2012/13 we stayed committed to our vision of *creating prosperous communities that are also integrated and have full access to sustainable basic services*. We view sustainable, integrated service delivery partnerships as a prerequisite for economic growth. So much has been promised and so much has been achieved in the 2012/13 financial year but it must be acknowledged that much more could have been done, and done differently, to ensure that our people have access to services, programmes and products that can significantly improve the quality of their lives. Together we stand and divided we fall.

Together we can do more.

**Mayor**

**Her Worship,**

**Cllr. DJ Mmetle**

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## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

As we continue with our journey to deliver services to our communities, we are also mindful of the fact that that we are faced with unlimited needs, which must be satisfied with limited resources. It is therefore upon us, who were tasked with administrative responsibility, to ensure that the limited resources at our disposal are utilised effectively and efficiently.

The total Capital Expenditure of the municipality has increased from R54 627 000 in 2009/2010 financial year to R103,550,000 in 2012/13 financial year. In 2012/2013 the actual capital expenditure was R103,550,000 against a Capital budget of R115,091,000 thus representing 90% of the planned expenditure.

*The following were achieved in terms of service delivery during 2012/13 financial year:*

- While recognising that it is not all villages and schools that have constant water supply, 70 villages and 40% of rural schools were supplied with water through tankers. The municipality retained Blue Drop status.
- The municipality further, through the Mopani District Municipality, constructed 7000 VIP toilets.
- 1730 households were electrified.
- GTM continued with the upgrading of roads from gravel to tar. In the 2012/13 financial year the following roads were under construction: Mokgwati to Ramotshinyadi (including the Ramotshinyadi bridge), Sasekani to Nkowankowa, Senakwe to Morapalala and Mafarana to Sedan.
- The municipality continued with the grading of our rural roads, with 2355km graded for the year under review. This, while 29.7km was also re-gravelled.
- Uninterrupted, weekly kerbside solid waste collection services were provided in the 5 formal towns, while rural waste collection is done through the Expanded Public Works Programme (EPWP).
- GTM is also providing support to the Department of Sports, Art and Culture with the construction of 2 new libraries namely the Mulati and Shiluvane Libraries.

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Council also continues to run its business effectively, with all planned Council sittings taking place and the Mayors special programme was implemented as planned. In terms of issues of Good Governance GTM managed to appoint a Municipal Manager and all Directors during the 2012/13 financial year. The municipality further revised the Supply Chain Management Policy, to ensure compliance with the Preferential Procurement Policy Framework Act and the Supply Chain Management Regulations. During 2012/13 a Risk Management Unit was established and strategies and policies relating to Risk Management were developed and approved by Council. Also, in an effort to prevent labour strike action, the municipality completed and implemented a Salary Benchmarking and revised the Human Resource Policies. The 2012/13 financial year audit was however not concluded due to the fact that Consolidated Financial Statements were not audited.

While Roads, Water and Solid Waste remain major challenges to the municipality it is with great pride that we retained the Blue Drop Status for water. Also, the municipality won the **National Greenest Local Municipality Award**. This was achieved through a collective effort in terms of Waste Management, Energy efficiency, Water Management, Landscaping, Tree planting, Public Participation and Community Empowerment, along with Leadership and Institutional Management.

We will continue to combine all our efforts to ensure that there is efficient administration, ensuring that governments' goals are realised.

**Municipal Manager**

**Mr. ME Mankabidi**

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## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Greater Tzaneen Municipality has functions bestowed upon it by the Constitution of the Republic of South Africa (Act no 108 of 1996). Our functions are amongst others as follows:

- As a water service provider, the authority being Mopani District Municipality, Greater Tzaneen Municipality provides water through tankers to villages and areas where there is a shortage. The Municipality also assists with the refurbishment of boreholes in order to provide water to communities.
- The Municipality also provides refuse removal services.
- Provision of electricity.
- Provision of sanitation, in partnership with Mopani District Municipality.
- Provision of road and storm water infrastructure.
- Considering building plans and town planning applications

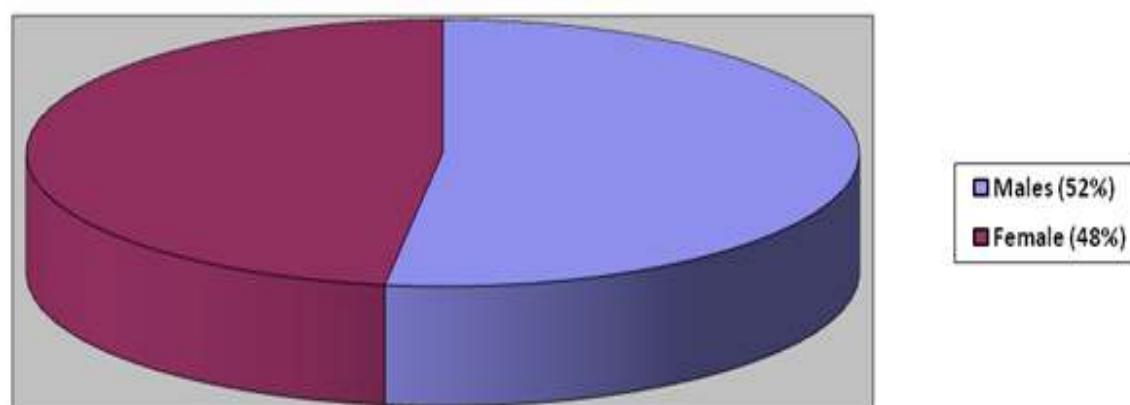
According to the Statistics South Africa (Census 2011), the Greater Tzaneen Municipality has increased its population from **375 588** to **390, 092** (an increase of 14 504) comprising of **181 558** males (Census 2001, **171 119**) and **208 536** females (Census 2001, **204 469**). Females still outnumber males as they comprise 53% of the population (54% during Census 2001). Young people between the ages of 14 – 35 constitute 40% (**156 900**) of the total population of the Municipality (See **Table 1**).

Age Group	2001			2011		
	Male	Female	% of Total	Male	Female	% of Total
Age 0-4	19086	19489	10.3%	24007	24002	13%
Age 5-9	23135	23624	12.4%	18877	18989	10%
Age 10-19	48442	49172	26.0%	40526	39299	21%
Age 20-29	29315	35811	17.3%	35280	37141	19%
Age 30-39	19388	28009	12.6%	20795	26950	13%
Age 40-49	13766	19780	8.9%	15236	22583	10%
Age 50-59	9142	10854	5.3%	10241	14761	7%
Age 60-69	4892	8936	3.7%	6220	8763	4%
Age 70-79	3956	8784	3.4%	2856	6335	2.4%
<b>Total</b>	<b>171122</b>	<b>204459</b>	<b>100%</b>	<b>174038</b>	<b>198823</b>	<b>100%</b>

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The graph below, **Figure 1**, represents the gender heads of households within the Municipality. According to the Statistics South Africa Census 2011, the Municipality comprises of 108 926 households (Stats Census 2001, 89,831), this represents an increase of 19 092. Males constitute 56,884 heads of households whereas females constituted 52 052. The above information shows a move in the of gender heads of households from females to males.

**Figure 1: Household heads by gender, 2011**



Source: Stats SA Census 2011

**Table 2: Socio Economic status 2008-2011**

Year	Housing backlog as proportion of current demand	Unemployment rate	% of Households with no income	% of Population in low-skilled employment	HIV/AIDS prevalence	Illiteracy rate for people older than 14
2008	14 101	20%	29%	Not known	13.00%	Not known
2009	14 145	20%	29%	Not known	28.50%	Not known
2010	13 688	20%	29%	Not known	Not known	Not known
2011	12 590	20%	29%	Not known	Not known	Not known
2012	12590	36%	13.37%	Not known	Not known	Not known

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<b>Settlement Type</b>	<b>Households</b>	<b>Population</b>
Towns: (Tzaneen, Letsitele, Lenyenye, Nkowankowa & Haenertsburg)	16433	65734
<b>Villages</b>		
Total of 131 villages	63 468	317 344
<b>Informal settlements</b>	0	0
<b>Total</b>	<b>79 901</b>	<b>383 078</b>

<b>Major Natural Resource</b>	<b>Relevance to the Community</b>
Land	Agricultural development Mining and quarrying Property development Grazing land for domestic and wild animals
Rivers, waterfalls and dams	Water for agriculture Human consumption Tourism development/promotion
Forests	Manufacturing/sawmills Improve biodiversity and biosphere Soil conservation
Nature Reserves	Environmental management Improvement of the eco-system Preservation of indigenous species and animals Tourism

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## 1.3. SERVICE DELIVERY OVERVIEW

Greater Tzaneen Municipality has a responsibility to provide services to its people. During the 2012/2013 financial year, projects aimed at improving the lives of the local people were implemented in various wards and the Municipality; these are presented in Table 5.

<b>Service</b>	<b>Activities</b>
<b>1. Water</b>	<ul style="list-style-type: none"> <li>✓ More than 70 villages supplied with water through tankers</li> <li>✓ More than 40 % of the schools in rural areas supplied with water through tankers</li> <li>✓ 82 new water meters installed</li> <li>✓ 676 burst water pipes reported and attended</li> </ul>
<b>2. Sanitation</b>	<ul style="list-style-type: none"> <li>✓ 1211 sewer blockages attended</li> <li>✓ 2452.9 Ml of sewer influent treated at Tzaneen wastewater works</li> <li>✓ 5 pump stations for sewer were built in Tzaneen and Dan Village</li> <li>✓ 5.0 km of Sewer bulk pipeline was constructed from Dan Village to Nkowankowa Sewage Works</li> <li>✓ More than 7000 households benefitted from VIP</li> <li>✓ 1200 stands in Tzaneen Extension 70 and 78 were reticulated with sewer</li> </ul>
<b>3. Electricity</b>	<ul style="list-style-type: none"> <li>✓ Strategic lightings installed in the following areas               <ul style="list-style-type: none"> <li>• Politsi</li> </ul> </li> <li>✓ For the financial year 2012/13, the following villages benefited:-               <ul style="list-style-type: none"> <li>• Joppie/Mavele 596 Unit</li> <li>• Mandlakazi 184 Units</li> <li>• Mokomotji 67 Units</li> <li>• Mathipa/Senopelwa 802 Units</li> <li>• Moime 81 Units</li> </ul> </li> </ul>
<b>4. Roads and Storm water</b>	<ul style="list-style-type: none"> <li>✓ 2355 km of internal streets in villages were graded</li> <li>✓ 29.7 km of internal streets regravelled</li> <li>✓ Small bridges constructed in Nkomanini and Shikwambane</li> <li>✓ 7595 m2 Tar patches done in Tzaneen town and all townships</li> <li>✓ 150 m2 sidewalks paved</li> <li>✓ Construction of concrete drift at Petanenge and Shikwambane. Installation of stormwater pipes at Mashakeni Street in Nkowankowa and Khopo. Installation of subsoil drains at Billy Maritz, Pikkie Kemp, Tony Law and Boet Lombard in Tzaneen. Construction of stone pitching at Petanenge and Shipungu.</li> </ul>
<b>5. Fleet Management</b>	<ul style="list-style-type: none"> <li>✓ Additional regravelling earthmoving equipment which was procured in 2011/2012 was only delivered in 2012/2013 which consisted of 4 tipper trucks, 2 roller compactors, 2 water tankers, and 2 TLB's</li> </ul>
<b>6. Waste Management</b>	<p><b>Waste Minimization</b></p> <ul style="list-style-type: none"> <li>✓ Recycling at source ("yellow-bags") is undertaken in all formal suburbs on voluntary basis by residents</li> <li>✓ Rural Waste Management: 10,767 or 11.5% urban households of 93,825</li> </ul>



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**Table 5: Service delivery initiatives 2012/13**

Service	Activities												
	<p>households receive a full kerbside service, where 88.5% of households are not serviced at present</p> <p><b>Collection &amp; Transportation</b></p> <p>A full kerbside collection service is rendered at the following towns, which represents only 11.5% of all households: -</p> <ul style="list-style-type: none"> <li>✓ Nkowankowa</li> <li>✓ Lenyenye</li> <li>✓ Letsitele</li> <li>✓ Haenertsburg</li> <li>✓ Tzaneen</li> </ul>												
<p><b>7. Building and Maintenance</b></p>	<ul style="list-style-type: none"> <li>✓ A total budget of R 380 000 was used to do emergency maintenance (which was not planned for) to meet OHS requirements and facilities regulations.</li> <li>✓ All smoke detectors in all municipal buildings and fire extinguishers were serviced to a total of R 200 000 to comply to the OHS act</li> <li>✓ Various planned capital projects on maintenance was carried out in municipal buildings to the cost of R 600 000</li> <li>✓ The projects below have been completed on operations and maintenance of municipal buildings (to an amount of R 470 000). <ul style="list-style-type: none"> <li>• Renovation of sewer plant</li> <li>• Tiling of Tzaneen Library</li> <li>• Installation of new air cons in engineering services offices</li> <li>• Renovation of municipal house in Letsitele.</li> </ul> </li> </ul>												
<p><b>8. Land, Property and Housing</b></p>	<p><b>Registration of Houses to Owners</b></p> <ul style="list-style-type: none"> <li>✓ 200 Title Deeds for Nkowankowa C</li> <li>✓ 472 Title Deeds for Dan Extension 2</li> </ul> <p><b>Transfer of sites</b></p> <ul style="list-style-type: none"> <li>✓ Portion 292 and 293 of the farm Pusela 555-LT (Talana Hostel and surrounding areas) donated to the Municipality by the Department of Public Works</li> <li>✓ Portion 37 Hamawasha/Tzaneen Extension 89 (McDonald) purchased by Rural Development and Land Reform on behalf of the Municipality. Awaiting the long process of State disposal to transfer the property to GTM.</li> </ul> <p><b>Leases</b></p> <p>Tenants of Pusela 6 signed a new lease agreement to rent as family units from December 2013 to December 2014.</p> <p><b>Areas earmarked for development</b></p> <p>Council entered into land availability agreement for development of the following extensions</p> <table border="1" data-bbox="587 1664 1404 1861"> <thead> <tr> <th>Town</th> <th>Developer</th> </tr> </thead> <tbody> <tr> <td>Dan Extension 1</td> <td>Dewcon</td> </tr> <tr> <td>Tzaneen Extension 13</td> <td>Phethego Projects</td> </tr> <tr> <td>Tzaneen Extension 53</td> <td>Phadima Holdings</td> </tr> <tr> <td>Tzaneen Extension 60</td> <td>Solidarity Developers</td> </tr> <tr> <td>Tzaneen Extension 78</td> <td>Ngoma Trading</td> </tr> </tbody> </table> <p><b>Installation of Services</b></p> <ul style="list-style-type: none"> <li>✓ COGHSTA is funding the installation of services (water, sewer and road</li> </ul>	Town	Developer	Dan Extension 1	Dewcon	Tzaneen Extension 13	Phethego Projects	Tzaneen Extension 53	Phadima Holdings	Tzaneen Extension 60	Solidarity Developers	Tzaneen Extension 78	Ngoma Trading
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Tzaneen Extension 78	Ngoma Trading												

# Chapter 1

<b>Service</b>	<b>Activities</b>														
	grading) at Dan Extension for an amount of R 8, 187, 000.00 ✓ COGHSTA is also funding the installation of services (water, sewer and road grading) at Dan Village for 2000 sites and an amount of R 44, 000,000														
<b>9. Library Services</b>	<ul style="list-style-type: none"> <li>✓ 93984 Library users were assisted</li> <li>✓ 80907 Books were lent out</li> <li>✓ 116 Displays set up</li> <li>✓ 104 Groups hosted</li> <li>✓ 3 Holiday programmes arranged and hosted</li> <li>✓ 10 Major and 16 minor book related events arranged</li> <li>✓ 1039 Learners participated in the GTM annual competition</li> <li>✓ 650 School project themes assisted with.</li> </ul> <b>New Libraries:</b> <ul style="list-style-type: none"> <li>✓ New Library under construction at Shiluvane by the DSA &amp; C at original cost of R 4, 221, 059.00. To open in 2013/14</li> <li>✓ New Library under construction at Molati by the DSA &amp; C at original cost of R 4, 326, 904.60. To open in 2014/15.</li> </ul>														
<b>10. Licensing Services</b>	<table border="1"> <thead> <tr> <th><b>Service</b></th> <th><b>Number/ Value</b></th> </tr> </thead> <tbody> <tr> <td>Vehicle registration</td> <td>12,287</td> </tr> <tr> <td>Vehicle renewal</td> <td>54,202</td> </tr> <tr> <td>Traffic fine payment</td> <td>R5 559 480</td> </tr> <tr> <td>Issuing of driving license</td> <td>18415</td> </tr> <tr> <td>Issuing of learners license</td> <td>7 665</td> </tr> <tr> <td>Issuing of public driver's license</td> <td>3 618</td> </tr> </tbody> </table>	<b>Service</b>	<b>Number/ Value</b>	Vehicle registration	12,287	Vehicle renewal	54,202	Traffic fine payment	R5 559 480	Issuing of driving license	18415	Issuing of learners license	7 665	Issuing of public driver's license	3 618
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<b>11. Sport, Arts and Culture</b>	<b>Events</b> <ul style="list-style-type: none"> <li>✓ Hosted Cluster Indigenous games</li> <li>✓ Hosted Municipal Indigenous games</li> <li>✓ Hosted Cluster Arts and Culture competition</li> <li>✓ Hosted Municipal Arts and Culture competition</li> <li>✓ Hosted Mayors Cup 2011 and 2012</li> <li>✓ Supported Youth camps</li> </ul>														

A summary of access to basic services is presented in Table 6:

<b>Financial Year</b>	<b>Service</b>			
	<b>Electricity</b>	<b>Water</b>	<b>Sanitation</b>	<b>Waste collection</b>
2008/2009	70%	53%	13%	9%
2009/2010	81%	76.30%	32.90%	10.20%
2010/2011	82.80%	80%	40.20%	11%
2011/2012	85%	80%	42.02%	12%
2012/2013	89%	72%	44.6%	12%

# Chapter 1

Ensuring universal access to basic services is entrenched in the Vision of GTM however, budget constraints does not allow for these services to be extended as would be ideal. It is especially in the case of waste collection that the municipal budget is insufficient to fund waste removal services in large, sparsely populated rural areas, especially since cost recovery is not yet workable. Mopani District Municipality is the Water Service Authority (WSA) and therefore has authority over water and sanitation service expansion, while GTM is only the Water Service Provider in the 5 formal towns within the our area of jurisdiction. This limits our ability to address the water and sanitation backlogs which are a priority to our rural communities.

# Chapter 1

## 1.4. FINANCIAL HEALTH OVERVIEW

Like many other municipalities in our country Greater Tzaneen Municipality also experience challenges with the provision of service to our community. Sound financial management principals have however been adhered to, to ensure that services are provided economically, sustainably and equitably to all communities. To promote sustainable service delivery Council embarked on the implementation of a range of revenue collection strategies which also optimized the collection of outstanding debts. An amount of R61 million has been levied by way of property tax and R356 million was sourced from services charges. 97,3% of the total service charges were billed during the financial year of which 91,1% was collected.

Apart from revenue collection the Municipality also placed high emphases on the delivery of basic service and the maintaining of infrastructure. An amount R759 million has been spent on operating activities of which 12% or R92 million was used to maintain Council's assets. Council ended the financial year with a surplus of R10.8 million, but conditional grant allocations to the amount of R31 million have not been spent during the financial year. It must however be mentioned that a loan (R30 million), budgeted for the financing capital projects, has not been taken up and that all capital projects have been financed through own funds or grants

<b>Details</b>	<b>Original budget</b>	<b>Adjustment budget</b>	<b>Actual</b>
<i>Income</i>			
Grants	273 584	278 658	283 116
Taxes, Levies and tariffs	416 553	416 553	417 228
Other	65 875	67 075	48 545
<b>Sub Total</b>	<b>756 012</b>	<b>762 286</b>	<b>748 889</b>
<i>Less Expenditure</i>	<b>738 953</b>	<b>754 127</b>	<b>759 675</b>
<b>Net Total*</b>	<b>17 059</b>	<b>8 159</b>	<b>10 786</b>
*Note: surplus/deficit			

It is evident from the figures contained in Table 7 that there are variances between the budgeted and actual figures. The total budgeted and actual income however differs with only 1.76%. With regard to the expenditure, it is confirmed that employee related cost exceeded the budget by R35 million, due to the benchmarking of salaries with other municipalities. The provision for bad debt was also

# Chapter 1

overspend by R41 million. This overspending is accommodated by savings on repairs and maintenance, interest paid on external borrowings, grants, and subsidies paid and general expenses. The difference between total budget and total actual expenditure amounts to R5.5 million or 0.74%.

Detail	Percentage
Employee Cost	26.1%
Repairs and Maintenance	6.5%
Finance Charges and Depreciation	16.0%

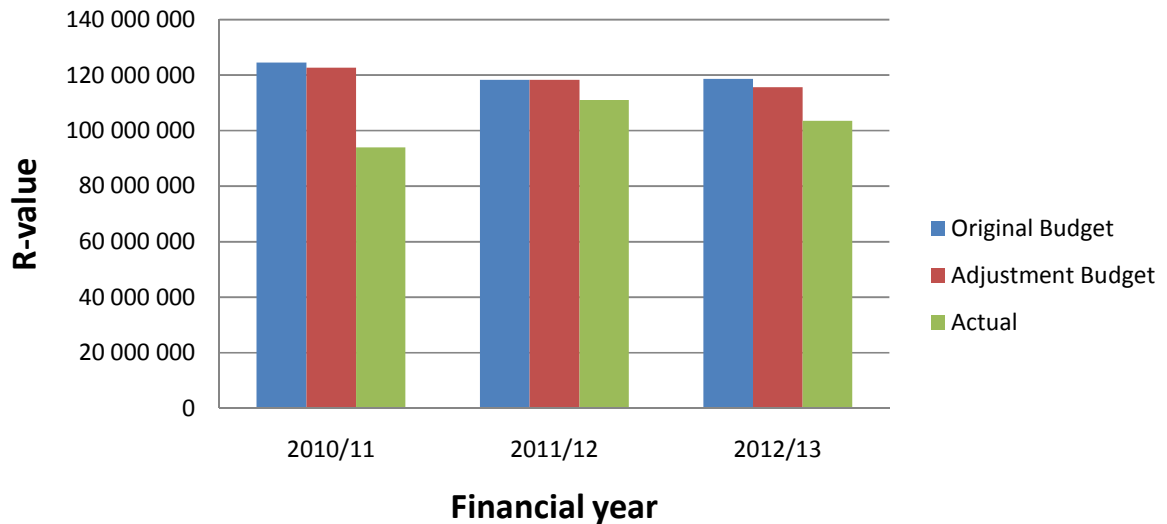
As presented in Table 8, employee cost represents 26.1% of the total Expenditure which is well below the acceptable norm of 35%. Repairs and maintenance represents only 6.5% of the total expenditure, this is due to the fact that the employee cost allocated to operating activities has been taken out of repairs and maintenance cost. If the labour cost is included in the repairs and maintenance cost it represents 12,1% of the total actual expenditure. Finance charges and depreciation represents 16,0% of the total expenditure which is acceptable.

Detail	2009/2010	2010/2011	2011/12	2012/13
Original Budget	154 704	124 553	118 376	118 655
Adjustment Budget	154 704	122 763	118 376	115 091
Actual	54 627	94 017	111 074	103 550

The 2012/2013 financial year ended with an actual capital expenditure of R103 million, compared to the budget of R118 million (also see **Figure 2**). A request for roll-over of some of the capital projects, which have not been finalized during the 2012/2013 financial year, has been submitted to National Treasury for approval.

# Chapter 1

**Figure 2: Total Capital Expenditure 2011/12 - 2012/13**



## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

The latest Organizational Design took place during the beginning of 2011 to ensure that the organogram is aligned to the powers and functions to be conducted by the Greater Tzaneen Municipality as well as for the smooth execution of the IDP. Adhoc requests for the amendment of the organogram for the 2012/13 financial year was done as and when required. As on 30 June 2013 a total of 1441 positions were approved of which 660 were filled with 781 vacancies. A comprehensive explanation of this matter can be found in **Chapter 4**. The organisational structure (attached as [Annexure A](#)) for 2012/2013 was not adopted by Council and the report to rectify and to comply with Section 66 of the Municipal System Act (Act 32 of 2000), has been generated and is subject for approval.

# Chapter 1

## 1.6. AUDITOR GENERAL REPORT

The Council is responsible for the preparation of the Annual Financial Statement for each financial year which fairly presents the state of affairs of Council. The 2012/13 Annual Financial Statements of Council were prepared in accordance with Generally Recognised Accounting Practice (GRAP) prescribed in terms of section 91(1)(b) of the Public Financial Management Act.

The report by the Auditor General, which should have been finalized and submitted to the Mayor and Municipal Manager by the end of November 2013, has been submitted to the municipality only on the 1<sup>st</sup> of August 2014, eight months after the due date. The 2012/2013 management report from the Auditor-General was only received on the 27<sup>th</sup> of August 2014 when the 2013/ 2014 Annual Financial Statements were almost finalised.

Council received a Qualified Audit Opinion for the 2012/ 2013 financial year and the qualification is mainly based on findings regarding the following matters.

- Property , plant and equipment / roads infrastructure
- Investment property ( Assets)
- Expenditure
- Budget information
- Irregular expenditure
- Aggregation of immaterial uncorrected misstatements.

# Chapter 1

## 1.7. STATUTORY ANNUAL REPORT PROCESS

**Table 10: Annual reporting process**

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 <sup>th</sup> quarter SDBIP Report for previous financial year	
4	Submit draft Annual Performance Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual performance reports to MM	
6	Audit/Performance Committee considers draft Annual Performance Report of Municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Performance Report	
9	Municipality submits draft Annual Performance Report including consolidated annual financial statements to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Performance Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report is tabled to Council by the Mayor made public	January
15	Annual Report is made public and inputs/comments are invited	
16	Municipal Public Accounts Committee (MPAC) assesses Annual Report	February
17	Council adopts Oversight report from MPAC	March
18	Oversight report is made public	
19	Oversight report is submitted to relevant provincial Council	



# Chapter 1

The reporting timeframes as presented in the table above are as legislated. It is however important to distinguish between the Annual Performance Report (APR) and the Annual Report. The Annual Performance Report is an annual report on the actual achieved in relation to the targets set in the Service Delivery and Budget Implementation Plan (SDBIP), as approved for the specific financial year. This report must be submitted to the Auditor General along with the Annual Financial Statements (AFS). Then, upon the approval of this report, an Annual Report is drafted where the status of all municipal affairs for the financial year is reflected upon with the APR and AFS as addendums. The Annual Report has to serve before Council by 30 January to allow the MPAC to consider it and report to Council by 30 March. The APR needs to be considered during the Analysis Phase of the IDP during August and September to ensure that the strategic plan of Council is adjusted to address the challenges highlighted. The revised IDP will then form the basis of the budget and SDBIP for the new financial year.

# Chapter 2

## CHAPTER 2 – GOVERNANCE

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Municipal Structures Act defines a Municipality amongst other as a structure with political office bearers and administration components; a geographic area; and the community of the Municipality. In other words, a Municipality consists of a municipal institution (political and administrative structures), and the people who live in the local area. The term can also be used to refer to a local area which falls within a municipal boundary.

#### **Roles**

The roles of these two components can briefly be defined by generally outlining key responsibilities mandated by various legislations thereto, without specifically dealing with the provisions of these pieces of law.

#### **Rights and duties of municipal Councils (political component):**

The Council of a Municipality has the right to govern, on its own initiative, the local government affairs of our local communities; and to exercise the Municipality's executive and legislative authority without interference. Councils must respect the rights of citizens in the way in which they exercise their powers. Council may finance the affairs of the Municipality by charging fees for services, imposing surcharges on fees or property rates, and (when allowed by national legislation) imposing surcharges on other taxes, levies and duties. Council has duties as well as rights that, amongst others, include the duties to:

- Exercise their powers and use their resources in the best interests of our communities;
- Provide, without favour or prejudice, democratic and accountable government
- Encourage the participation of the communities;
- Ensure that municipal services are provided to the communities in an equitable, and financially and environmentally sustainable manner;
- Promote development in the Municipality;
- Promote gender equity;
- Promote a safe and healthy environment in the Municipality; and

# Chapter 2

- Contribute to the progressive realisation of the fundamental rights contained in the Constitution.

The Municipal Systems Act obliges Council to consult the local community about municipal services. Communities should have a say in the way in which services are delivered; the level of services; the quality of services; and the range of services which are provided.

## **Duties of Municipal Administrations**

The Municipal administration has a number of duties towards our communities, which could be summarised as follows:

- Being responsible for the general administration and accounting of the functionaries of the Municipality;
- Being responsive to the needs of the local community;
- Establishing clear channels of communication with all sectors of the society and governance;
- Informing the local communities about the services which they are entitled to receive; and
- Informing the local community how the Municipality is managed, what it spends its money on, and who is in charge.

The Municipal administration also has the duty to facilitate a culture of public service and accountability amongst staff, and taking measures to prevent corruption. It is therefore expected that the Municipality must fulfil these duties as far as possible, taking into account the budget and capacity they have available.

---

## 2.1 POLITICAL GOVERNANCE

The key functions of the political component in the administration of the Municipality are as briefly explained above.

### **Oversight Function.**

Over and above other legislative requirements that provides for specific actions towards municipal oversight, a Municipal Council remains responsible for the specific oversight of the general administrative work of the Municipality. In as far as specific requirements is concerned, the Municipality did establish the following Committees to play an oversight role on various matters of Municipal work, particularly on fiscal matters:

1. Executive Committee

# Chapter 2

2. Finance Committee
3. Municipal Public Account Committee (MPAC)

On the administrative component, the Internal Audit Unit also serves as bedrock for fiscal guidance and accountability.



## **POLITICAL STRUCTURE**

### **Function**

#### **MAYOR**

Mrs. DJ Mmetle

The Mayor provides political guidance, monitor and oversee the exercise of responsibilities assigned to the Municipal Manager (accounting officer) and the Chief Financial Officer without interfering in the exercise of those responsibilities. Take the reasonable steps to ensure that the Municipality performs its constitutional and statutory functions within the limits of the Municipality's approved budget.



#### **SPEAKER**

Mr. Phetole Percy  
Machete

The Speaker preside over meetings of the Council, perform the duties and exercise the powers delegated in terms of Section 59 of the Municipal System Act. Ensure that the Council meets at least quarterly, maintain order during meetings. Ensure compliance in the Council and Council Committees with the Code of Conduct set out in Schedule 1 of the Municipal System Act, and ensure that Council meetings are conducted in accordance with the rules and orders of Council.



#### **CHIEF WHIP**

Mr. Napoleon  
Mboweni

The Chief Whip ensures that the strategic direction adopted by the Municipality is in line with the mandate and policy directives of the ruling party. Discuss with the Office of the Speaker the order of the Council. Arrange caucus for the EXCO and Council meetings. Receive and consider applications for leave of absence by Councillors for caucus meetings. Ensures that majority party Councillors submit their programmes to the office of the Speaker and of the Chief Whip for monitoring purposes. Provide political support for the Committee Chairs, to carry out Party political functions in Committees.

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## **EXECUTIVE COMMITTEE**

1. Cassius Machimana
2. Rirhandzu Selomo
3. Samson Maunatlala
4. Charlotte Nkhwashu
5. Richard Shingange
6. Sevwane Nkuna
7. Buku Jack Sekgotodi
8. Morepiwa Makgomole
9. Rene Pohl

The Executive Committee gives political direction to the executive management team. Provide recommendation to Council in respect of its executive and legislative powers. Work closely in a co-ordinated and co-operative relation with the Municipal Manager. The EXCO 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.

Greater Tzaneen Municipality has 68 Councillors, 34 Ward Councillors who are directly elected and 34 proportional representation Councillors. The ANC has 59 seats, the DA 5 seats; Cope 2, ACDP and APC each have a seat. The ANC is in charge of 32 of the 34 wards and the rest is led by the DA. The Executive Committee consists of 10 members, which is chaired by the Mayor. 8 members of the Committee chairs a Portfolio Committee made up of other Councilors and officials. The Mayor, Speaker, Chief Whip, MPAC Chairperson and four other Councilors, who are also part of EXCO, are fulltime Councilors. The Members of the MPAC are as follows:

Cllr. S Mbhalati (Chairperson)

Cllr. S Mboweni

Cllr. G Mabuza

Cllr. TS Manyama

Cllr. M Sibiyi

Cllr. Mokgoloboto

Cllr. S Mahori

Cllr. J Ramodipa

Cllr. A van Vuuren

Cllr. G Ghondzweni

Cllr. L Hlangwani

Cllr. H Zandamela

# Chapter 2

## 2.2 ADMINISTRATIVE GOVERNANCE

The Municipal Manager of a Municipality is the Accounting Officer of the Municipality for the purposes of the MFMA and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the Municipality and any entity under the sole or shared control of the Municipality. GTM had 8 directorates during 2012/13 being:

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

In order to synergize the activities of the political functions in Council an 8<sup>th</sup> Department, namely, that of the Office of the Mayor was created during the organizational review process. This Department will only be sourced and become operational with effect from 1 July 2013; currently the functions are managed by the Corporate Services Director. It will be headed by a Manager (Office of the Mayor) with divisions for Councillor Support and special programs. In the Councillor Support leg the functions of PA, Secretary, Clerk, Mayoral Driver, etc will be found; whilst on the special programs leg, the functions for HIV/AIDS, Gender, Disability and Youth are catered for. The latter is all cross-cutting issues that impacts on all programs/projects of Council.

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## TOP ADMINISTRATIVE STRUCTURE

### TIER 1

#### MUNICIPAL MANAGER

Mr ME Mankabidi



### Function

Accounting Officer, Also managing, IDP, PMS, Disaster Management, Internal Audit and Risk Management.

### TIERS 2 AND 3

#### CHIEF FINANCIAL OFFICER

Ms N Lion



Manage Revenue, Expenditure, Supply Chain and Financial Services, Assets Management and Reporting, Budgeting

#### DIRECTOR: Community Services

Mr OZ Mkhombo



Manage Environmental Health, Cleaning services, waste removal, licensing and testing, law enforcement, parks, cemeteries, recreational facilities, libraries and sports, art and culture

#### DIRECTOR: Electrical Engineering

Mr P van den Heever



Manage Electricity service provision and infrastructure maintenance in service area

#### DIRECTOR: Planning & Economic Development

Mr. J Nkuna



Manage Town Planning, Housing, Land development, Local Economic Development and tourism

#### DIRECTOR: Corporate Services

Vacant

Manage Legal services, Human Resource, Public Participation, Communication, Administration and Record Management and Marketing and IT

#### DIRECTOR: Engineering Services

Ms Dikeledi Makoti



Manage Water, Sanitation, Roads and storm water service provision and maintenance, fleet and municipal buildings.

# Chapter 2

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

The MSA Section 3 (Act 32 of 2000) requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution S41. The Municipality, as a third sphere of government, continues to work and cooperate with the other spheres of government in the country. The Municipality, through various representatives from administration and the political wing, attend District and Provincial intergovernmental forums. These forums play an important role in enhancing cooperative governance and intergovernmental relations within the three spheres of government. Through these forums, a sphere of government are able to integrate plans and programmes to ensure that service delivery is improved and challenges are addressed in time.

### 2.3 INTERGOVERNMENTAL RELATIONS

The enactment of the Intergovernmental Relations Act, Act no. 13 of 2005, has ushered in the era of cooperative governance in our country. It is in light of this that the Greater Tzaneen Municipality participated and/or was represented in the forums at different levels, i.e. National, Provincial, District and Locally. The forums such as the National SALGA Membership Assembly, the National Municipal Managers' forum were attended in order to share and keep abreast of strategic information regarding local government. Greater Tzaneen Municipality also participated in the provincial intergovernmental structures such as the Premier's IGF, Provincial Municipal Managers' forums, CFO's forums, Planning and Economic Development forum.

The Municipality, through various representatives from administration and the political wing, was also able to attend district forums such as the District Intergovernmental Forums, District Mayor's Forum, District Municipal Managers Forum, District Speaker's Forums and the District Development Planning Forum. Through these forums, the Municipality was able to benefit by learning from other municipalities in terms of best practice and also to guide the district in terms of service delivery priorities and priority areas in Greater Tzaneen Municipality.



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## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### 2.4 PUBLIC MEETINGS

The Municipality is obliged through amongst other legislation such as the Municipal Systems Act, act no. 32 of 2000, to involve communities and community stakeholders in the affairs of the Municipality. Therefore, municipalities are stakeholder driven in character and nature.

It is against this backdrop that the Greater Tzaneen Municipality has developed a system of community participation and communication in order to achieve its objective of public accountability and transparency. Critical service delivery units were established in order to realize this task namely, Council Support, Public Participation, Communication and IDP. The following are public participation and communication avenues that are available;

- Quarterly Community report back meetings by Ward Councilors
- IDP/Budget
- Ward Committee monthly assessment meetings
- Annual Mayoral Address
- Half year Progress Report by the Mayor
- Annual IDP/Budget community and focused groups' consultation meetings

To this end, our Municipality has never received a negative reaction from the MEC COGHSTA, the MEC Treasury, Minister Treasury, stakeholders, or the community in general on the processes required for the adopting of the IDP/Budget or any other policy of Council. Key to our public communications and participatory initiatives, we have established and produce the following interactive mediums:

- Face book Page – Greater Tzaneen Municipality
- GTM Website – [www.tzaneen.gov.za](http://www.tzaneen.gov.za), updated weekly
- Complaints and Compliments Box – at the foyer of the Municipal offices
- Report from Presidential and Premier's Hotlines

The impact that this medium has had was that it put our Municipality in direct, daily contact with our communities and stakeholders, hence receiving information when it matters most, where it matters

# Chapter 2

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most. The participatory system of Greater Tzaneen has further changed because ward Committees were established from community stake holders. In this instance the stakeholder forum cluster forums which are responsible to draft ward Committee programmes, interrogate monthly ward reports and also monitor the issues from ward Committees to the community. The accountability of the participatory Committee now is improved. The clusters are also managed by political heads, who are full time Councillors, to manage issues from community directly.

Greater Tzaneen Municipality has also established a Representative Forum consisting of Councillors, representatives from Ward Committees, NGO's, CBO's, Sector Departments. According to the IDP/Budget and PMS process plan (which is reviewed annually) this forum must meet at least once per quarter to consider the IDP, service delivery progress reports and make inputs into these three processes. Unfortunately, during 2012/13 this forum could only convene 3 times throughout the year. It must however be mentioned that, in order to strengthen the participatory process 2 other participatory processes are embarked on, on an annual basis:

- Ward needs analysis conducted on a ward level during the Analysis phase of the IDP
- Ward based budget contact sessions where the draft budget is presented to the wards with an opportunity for community members to make inputs into the budget prior to finalisation.

The IDP Representative forum is not as effective as we would like it to be, since documentation is usually not available to forum members prior to meetings. Service Delivery reports are also not submitted to this forum on a regular basis. This is something that GTM wants to improve on. It must further be noted that the IDP, Budget, SDBIP and Annual Report of Council is placed on the GTM website: [www.tzaneen.gov.za](http://www.tzaneen.gov.za) for the public to view. Hard copies of these documents are also made available at Thusong Centres, Libraries and Traditional Authority offices.

The participatory system of Greater Tzaneen has changed because ward Committees was established from community stakeholders. In this instance the stakeholders forms cluster forums which are responsible to draft ward Committee programmes, interrogate monthly ward reports and also monitor the issues from Ward Committee to the community. The accountability of the participatory Committee has now improved. The clusters are also managed by a political head who manage issues direct from community on a fulltime basis.

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**Table 11: Public meetings held during 2012/13**

Nature & purpose of meeting	Date	Number of Councilors in attendance	Number of Municipal Officials in attendance	Number of Community Members in attendance	Dates and manner of feedback given to the community
<b>Mayoral Public Participation</b>					
Mayoral Imbizo	07/04/2013	25	12	165	Community Feedback ; 09/06/2013
Mayoral Imbizo	07/09/2013	35	12	326	Community Feedback
<b>IDP Representative Forum</b>					
To serve as a platform for stakeholders to input and comment on matters of planning and budgeting	27 /08/2013	14	30	32	None
	25/03/2013	34	19	54	07 April '13 (Public Participation)
	27/05/2013	20	27	13	24 May '13 (Public Participation)
<b>COMMUNITY OUTREACH PROGRAMME</b>					
Community Feedback (Ward 19- Nkowankowa Community Hall	03/07/2012	1	3	85	Community Feedback Meeting
Community Feedback (Ward 01- Matipane Village	14/11/2012			107	Community Feedback Meeting
Community Feedback (Ward 04 – Nwamungololo Primary School	21/07/2013	1	2	194	Community Feedback Meeting
Community Feedback (Ward 05 – Village	09/06/2013	1	0	70	Community Feedback Meeting
Community Feedback (Ward 27- Bulamahlo MPCC Hall	25/09/2013	2	2	137	Community Feedback Meeting

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The four clusters of GTM being Lesedi, Bulamahlo, Runnymede and Relela have each established a cluster forum which will deal specifically with communities in and around the clusters with regard to the service rendered by the Municipality. These clusters also play an oversight role while strengthening the participation of these communities in service delivery. Service delivery priorities as identified through participatory processes are presented in **Table 12** below:

Ward	Priority name and detail	Progress during 2012/13
1	Provision of water and grading of Internal streets	Water remains a challenge; however, the Municipality is delivering water through tankers as a way to alleviate the problem. Streets are being graded through a municipal wide ward programme
2	Provision of water and a construction of a clinic	Water remains a challenge; however, the Municipality is delivering water through tankers as a way to alleviate the problem. A clinic has not yet been constructed. The priority has been submitted to the Department of Health as it falls within their function
3	Provision of water pipelines at Ga-Wally and Radoo, grading of internal streets at Ga-Wally, provision of bridge on Radoo graveyard road and tarring of road from Xihoko to Radoo	Water remains a challenge; however, the Municipality is delivering water through tankers as a way to alleviate the problem. Streets are being graded through a municipal wide ward programme. The bridge has not yet been constructed and the road from Xihoko to Radoo not yet tarred.
4	Provision of Water	Water remains a challenge; however, the Municipality is delivering water through tankers as a way to alleviate the problem.
5	Provision of water and grading of Internal streets	Water remains a challenge; however, the Municipality is delivering water through tankers as a way to alleviate the problem. Streets are being graded through a municipal wide ward programme
6	Provision of water	Water remains a challenge; however, the Municipality is delivering water through tankers as a way to alleviate the problem.
7	Provision of water at Kheopeng and Moruji, grading of internal streets and the tarring of Mavele to Moruji road	Water remains a challenge; however, the Municipality is delivering water through tankers as a way to alleviate the problem. Streets are being graded through a municipal wide ward programme. The Mavele to Moruji road has been budgeted for by the Mopani District Municipality for implementation during the 2013/14 financial year
8	Provision of water	Water remains a challenge; however, the Municipality is delivering water through tankers as a way to alleviate the problem.
9	Provision of water, grading of internal streets and construction of a	Water remains a challenge; however, the Municipality is delivering water through tankers as a way to alleviate the problem. Streets are being graded through a municipal wide ward programme. The bridge is

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<b>Table 12: Service Delivery priorities per ward (Highest Priority first)</b>		
<b>Ward</b>	<b>Priority name and detail</b>	<b>Progress during 2012/13</b>
	bridge	budgeted for implementation during the 2015/2016 financial year
10	Provision of water	Water remains a challenge; however, the Municipality is delivering water through tankers as a way to alleviate the problem.
11	Provision of water and the tarring of Thapane to Moruji road	Water remains a challenge; however, the Municipality is delivering water through tankers as a way to alleviate the problem. The Thapane to Moruji Road planned for 2013/14
12	Construction of a bridge to Lwandlamuni school, speed humps and provision of water	The Khubu to Lwandlamuni low level bridge is budgeted for implementation during the 2014/15 and 2015/16 financial years ,Speed humps has been constructed and water remains challenge, however, Municipality is delivering water through tankers as a way to alleviate the problem
13	Provision of houses	Farm houses have not yet been provided to Mieliekloof and Tarentaal communities
14	Tarring of road from Tzaneen/Modjadjiskloof to Politsi, Electricity, water and Houses at Maribethema and Politsi	The road from Tzaneen/ Modjadjiskloof to Politsi is under construction, Water remains a challenge, and however, Municipality is delivering water through tankers as a way to alleviate the problem. Maribethema is being electrified currently during 2013
15	Water & Electricity Supply capacity	The issue of water remains a challenge in town and in terms of electricity capacity; the Municipality has budgeted about R 75 million for the upgrading of electricity network over the next three years, until the 2015/16 financial year.
16	Provision of water	Water remains a challenge; however, Municipality is delivering water through tankers as a way to alleviate the problem.
17	Provision of water at Mokgoloboto and grading of internal streets at Dan	Water remains a challenge; however, Municipality is delivering water through tankers as a way to alleviate the problem. Streets are being graded through a municipal wide ward programme
18	Provision of water and the connection of tar road to R36 road	Water remains a challenge; however, Municipality is delivering water through tankers as a way to alleviate the problem. The road has not yet been connected to R36 road
19	Tar road to graveyard	Tar road to graveyard constructed
20	Tar road from TEBA to Dan Clinic and the grading of internal streets	Tar road constructed. Streets are being graded through a municipal wide ward programme
21	Tarring of internal streets	Internal streets not yet tarred
22	Construction of Gavaza to Mafarana tar road and the grading of internal streets	Gavaza to Mafarana tar road is budgeted for implementation during the 2014/15 financial year. Streets are being graded through a municipal wide ward programme.
23	Provision of water, houses and grading of internal streets	Water remains a challenge; however, Municipality is delivering water through tankers as a way to alleviate the problem. Hundred (100) houses constructed in Mariveni and streets are being graded through a

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<b>Table 12: Service Delivery priorities per ward (Highest Priority first)</b>		
<b>Ward</b>	<b>Priority name and detail</b>	<b>Progress during 2012/13</b>
		municipal wide ward programme
24	Provision of water and tar road from Khopo to Letsitele	Water remains challenge, however, the Municipality is delivering water through tankers as a way to alleviate the problem and the road from Khopo to Letsitele tar road is budgeted for implementation during the 2014/15 and 2015/16 financial years.
25	Provision of water	Water remains a challenge; however, the Municipality is delivering water through tankers as a way to alleviate the problem.
26	Provision of water	Water remains a challenge; however, the Municipality is delivering water through tankers as a way to alleviate the problem.
27	Grading Makhubidung to Sekoto internal street tar and Serututung via Makhubidung to Shoromong tar road	The road from Dr CN Phatudi via Pharare to Mokgapeng not tarred. Water remains a challenge; however, the Municipality is delivering water through tankers as a way to alleviate the problem. Streets are being graded through a municipal wide ward programme and the road from Serututung via Makhubidung to Shoromong has not been tarred
28	Dr CN Phatudi via Pharare to Mokgapeng tar road and provision of water at Gavaza, Burgersdorp and Mineview	Water remains challenge; however, the Municipality is delivering water through tankers as a way to alleviate the problem.
29	Provision of water	Water remains a challenge; however, the Municipality is delivering water through tankers as a way to alleviate the problem.
30	Construction of a bridge between Nabane and Ticklyline and the grading of internal streets	Bridge not yet constructed and Streets are being graded through a municipal wide ward programme.
31	Development of a new Lenyenye cemetery and supply of water 24 hours a day	Land has been secured from Chief Mohlaba and the Municipality is currently developing the cemetery. A consultant was appointed to do layouts and that has been completed. Supply chain management processes are underway to procure palisade fencing and other necessities for the graveyard. The supply of water, 24 hours a day, remains a challenge.
32	Provision of water and grading of Internal streets	Water remains a challenge; however, the Municipality is delivering water through tankers as a way to alleviate the problem. Streets are being graded through a municipal wide ward programme
33	Bokgakga to Mogoboya tar road, Internal street, provision of water (Bokgakga) and Houses	The tar road from Bokgakga to Mogoboya has been completed. Streets are being graded through a municipal wide ward programme. Water remains a challenge; however, the Municipality is delivering water through tankers as a way to alleviate the problem. Houses not yet constructed.

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<b>Table 12: Service Delivery priorities per ward (Highest Priority first)</b>		
<b>Ward</b>	<b>Priority name and detail</b>	<b>Progress during 2012/13</b>
34	Provision of water and the construction of tar road on the Lephepane to Khujwane road	Water remains a challenge, however, the Municipality is delivering water through tankers as a way to alleviate the problem and the road from Lephepane to Khujwane is almost 99% complete

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## 2.5 IDP PARTICIPATION AND ALIGNMENT

<b>Criteria</b>	<b>Yes/no</b>
Does the Municipality have impact, outcome, input and output indicators?	Partially
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	No
Does the budget align directly to the KPIs in the strategic plan?	No
Do the IDP KPIs align to the Section 57 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIS align with the provincial KPIs on the 12 Outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within the stipulated timeframes?	Yes

During the 2012/13 Financial Year GTM requested the Auditor General to visit the Municipality to assist Management with improving the measurability of performance objectives as set out in the IDP. The presentation made by the AG resulted in the adjustment of the Service Delivery and Budget Implementation plan for 2012/13 but also in a major improvement in the Strategies Phase of the 2013/14 IDP. However, in terms of impact indicators GTM still needs to improve. In most instances the impact of the services delivered by Council is not measurable unless an intensive evaluation thereof is conducted, the PMS office currently does not have the manpower to be able to do this. The alignment of the SDBIP and IDP for 2012/13 has however shown a marked improvement from the previous year with hardly any non-alignment issues highlighted by COGHSTA.



# Chapter 2

## COMPONENT D: CORPORATE GOVERNANCE

Corporate Governance has a broad scope. It includes both social and institutional aspects. Corporate Governance encourages a trustworthy, moral, as well as ethical environment. Corporate Governance ensures transparency which guarantees strong and balanced economic development. This also ensures that the interests of all stakeholders are safeguarded and that all stakeholders fully exercise their rights since, the organization fully recognizes these rights.

Some of the benefits of Good Corporate Governance:

- Ensures corporate success and economic growth.
- Maintains stakeholders' confidence, as a result of which, the institution can raise capital efficiently and administrative effectively.
- It lowers the capital cost.
- It provides proper inducement to the (political) principals as well as managers to achieve objectives that are in interests of the stakeholders and the organization.
- Minimises wastages, corruption, risks and mismanagement.
- It helps in brand formation and development.
- Ensures organization in managed in a manner that fits the best interests of all.

### 2.6 RISK MANAGEMENT

Risk management is an essential component of good governance which every institution should have and manage. Section 62(1) (c) (1) of the MFMA (Act 56 OF 2003) requires that the accounting officer must maintain effective, efficient and transparent system of financial and risk management and internal control. Risks can be maintained effectively if institutions establish risk units and appoint risk officers who can take charge of the risks and report to the Risk Committee timorously. A risk unit was established in April 2013. The unit developed policies and facilitated Risk Assessment Workshops from April to June 2013. Service departments play an important role in Risk Management as it is their responsibility to manage risks. This must be done by developing an effective system of internal controls to minimise risks within their sphere of operations. They are invited to participate in the risk assessment process on an annual basis, by identifying risks within their departments.

# Chapter 2

## 2.7 ANTI-CORRUPTION AND FRAUD

Fraud and anti-corruption strategies and policies are also component of good governance. The Municipality has a fraud and anti-corruption policy but no Committee has been established to oversee the function. A Fraud and Anti-corruption policy and strategy were developed and approved by Council on 28 June 2013. There is further a Supply Chain Management Policy in place, which provides for the separation of Committees such as the specification Committee, evaluation Committee, adjudication Committee and eventually the approval by the accounting officer. Councillors are excluded from participating in any of the above mentioned Committees. The Municipality has also established an internal audit unit and a shared Audit Committee with the Mopani District Municipality, of which the members are non municipal employees or Councillors. Recommendations of audit Committee are contained in [ADDENDUM G](#).

## 2.8 SUPPLY CHAIN MANAGEMENT

The MFMA Chapter 11, SCM Regulations 2011, PPPFA as incorporated by BBBEEA 2011 and relevant Treasury practice notes and circulars as set out are used by the institution to comply with the prescripts. The latter all contributes to the successful procurement of goods and services, and minimizes the opportunities for fraud and corruption. In the financial year 2012/2013 the Council has approved the SCM Policy (January of 2013) as required by prescripts, and will annually review and implement the Policy. It should also be noted that the Policy covers all aspects required by prescripts relevant to the same. The Policy covers all elements that should form part of the policy, these include:

- Demand Management
- Acquisition Management
- Logistics Management
- Disposal Management
- Risk Management and
- Performance Management

It should further be noted that in terms of corporate governance the unit is compliant and that during 2013/14 the policy will be subjected to a review.

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## Other Financial Matters

- The Unit is currently outsourcing a database system, which will contribute to full compliance with the set prescripts and ensure that the unit is well functioning. This, in itself, will have a financial impact.
- The function of requesting for quotations has been centralised within the SCM Unit to avoid abuse of the system
- The training of bid Committees and SCM officials was implemented during the appointment of new Committees, the process will be outsourced to capacitate the members and officials in the daily running of the SCM processes

## 2.9 BY-LAWS

During the year under review, no By-Law was revised due to Budget Constraints; however, provision will be made for the 2013/2014 financial year.

**Table 14: By-laws introduced during 2012/13**

By-law	Revised	Newly Developed	Public participation conducted prior to adoption (yes/no)	Date of public participation	By-Law gazetted	Date of publication
Street Trading By-Law	No	Yes	No	None	No	To be identified
Health By-Laws for pre-school institutions	No	Yes	No	None	No	To be identified
Cemetery By-Laws	No	Yes	No	None	No	To be identified
Electricity By-Laws	No	Yes	No	None	No	To be identified
Keeping of Animals By-Law	No	Yes	No	None	No	To be identified
Water Services By-Law	No	Yes	No	None	No	To be identified
Education Loans By-Law	No	Yes	No	None	No	To be identified
Financial By-Law	No	Yes	No	None	No	To be identified
Flammable Liquids By-Law	No	Yes	No	None	No	To be identified
Rules of Order & Probity By-Law	No	Yes	No	None	No	To be identified
Traffic policy By-Law	No	Yes	No	None	No	To be identified
Drainage By-Laws	No	Yes	No	None	No	To be identified

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## 2.10 WEBSITES

The website was revamped following the guidelines of the MFMA (Section 75). Documents and pages are updated regularly. Compliance with the MFMA is ensured by continuously liaising with all divisions which are responsible for posting information in the website.

**Table 15: Municipal Website: Content and Currency of Material**

<b>Documents published on GTM website</b>	<b>Yes/No</b>	<b>Publishing date</b>
Current and annual adjustment budget related documents	Yes	March 2013
All current budget related documents	Yes	August 2013
2011/12 Annual Report	Yes	August 2013
2012/13 performance agreements and plans for Section 57 Managers	Yes	August 2013
All service delivery agreements for 2012/13	No	N/A
All long-term borrowing contracts for 2012/13	Yes	August 2013
All Supply Chain Management contracts above a prescribed value (given value) for 2012/13	No	N/A
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of Section 14(2) or (4) during 2012/13	No	N/A
Contracts agreed on in 2012/13 to which subsection (1) of Section 33 apply, subject to Subsection (3) of that Section	No	N/A
Public-private partnership agreements referred to in Section 120 made in 2012/13	No	N/A
All quarterly reports tabled in Council in terms of Section 52(d) during 2012/13	Yes	August 2013

The rural Broadband project, which is in its second phase, will address the e-Campus or smart Municipality. This include amongst others, establishing public points in Post Office branches and other public areas for community to access Municipal information and information about government services in general.

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

No customer satisfaction survey was conducted during 2012/13; therefore the level of public satisfaction is not certain.

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## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

This chapter contains service delivery results for 2012/13 relating to the various functions performed by GTM. For a summary of service delivery achievements refer to the Executive summary of the Municipal Manager.

### COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; housing services; and a summary of free basic services.

#### 3.1. WATER PROVISION

Greater Tzaneen Municipality (GTM) had signed a Water Services Provider contract with Mopani District Municipality (MDM) on the 9<sup>th</sup> of June 2011. MDM is the Water Services Authority (WSA) and according to this contract MDM will provide bulk water services to GTM while GTM will provide water services to the consumers as well as collection of revenue. Approximately 70% of the GTM area consists of rural villages where water provision is not yet as expected. **Table 16** presents water service delivery output for 2012/13.

No	Water Works	Water Quota in m <sup>3</sup>	Abstracted in m <sup>3</sup>	Pumped in m <sup>3</sup>	Plant loss in %	R/ m <sup>3</sup>
1	Georges Valley	2,370,000.0	3,295,411.0	3,196,621.0	3.0	0.5
2	Tzaneen Dam	1,230,000.0	2,358,718.0	2,329,234.0	1.3	0.3
3	Letsitele	418,270.0	173,546.0	308,887.0	9.0	0.4
4	Boreholes	8,500.0	165,941.0	0.0	0.0	0.0
	<b>Total</b>	<b>4,026,770.0</b>	<b>5,993,616.0</b>	<b>5,834,742.0</b>	<b>4.4</b>	<b>1.2</b>

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It should be noted that, since all water assets have been transferred to MDM, a detailed report regarding the expenditure on water will be contained in their Annual Report. This section will only reflect on those aspects managed by GTM, on behalf of the WSA.

There are eleven Water Treatment Works within the jurisdiction of Greater Tzaneen Municipality. There are also more than 300 boreholes drilled to augment the existing water sources. These are managed and operated as follows: Three (3) waterworks operated by GTM, three (3) water works operated by Lepelle Northern Water and five (5) operated by MDM. These waterworks as well as boreholes are unable to provide basic water to 108 926 households evenly in GTM. The majority of the households are in rural areas (126 villages) where water are to be supplied through boreholes and waterworks which are either dry or not receiving regular maintenance or not maintained at all. Some waterworks were designed for a small community and now, with the current growth rate, the works cannot cope with the demands. Dysfunctional boreholes and waterworks compelled GTM to provide water, especially in villages, through water tankers. This arrangement was made as a temporary measure but eventually prolonged as various boreholes in villages, clinics and schools were found to be dry.

GTM has been allocated 3,600,000 m<sup>3</sup> of water from Tzaneen and Ebernezer dams. Letsitele Water works has an allocation of 418 290 m<sup>3</sup> per annum. The growth rate from 2007 had seen the allocation being insufficient. Application for an increase to 6,000,000 m<sup>3</sup> from both Ebernezer and Tzaneen dams had not been successful since the both dams are said to be over allocated. The capacity of the waterworks are also at their maximum. The Water Potfolio Committee had recommended, after holding cluster meetings, that the list to upgrade be sent to Mopani District Municipality as WSA to consider upgrading the water works. Five villages, Mariveni, Khujwana, Tours, Nkambako and Fobeni were recommended by Potfolio Committee as those that will receive households connection and be metered for cost recovery. The recommendation was backed by an understanding that the villages are close to waterworks and have constant supply.

Water and sewer services were provided to 1200 stands in Tzaneen (Extension 70 and 78) as well as Sewer installation in Dan Village for 2000 stands. These services were funded by COGHSTA. Water reticulation and 70 stand pipes were also installed in Ramotshinyadi by Resolve funded by USAID.

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**Table 17: Total use of water by Sector (cubic meters)**

Financial Year	Agriculture	Forestry	Industrial	Domestic	Water Losses
2008/2009	Not known	Not known	384653	7055971	12%
2009/2010	Not known	Not known	356720	7459927	7%
2010/2011	Not known	Not known	293122	143964	11%
2011/2012	Not known	Not known	511932	6812885	9%
2012/2013	Not known	Not known	1029166	7600712	16.3

**Table 18: Household access to water 2010/11 - 2012/13**

Level of access	2010/2011		2011/2012		2012/2013	
	Nr of Households	% of Total	Nr of Households	% of Total	Nr of Households	% of Total
Piped water inside house	13008	13.12	13798	14	17292	15.9
Piped water inside yard	21545	21.74	21545	21.74	21168	19.4
Public standpipe within 200m	18432	18.60	18432	18.6	15315	14.1
Public standpipe further than 200m	15790	15.93	15790	16	23264	21.4
Other (Below minimum level)	29530	29.79	28930	29.2	31631	29
No water supply	812	0.82	622	0.63	256	0.2
<b>Total Households</b>	<b>99117</b>	<b>100.00</b>	<b>99117</b>	<b>100</b>	<b>108926</b>	<b>100</b>
Nr of Households receiving Free Basic water	1 254		2 003		1 743	
Nr of Households receiving 24hr piped water	34 553	34.86	34 553	34.86	53 775	49.3
Budget allocation for water supply*	R 1 445 000.00		R 2 750 000		R 2 750 000	

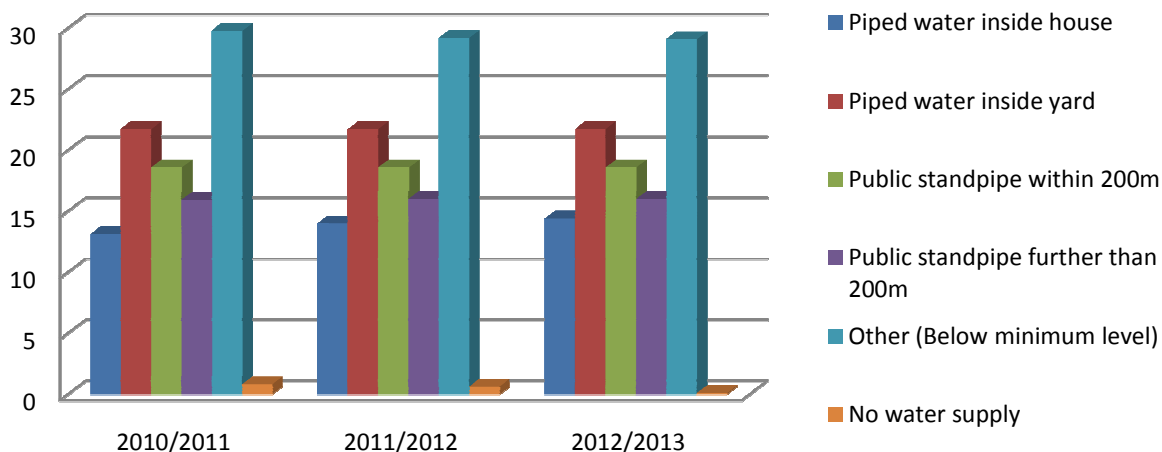
\*MDM allocation to GTM

**Table 19: Targets for providing access to water**

Water Access Target	Year	Cost
300	2013/14	R 3,150.000
300	2014/15	R 3, 500,000
1200	2015/16	R 14, 000,000

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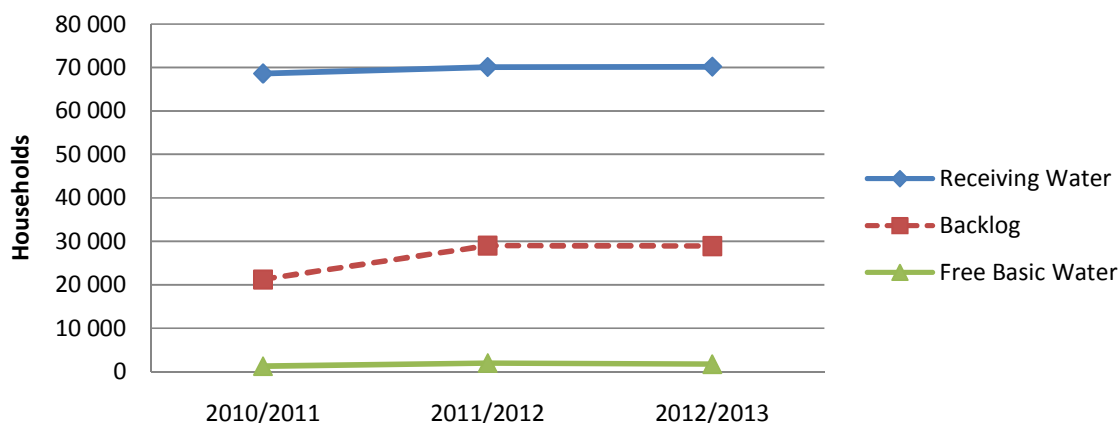
**Figure 3: Household Access to Water (%)**



**Table 20: Households receiving Free Basic Water,**

Year	Total Households	Receiving Water	Backlog	Free Basic Water
2010/11	89 831	68 589	21 242	1 254
2011/12	99 117	70 092	29 025	2 003
2012/13	99117	70187	28930	1743

**Figure 4: Household water backlog**





# Chapter 3

Greater Tzaneen Municipality had retained its Blue Drop (Drinking Water Quality) status for the third year running. The awards (Gold category) which were handed over by Deputy Minister of Water Affairs, Ms. Joyce Mabudafhasi at the Cape Town International Conventional Center (ICC) on the 7<sup>th</sup> of May 2012 are for Tzaneen and Letsitele Water systems. GTM is one of only two local municipalities to be certified Blue Drop in Limpopo and one of only 98 nationally. The systems (starting from abstraction to the tap), which produce a combined 25 mega million litres, had to meet the following requirements.

1. Water Safety Plan Process and Incident Report Management
2. Process Control, Maintenance and Management Skill
3. Drinking Water Quality Monitoring Programme
4. Drinking Water Sample Analysis Credibility
5. Submission of Drinking Water Quality Results
6. Drinking Quality Compliance
7. Publication of Drinking Water Quality Management Performance

The awards indicate GTM's high level of professionalism, performance and compliance. They will also boost GTM's tourism prospects and investment. The Blue Drop Status (BDS) is recognized globally and has a potential to allay tourist fears of contacting Water Borne Diseases when drinking or using water. High water quality is also essential for the production of food and beverages, hence ensuring GTM's commitment in ascertaining a quality of human life.

Water and wastewater treatment works which needed upgrade were recorded, to be sent to Water Services Authority for them to include in their budget. The outcome of water samples taken for Blue Drop certification is presented in the tables below:

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<b>Determinants</b>	<b>Tzaneen</b>	<b>Nkowankowa</b>	<b>Letsitele</b>	<b>Haenertsburg</b>	<b>Recommended-Class1</b>
Ph (-logH)	9.08	8.31	7.58	8.79	5.0-9.7
Turbidity (NTU)	0.49	0.79	0.72	0.71	<1
Colour (as Pt)	10.21	12.56	11.92	6.79	<20
Conductivity (mS/m)	7.48	9.54	36.68	8.71	<150
Temperature °C	23.09	24.32	24.23	21.91	
Total Dissolved Solids (mg/l)	36.62	47.72	195.97	42.72	<1000
Total Alkalinity (mg/l)	27.94	40.25	147.56	22.25	
Total Hardness (mg/l)	42.88	71.5	199.44	38	
Calcium Hardness as CaCO <sub>3</sub> (mg/l)	39.59	67.75	198.65	34.23	
Calcium as Ca (mg/l)	15.85	27.15	79.54	13.71	<50
Magnesium Hardness as CaCO <sub>3</sub> (mg/l)	3.28	3.75	0.79	3.77	
Magnesium as Mg (mg/l)	0.8	0.93	0.19	0.92	<70
Sodium as (Na) (mg/l)	7.26	7.25	34.47	1.45	<200
Potassium as K (mg/l)	1.27	1.8	1.82	5.32	<50
Chloride as Cl (mg/l)	5.36	8.13	23.52	9.95	<200
Fluoride as F (mg/l )	0.27	0.4	0.28	0.09	<1
Sulphate as SO <sub>4</sub> (mg/l)	0.6	0.88	22.47	0.13	<100
Nitrate as N (mg/l)	0.04	0.13	1.65	0.04	<10
Iron as Fe (mg/l)	0.07	0.08	0.12	0.11	<0.2
Manganese as Mn (mg/l)	0.01	0	0.02	0.01	<0.1
Ammonia as N (mg/l)	0.53	0.37	0.19	0.19	<1.0
Aluminium as Al (mg/l)	0.04	0	0.02	0.03	<300
Zinc as Zn (mg/l)	0.31	1.38	1.29	0.97	<5.0
Langelier Sat. Index	0.67	-0.15	-0.16	-0.51	
Ryznar Index	8.77	8.63	7.86	9.69	
Corrosivity Ratio	0.32	0.36	0.38	0.68	
CaCO <sub>3</sub> Precipitation potential (mg/l)					
Free Res. Chlorine (mg/l)	0.45	0.52	0.42	0.65	
E.Coli (count/100ml)	0	0	1.72	0	0
Total Coliform Bacteria(count/100ml)	0	0	2.49	0	≤10

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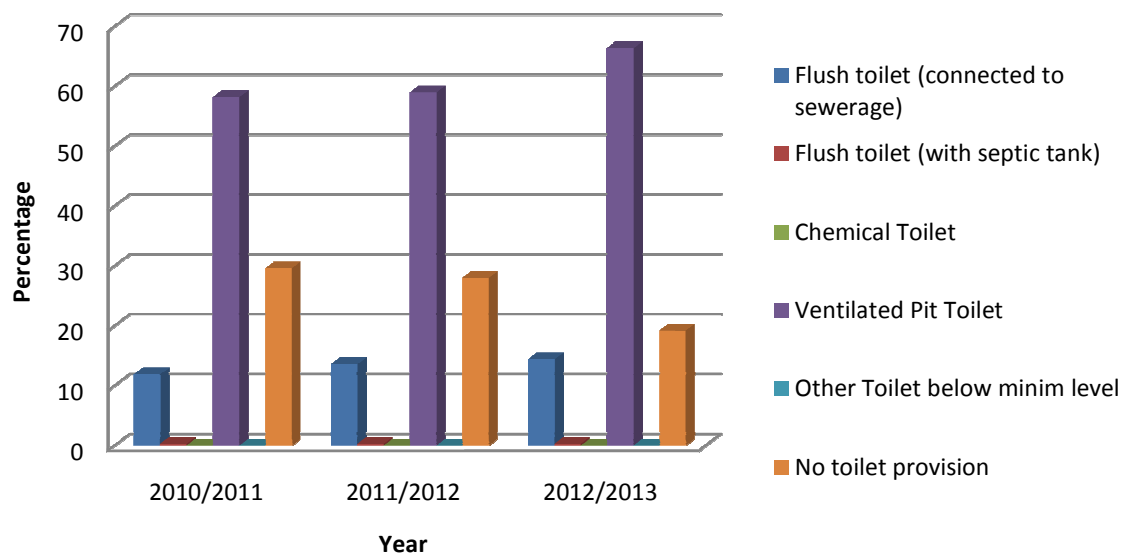
## 3.2 WASTE WATER (SANITATION) PROVISION

Greater Tzaneen Municipality is a Water Services Provider, whereas Mopani District Municipality is a Water Services Authority. Mopani allocates a certain amount of VIPs (sanitation) to GTM, based on the backlog. GTM's function is to monitor the building of the VIPs. For 2012/2013 financial year 7000 VIPs were allocated to Tzaneen by MDM. The Sewer network was expanded to include 2000 stands in Dan Village. 235 VIP's were allocated to Tzaneen by Department of Human Settlement. 1200 stands in Tzaneen Extension 70 and 78 were installed with sewer and water distribution network. In total 7,235 VIP were constructed during the financial year 2011/12 – 2012/13 while 2000 stands received waterborne sewer connection.

Level of access	2010/2011		2011/2012		2012/13	
	Nr of Households	% of Total	Nr of Households	% of Total	Nr of Households	% of Total
Flush toilet (connected to sewerage)	11799	11.9	13514	13.6	14276	14.4
Flush toilet (with septic tank)	284	0.3	284	0.3	284	0.3
Chemical Toilet	0	0.0	0	0	0	0
Ventilated Pit Toilet	57715	58.2	58569	59	65804	66.4
Other Toilet below minimum level	0	0.0	0	0	0	0
No toilet provision	29319	29.6	26750	28	19037	19.2
<b>Total Households</b>	<b>99117</b>	<b>100.0</b>	<b>99117</b>	<b>100</b>	<b>99117</b>	<b>100</b>
No of Households receiving Free Basic sanitation	919		1 367		1743	
Budget allocation for sanitation services	R7 135 317		R8 229 848		R 8 229 848.00	

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**Figure 5: Household access to Sanitation**



**Table 23: Waste Water performance for Certification 2012/13**

Performance Area	Tzaneen Sewage	Nkowankowa Sewage	Lenyenye Sewage
Technology	Biological (Trickling ) Filters Anaerobic digestion	Biological (Trickling ) Filters Anaerobic digestion	Anaerobic ponds/fulcatative ponds, Lagoons
Design Capacity (Ml/day)	8	4.5	1
Operational % i.t.o Design Capacity	75	93.3	50
Microbiological Compliance	95%	80%	60%
Chemical Compliance	58%	25%	5%
Physical compliance	98%	93%	60%
Annual Average effluent quality compliance	84%	66%	42%
Wastewater Risk Rating (%CRR/CRRmax)	45%	53%	77%

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<b>Table 23: Waste Water performance for Certification 2012/13</b>			
<b>Performance Area</b>	<b>Tzaneen Sewage</b>	<b>Nkowankowa Sewage</b>	<b>Lenyenye Sewage</b>
Highest Risk Area	Low flow to plant, effluent quality	Plant operating at its maximum capacity	Plant is being modified
Risk Abatement Process	W <sub>2</sub> RAP	W <sub>2</sub> RAP	W <sub>2</sub> RAP
Capital & Refurbishment expenditure in 12/13	R 300,000.00	R 9,000,000.00	R 16,000,000.00
<b>Green Drop Score + trend</b>	<b>84.3</b>	<b>77.9</b>	<b>21.9</b>

<b>Table 24: Employees - Sanitation Services 2012/13</b>						
<b>Job level</b>	<b>2011/2012</b>			<b>2012/2013</b>		
	<b>Nr of Posts</b>	<b>Positions Filled</b>	<b>Vacancy rate</b>	<b>Nr of Posts</b>	<b>Positions Filled</b>	<b>Vacancy rate</b>
Level 0-3	0	0	0	0	0	0%
Level 4-6	4	2	50%	1	1	0%
Level 7-9	0	0	0%	0	0	0%
Level 10-15	18	8	55%	24	7	70%
Level 16-17	8	6	25%	0	0	0%
<b>Total</b>	<b>30</b>	<b>16</b>		<b>25</b>	<b>8</b>	<b>68%</b>

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## 3.3 ELECTRICITY

Currently the GTM is on track for universal access to electricity in 2014. Our top service delivery issues are; *firstly*, insufficient capacity to support the required load (currently being addressed), *secondly*, the dilapidated state of our distribution system, lastly and most importantly, electrification demands. Major successes were the implementation of the capacity increase project which is running over a number of years and has already seen the construction of a dual circuit 66kv overhead line and 40MVA “Western Substation”, to the value of R53 million for phase I. Phase II of the project which includes the laying of a cable network, or main ring, will proceed as soon as the required funding is secured. As stated, electrification is also progressing well, thanks to grants and top up funding.

GTM is in the process of developing a complete prepaid system in the Greater Tzaneen Municipal license area. As a result, we adopted the ACTOM meter system and monitoring software together with the Contour vending system. We are currently the first in the country with this new technology and have proudly hosted other Municipalities on a ‘show and tell’ demonstration. This resulted in our original license for 1000 meters on the complete monitoring system being extended to 5000 meters without any cost as a reward for “show and tell”.

Presently we have about 485 standard CBI prepaid meter customers. We are planning to convert all these meters to the new split meter system during the 2013/14 and 2014/15 financial years. Currently we have 151 ACTOM split prepaid meters of which 89 are installed in a village environment in pole top boxes. 62 Prepaid meters were converted from conventional to prepaid meters in Tzaneen town, consisting of 25 Indigent customers with 20Amp and 37 customers on 60 Amp. The monitoring system currently consists of 51 data concentrators and a server hosting the monitoring system. The new ACTOM split prepaid meters held a 0% tampering rate for the last 3 years since installation, which is remarkable compared to the old metering system with a tampering rate of 75%.

We developed a prepaid policy indicating prepaid connections only for domestic customers in Tzaneen town which will be extended with infrastructure to the towns of Haenertsburg, Letsitele and Gravelotte. All indigent customers in these towns, once approved by Council, will automatically be

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converted to a 20 Amp prepaid connection. This will help in restricting the bad debt. When in arrears with their rates and taxes, a hold will be placed on the vending system stopping a 60 Amp prepaid customer from buying electricity until an arrangement is made to pay the arrears. This Policy will be reviewed from time to time as the Department and system develop to ultimately include all customers, domestic and industrial.

GTM has an electrification priority list that is regularly updated to ensure the full scope of needs is known. The IDP is a major tool in identifying poor communities and the appropriate allocation of funds to alleviate their plight. Service Providers are the Municipality and Eskom, each in their respective licensed areas. Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

Level of access	2010/2011		2011/2012		2012/2013	
	Nr of Households	% of Total	Nr of Households	% of Total	Nr of Households	% of Total
Electricity connection (at least minimum level)	71 209	79.3%	76 600	85.27%	97095	89%
Electricity connection - prepaid	540	0,6%	0	0%	650	0,66%
Electricity below minimum level	0	0	0	0	0	0
No access to electricity	18 622	20.7%	13 323	14.83%	11831	11%
<b>Total Households</b>	<b>89 844</b>		<b>89 923</b>		<b>109 576</b>	
Nr of Households receiving Free Basic Electricity	7339	8.17%	6 842	84.14%	22988	23.68%
Budget allocation for Electricity services	R10,000,000		R5,000,000		R13,000,000	

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Table 26: Service Delivery Targets for Electricity as set out in the SDBIP for 2012/13				
Programme	Project/ KPI	Annual Target (2012/13)	Actual Achieved (30 June 2013)	Reason for deviation
Electrical Engineering	<i>% households earning less than R1100 with access to basic electricity (registered as indigents)</i>	Reporting only - no target	100%	None
Electrical Engineering	<i>Nr of households with access to basic (or higher) electricity</i>	81 505	96 498	None
Electrical Engineering	<i># of new household connections in villages (DOE grant)</i>	1 349	1 574	None
Electrical Engineering	<i>% of households with access to electricity</i>	88.2%	89.0%	None
Electrical Engineering	<i>MVA Electricity available (town) (firm capacity)</i>	45	55	None
Electrical Engineering	<i>MVA Electricity available (outlying) (firm capacity)</i>	50	50	None
Electrical Engineering	Capacity to Rainbow Chickens (phase 1)	Construction and commissioning of line and substation	Not implemented	Decision to fund capital projects through loans revoked, project removed with adjustment budget
Electrical Engineering	Electricity Capacity Building in phases	Design and procurement of contractor for cabling from Prison to Extension 53	Not implemented	Decision to fund capital projects through loans revoked, project removed with adjustment budget
Electrical Engineering	Auto Reclosers	Installation of auto reclosers (estimated 2 X 33kv & 6 X 11kv)	Not implemented	Decision to fund capital projects through loans revoked, project removed with adjustment budget
Electrical Engineering	Capital Tools (Outlying)	Procurement of tools as & when required	Purchased Capital Tools	None
Electrical Engineering	Capital Tools (Town)	Procurement of tools as & when required	Purchased Capital Tools	None



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<b>Table 26: Service Delivery Targets for Electricity as set out in the SDBIP for 2012/13</b>				
<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
Electrical Engineering	Electricity network upgrading	Allocate funding acquired through service contribution payments to projects for increased capacity	Contractor appointed in June 2013. An amount of R2,908,274.83 will be rolled over to the next financial year for completion of phase 2 of the project.	Late receipt of additional funding and procurement process only started end of March 2013
Electrical Engineering	Rebuilding of Lines	15 km lines rebuilt	Not implemented	Decision to fund capital projects through loans revoked, project removed with adjustment budget
Electrical Engineering	Upgrading Tzaneen Town network including cables	Construction of Switching Substation and cabling complete	R2 353 742.86 spent on construction materials and professional fees of phase 1 of the Capacity project	None
Electricity network upgrade and maintenance	R-value spend on electricity maintenance as % of asset value	2%	2%	None
Electricity network upgrade and maintenance	<i>Capital Tools (Outlying)</i>	Procurement of tools as & when required	R22 7710.60 spent on Purchase of Capital Tools	None
Electricity network upgrade and maintenance	<i>Capital Tools (Town)</i>	Procurement of tools as & when required	R89 653.73 spent on Purchase of Capital Tools	None
Electricity network upgrade and maintenance	<i>Electricity network upgrading</i>	Allocate funding acquired through service contribution payments to projects for increased capacity	Received additional funds of R7M from ESD, R1Million allocated to the Outlying department for the upgrading of Campsies Glen substation Contractor appointed in June 2013. An amount of R2,908,274.83 will be rolled over to the next financial year for completion of phase 2 of	Late receipt of additional funding and procurement process only started end of March 2013

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<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
			the project.	
Electricity network upgrade and maintenance	Upgrading Tzaneen Town network including cables	Construction of Switching Substation and cabling complete	R2 353 742.86 spent on construction materials and professional fees of phase 1 of the Capacity project	R2 354 973 rolled over. Funds allocated with Adjustment budget and only became available in March

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Table 27: Employees - Electricity Services						
Job level	2011/2012			2012/2013		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	4	3	25%	4	3	25%
Level 4-6	33	19	42.42%	32	17	46.16%
Level 7-9	86	46	46.51%	30	12	60%
Level 10-15	63	41	34.92	120	74	62.5%
Level 16-17	0	0	0	0	0	0%
<b>Total</b>	<b>186</b>	<b>109</b>	<b>41.39</b>	<b>186</b>	<b>106</b>	<b>43%</b>

Table 28: Financial Performance 2012/13: Electricity Services (R'000)					
Detail	2011/2012	2012/2013			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Revenue (excluding tariffs)</b>	<b>R 6 244</b>	<b>13 000</b>	<b>13 000</b>	<b>7 142</b>	<b>5 858</b>
Expenditure:					
Employees	R 22 665	28 346	28 346	32 702	-4 356
Repairs & Maintenance	R 10 034	7 707	8 183	11 605	-3 422
Other	R 265 485	309 968	309 993	316 278	-6 285
<b>Total Operational Expenditure</b>	<b>R 298 184</b>	<b>346 021</b>	<b>346 521</b>	<b>360 585</b>	<b>-14 064</b>
<b>Net Operational (Service) Expenditure</b>	<b>R 291 940</b>	<b>333 021</b>	<b>333 521</b>	<b>353 443</b>	<b>-19 922</b>

Table 29: Capital Expenditure 2012/13: Electricity Services (R'000)					
Capital Projects	2012/2013				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Capacity to Rainbow Chickens (phase 1)	R1 000 000	R0	R0	R1 000 000	R11 270 000
Electricity Capacity Building in phases	R14 000 000	R0	R0	R14 000 000	R84 000 000
Auto Reclosers	R2 000 000	R0	R0	R2 000 000	Not applicable (Ongoing project)

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<b>Table 29: Capital Expenditure 2012/13: Electricity Services (R'000)</b>					
<b>Capital Projects</b>	<b>2012/2013</b>				
	<b>Budget</b>	<b>Adjustment budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>	<b>Total Project value*</b>
Capital Tools (Outlying)	R250 000	R250 000	R 112 289	R137 711	R147 396.57
Capital Tools (Town)	R 250 000	R 250 000	R 89 654	-R160 346	R89 654
Electricity network upgrading	R 12 000 000	R 12 000 000	R 8 333 181	R3 666 819	Not applicable (Part of Electricity Capacity Building)
Rebuilding of Lines	R3 000 000	R0	R0	R3 000 000	Not applicable (Ongoing project)
Upgrading Tzaneen Town network including cables	R2 000 000 (roll over)	R2 354 973	R 2 509 397	R154 424	Not applicable (Part of Electricity Capacity Building)
<b>Total</b>	<b>R34 500 000</b>	<b>R19 354973</b>	<b>R12 044 521</b>		

\* Including past and future expenditure as planned

Expenditure on the Capacity roll over project was nearly 100%, resulting in the completion of phase 1 of the Capacity project for the total of R53 million and improving the capacity of the town network with 20 MVA. On Revenue enhancement the expenditure was also nearly 100% when acquiring 15 data concentrators and 280 split prepaid meters from ACTOM and line material internally to replace old technology during 2013/14 financial year. The Capacity building in phases, project only started in March 2013 after additional funds were allocated. This resulted in a rollover of R3,5 million to complete phase 2 of the Capacity project in the 2013/14 financial year.

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## 3.4 SOLID WASTE MANAGEMENT

### Overview

International guidelines / prescriptions for waste management are as follows:

- The Rio declaration
- The Agenda 21 principles
- Kyoto protocol
- The recent Copenhagen agreement
- 9 other International agreements

### South African Legislative framework:

The following acts/legislation are only a few of the most important ones to regulate matters relating to Waste Management in South Africa:

**Table 30: South African Waste Management Legislation**

Legislation	Summary/Scope of Legislation
National Environmental Waste Management Act (Act 59 of 2008)	<p>a) To reform the law regulating waste management in order to protect health and the environment by providing reasonable measures for the prevention of pollution and ecological degradation and for securing ecologically sustainable development;</p> <p>b) To provide for institutional arrangements and planning matters;</p> <p>c) To provide for national norms and standards for regulating the management of waste by all spheres of government; to provide for specific waste management measures;</p> <p>d) To provide for the licensing and control of waste management activities; to provide for the remediation of contaminated land; to provide for the national waste information system; to provide for compliance and enforcement;</p>
Environmental Management Act (Act 107 of 1998)	<p>a) To provide for co-operative, environmental governance by establishing principles for decision-making on matters affecting the environment, institutions that will promote co-operative governance and procedures for co-ordinating environmental functions exercised by organs of state;</p>

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**Table 30: South African Waste Management Legislation**

Legislation	Summary/Scope of Legislation
Environmental Conservation Act (Act 73 of 1989)	a) To provide for effective protection and controlled utilization of the environment
Greater Tzaneen Municipality Solid Waste By-Law, Notice no 12 of 1990	a) To regulate management of storage and collection of solid waste

In addition to the above the South African context includes the following Acts to consider in terms of Waste Management Services:

- a) The Bill of Rights (Section 24) of the National Constitution provides as follows:-“Everyone has the right to an environment that is not harmful to their health or well-being”
- b) The Environmental Management Act (Act 107 of 1998)
- c) The Environmental Waste Management Act (Act 59 of 2008)
- d) Environmental Conservation Act (Act 73 of 1989)
- e) The Solid Waste By-Laws (Notice 12 of 1990)
- f) The Waste Management Policy

## **POWERS AND FUNCTION OF WASTE MANAGEMENT**

The mandate of GTM is 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. Section 84 read with Section 85 of the Municipal Structures Act 117 of 1998; determine the division of powers and functions between and such require Landfill-site to be a district function for more than one Municipality. The Department of Environmental Affairs already resolved that a process of Landfill "REGIONALIZATION" must be pursued, which is aligned with Sec. 84 (1) (e) (iii) of the above-mentioned Act.

### **Waste quantities and characteristics**

Greater Tzaneen Municipality processed the following during 2012/13:

- a) General Waste = 61,842.9 m<sup>3</sup> (59.46 t/day)
- b) Health Care Waste = 385.14 m<sup>3</sup>

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c) Garden Waste = 13,376.85 m<sup>3</sup>

d) Recycling = 5,862.16 m<sup>3</sup>

## **Geographic Distribution**

The jurisdiction of GTM is divided by the main roads from Politsi via Tzaneen, Tarentaalrand, Letsitele and Trichardtsdal, in a Northern and Southern service region

## **DESCRIPTION OF THE REFUSE COLLECTION FUNCTIONS**

### *Waste Minimization (Recycling)*

Recycling at source ("yellow-bags") is undertaken in all formal suburbs on a voluntary basis by residents as there is not yet a legal prescriptive on "recycling at source".

### *Waste Minimization-Composting*

± 15,436 m<sup>3</sup> organic waste (garden) is treated at a basic technology composting site. Unfortunately no tub-grinder is available) and therefore bulky organic waste cannot be composted.

### *Waste Minimization-Rural Waste Minimization*

10,767 or 11.5% of 93,825 households receive a full kerbside service in formal towns, where 88.5% of households are not serviced at present; these reside mainly in rural areas. The lack of Eco-Development-Workers (EDW), 40 required, to do awareness activities at Eco-club schools hampers progress. Firewood from the Landfill site are available for re-use and also delivered to rural Drop-off Centres (DoC's) for utilisation by communities, to mitigate deforestation-practices. 97 DoC's have been erected at present, but it is anticipated that it will become "White Elephants" if dedicated intervention are not implemented i.t.o. the National Basic Refuse Removal Policy.

### *Collection & transportation*

A full collection service is rendered at following suburbs, which represents only 11.5% of all households in:

- Nkowankowa
- Lenyenye
- Letsitele
- Haenertsburg

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- Tzaneen

88.5% of all households representing rural households do not receive a basic service. The cost to address the service in full (urban & rural), with immediate effect, will be approximately R128,000,000-00 per annum for all Waste Service Areas.

## *Litter Picking*

Urban streets, main roads & urban taxi / bus ranks are cleaned on a regular basis from all debris and solid waste, where 5,312 m<sup>3</sup> are collected monthly. Roads and streets in rural areas are not being attended to.

## *Vehicle replacements*

Replacement of vehicles to start during 2014//15 with an appropriate & dedicated vehicle for the removal of Health Care Waste also required.

## *Treatment & disposal*

One 11ha permitted landfill site which has been classified as a GMB- site, is managed in compliance with specifications. The expected life-span of the site is  $\pm 15$  years. Health Care Waste is removed to a permitted and approved treatment facility in Gauteng. There is no weather – proof entrance or internal roads at the Landfill Drop off centers. Drop-of Centers (DoCs) are located at:

- Nkowankowa
- Lenyenye
- Letsitele
- Haenertsburg

All DoC's are managed by a Service Provider, 6m<sup>3</sup> skips are utilized for this purpose and are cleaned on a daily basis at the Tzaneen Landfill site. However the following issues needs to be addressed:

- Political engagement with MDM is required to initialize the establishment of a District Landfill site, in accordance with the National Waste Sector Plan. R 15,000,000 will be required to select, rank and erect a new site.



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- The procurement of a service provider to undertake bulk-removals at DoC's and also with appropriate equipment to operate the Landfill Site (included appropriate-technology compost plant, as part of Landfill management) is required.
- Roads & Storm water maintenance on access roads must be improved.

## **Pollution control**

9 public toilet blocks managed at the following locations:

- 6 blocks at Tzaneen
- 1 block at Nkowankowa
- 1 block at Letsitele
- 1 block at Haenertsburg
- 1 block at Lenyenye is not operational

## **Law Enforcement**

The appointment of 2 Environmental Law Enforcement Officers delayed due to lack of Workload-assessment & organizational layout. There is also a lack sufficient number of CDW's in the Rural Waste Programme.

## **Management, Administration, Communications & Logistics**

In order to manage solid waste removal more efficiently the following is required:

- Administrative support
- Sufficient budget-provision
- GIS – Lack of operational applications software
- Networking - Lack of network at “outside” offices
- Electronic “Data-capturing”
- Organisational Development interventions by HR

## **Service beneficiaries:**

- Residential removals: 10,775 households
- Business removals: 562

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- Own removals-villages (no service): 98,151 households

## M<sup>3</sup> of refuse disposed

- Domestic & Commercial: 61,974 m<sup>3</sup>
- Garden: 11,597 m<sup>3</sup>

## Total operating cost:

- Operating cost of collections & disposal: R27.7milj
- Operating cost of litter picking: R 16,9milj
- Operating cost of public toilet: R 6.0milj
- Total: R50.6milj

**Table 31: Household access to solid waste collection services 2010/11 - 2012/13**

Level of access	2010/2012		2011/2012		2012/2013	
	Nr of Households	% of Total	Nr of Households	% of Total	Nr of Households	% of Total
Solid waste removal once a week	9892	11%	10775	12%	10775	10%
Removal less frequently than once a week	0	0%	0	0%	0	0%
Using communal dump + own refuse dump	80034	89%	79,134	88%	98,151	90%
Using own refuse dump	above	above	above	Above	above	Above
Other disposal	0	0%	0	0%	0	0%
No waste disposal	0	0%	0	0%	0	0%
<b>Total Households</b>	<b>89926</b>	<b>100%</b>	<b>89926</b>	<b>100%</b>	<b>108,926</b>	<b>100%</b>
Nr of Households receiving Free Basic Waste services	13737		13377		13377	
Budget allocation for Solid waste collection services	R 37,500,307		R 47,200,000		R 47,200,000	

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<b>Table 32: BACKLOG LEVEL OF WASTE MANAGEMENT, PLAN AND COST FOR THREE YEARS</b>			
<b>Programme</b>	<b>Backlog</b>	<b>Plan</b>	<b>Cost</b>
Waste Minimization (Recycling)	No collection at source at present due to withdrawal of the Recycling-company as a result of their own financial constraints	Formal recycling system to be implemented via Tender procedures	No cost involved as Contractor must do it for his own financial benefit
Waste Minimization (Composition)	Low technology composting plant exists adjacent to the Landfill without tub-grinding undertaken as result of tender-price (Contractor must do it as part of Landfill Management )	Renewal of tender spec's & budget provision	1st year=R 6,0 milj 2nd year=R 6,6 milj 3rd year=R 6,9 milj
Waste Minimization (Rural waste)	On-going WISE-UP-ON-WASTE AWARENESS training to be implemented at schools	Tender specifications to be advertised for:- <ul style="list-style-type: none"> <li>• WISE-UP-ON-WASTE Awareness</li> <li>• Bulk-removals</li> </ul>	1st year=R 7,1 milj 2nd year=R13,3 milj 3rd year=R 27,5 milj
Waste Minimization (Rural waste collections )	Collections at Waste Service Areas	Budget allocations for <ul style="list-style-type: none"> <li>• WSA collections and transportations</li> <li>• Bulk-removals</li> </ul>	1st year=R 40.0 milj 2nd year=R 80.0 milj 3rd year = R27,5 milj
Collection and Transportation (Kerbside removals at Nkowankowa & Lenyenye)	Need an appropriate & dedicated new Tender to be awarded for the removals	Tender for extended service delivery to be awarded	1st year= R 10,4 milj 2nd year=R 11,4 milj 3 rd year=R 12,0 milj

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<b>Table 32: BACKLOG LEVEL OF WASTE MANAGEMENT, PLAN AND COST FOR THREE YEARS</b>			
<b>Programme</b>	<b>Backlog</b>	<b>Plan</b>	<b>Cost</b>
Collection and Transportation (Litter picking)	Need a appropriate & dedicated new Tender to be awarded for the removals	Tender for extended service delivery to be awarded	1st year= R 8,2 milj 2 nd year=R 9,4 milj 3 rd year=R 10,0 milj
Collection and Transportation (Health Care Waste Removals)	Need a appropriate & dedicated vehicle for the removals	Tender for extended service delivery to be awarded	1st year= R3,1 milj 2nd year= R3,3 milj 3 rd year= R3,5 milj
Collection and Transportation (Vehicle replacements)	No backlogs yet but replacements to start in 2014/15	Needs analyses submitted to ESD annually during budget cycle	1st year = R 3.0 milj 2nd year= R 3,7 milj 3 rd year= R 4,2 milj
Treatment and Disposal (New Landfill development)	No site selections being done yet	Involve MDM. in development of future Regional Site	1st year= R 2,0 milj 2nd year= R10,0 milj 3 rd year= R 6,0 milj
Treatment and Disposal (Closure of Landfill)	No closure investigations done [ permit issued 1/12/2004 until the construction & design plan will be finalized	Finalisation of design & construction plan to determine the remaining life-span	1st year= R 0,9 milj 2nd year= R 3,0 milj 3 rd year= R 4,0 milj
Treatment and Disposal (Landfill operations)	Insufficient budget for new tender allocations	Awarding of new tender & costing on landfill budget	1st year= R 6,0 milj 2nd year=R 6,6 milj 3rd year= R 6,9 milj
Treatment and Disposal (Roads and storm water maintenance at access roads)	Insufficient budget for roads and storm water maintenance	Annual needs analysis to ESD during budget cycle	By ESD

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Table 32: BACKLOG LEVEL OF WASTE MANAGEMENT, PLAN AND COST FOR THREE YEARS			
Programme	Backlog	Plan	Cost
Pollution Control (Toilet block management)	Shortage of toilet blocks at urban taxi-& bus stops as per annual stats report	Needs analyses to ESD annually during budget cycle	Cost for construction tbd by ESD Cost for operations:- 1st year= R 6,0 milj 2nd year= R 6,6 milj 3rd year= R 6,9 milj
Pollution Control (Enforcement actions)	2 x vacancies for "Green Scorpions" at Traffic Division	Filling of vacancies	By Traffic Division
Pollution Control (Awareness Actions @ Schools)	No institutional capacity to implement the Rural Waste Programme	Filling of vacancies	1st year= R 7,1 milj 2nd year= R 13,3 milj 3 rd year= R 27,5 milj
Management & ICT – System	GIS Lack of operational software Telephones at sub-offices IT at remote-offices	Budget provision	Budget support

Table 33: Service Delivery targets for Waste as set out in SDBIP for 2012/13				
Programme	Project/ KPI	Annual Target (2012/13)	Actual Achieved (30 June 2013)	Reason for deviation
Waste Management	% households earning less than R1100 with access to basic waste removal (registered as indigents)	Reporting only - no target	6%	Increased indigent applications
Waste Management	Nr of households with access to basic (or higher) refuse removal (Urban)	9892	10775	None
Waste Management	Nr of households with access to basic (or higher)	6979	6979	None

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**Table 33: Service Delivery targets for Waste as set out in SDBIP for 2012/13**

Programme	Project/ KPI	Annual Target (2012/13)	Actual Achieved (30 June 2013)	Reason for deviation
	refuse removal (Rural)			
Waste management	<i>Bulk Bin Waste Collections in Urban areas</i>	Monitor the collection of Bulk Bin waste in Tzaneen, Lenyenye, Letsitele, Haenertsburg, Nkowankowa ensure compliance to SLA. Report volumes removed	100% compliance to Bulk Bin Collections in Tzaneen, Lenyenye, Nkowankowa, Haenertsburg and Letsitele and 100% expenditure.	None
Waste management	<i>Contracted Kerbside collections</i>	Monitor Contracted Kerbside collections in Nkowankowa & Lenyenye and ensure that services are provided as per the SLA	100% compliance to Contracted collections in Nkowankowa and Lenyenye and 100% expenditure. The tender of Lenyenye also expired and must be re-advertised by SCMU	None
Waste management	<i>Contracted Litterpicking</i>	Monitor Litterpicking in the outlying areas and ensure adherence to the route sheets for Rural-South & Rural-North	100% Compliance to Litterpicking schedules in Tzaneen, Lenyenye, Haenertsburg and Nkowankowa and 100% expenditure. The 2 Tenders of Litterpicking already expired and must be re-advertised by SCMU	None
Waste management	<i>Health Care Waste Collections</i>	Monitor the collection of Health Care Waste. Report actual removals	100% compliance to HCRW collections schedules and 100% expenditure. Awaiting outcome of BAC recommendation for appointment of a new HCRW Service-Provider	None
Waste management	<i>Municipal Kerbside collections</i>	Monitor Municipal Kerbside collections in Tzaneen, Haenertsburg and Letsitele and ensure that route service schedules are adhered to. Report actual removal volumes	100% effective compliance to Municipal Kerbside collections in Tzaneen, Haenertsburg and Letsitele and 100% expenditure.	None

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**Table 33: Service Delivery targets for Waste as set out in SDBIP for 2012/13**

Programme	Project/ KPI	Annual Target (2012/13)	Actual Achieved (30 June 2013)	Reason for deviation
Waste management	<i>Municipal Litterpicking</i>	Monitor Litterpicking in Tzaneen, Letsitele, Haenertsburg and Nkowankowa and ensure adherence to route- sheets. Report on number of routes serviced	100% effective compliance to Litterpicking schedules in Tzaneen, Letsitele and Nkowankowa and 100% expenditure	None
Waste management	Regional Landfill site	Liaise with Mopani District Municipality to facilitate the establishment of a regional landfill site.	Continuous liaison with MDM to facilitate the establishment of a regional landfill site via e-mail. Recent Land-Survey indicates still a minimum of 10 x years lifespan for the Landfill existence	MDM not responding to correspondence
Waste management	<i>Village waste collection</i>	Submit prioritised list of WSA's to Council and submit to IDP for budgeting Ensure inclusion in 2013/14 IDP for prioritisation	66 Rural Waste Service Areas is demarcated and Service Level Conditions (SLC's) was work-shopped with 7 Pilot Groups successfully. The position of Waste Management Officer, responsible for this task, is now vacant for 12 months, no further progress can be made	Vacancies. Still awaiting Pilots - Groups to sign the Section 25 "Registration" as "Transporter of Waste"
Waste management	<i>Waste Management mass containers - 10mx6m<sup>3</sup></i>	Supply by Service Provider	Forwarded finalised specifications for formal written quotations to Supply Chain on 15 Feb 2013.	SCM process delayed

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Job level	2011/2012			2012/2013		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0	1	1	0
Level 4-6	14	3	78.5%	3	2	33.3%
Level 7-9	*	*		12	1	91.6%
Level 10-15	14	11	13.3%	136	103	24.2%
Level 16-17	124	88	29%	0	0	0%
<b>Total</b>	<b>152</b>	<b>103</b>	<b>32.3%</b>	<b>152</b>	<b>107</b>	<b>29.6%</b>

Detail	2011/2012		2012/2013		
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Revenue (excluding tariffs)</b>	1705	8 424	8 498	8 498	-
<b>Expenditure:</b>					
Employees	13055	10 051	10 091	10 425	-334
Repairs & Maintenance	2563	2 616	2 266	2 552	-286
Other	7443	15 104	15 578	19 360	-3 782
<b>Total Operational Expenditure</b>	23061	27 771	27 935	32 337	-4 402
<b>Net Operational (Service) Expenditure</b>	21356	19 347	19 437	23 839	-4 402

No capital projects were implemented for Waste Collection during 2012/13.



# Chapter 3

## 3.5 HOUSING & BUILDING CONTROL

### 3.5.1 HOUSING

All projects are developed in terms of the approved Integrated Residential Development Programme. All rural projects are implemented in terms of the Rural Housing Subsidy Programme. The Greater Tzaneen Municipality prioritize the wards which have the least RDP houses. The total allocation was 377 units for 2012/13 financial year. These were as follows: Serutlutlung(20) beneficiaries were identified from Matsilapata (20), Shoromong (8), Makhubidung (10), Mogapeng (10), GaWally (10), Nyakelani (10), Radoo (10), Motupa (2), Mulati (20), Boudoux (20), Ntsako (10), Bonn (10), Rikhotso (10), Mookgo (10), Mookgo (10), Xihoko (10), Pharare (10), Ezekhaya (10), Ramotshinyadi (18), Moleketla (6), Rwanda (19), Fobeni (3), Marirone (22), Bokhuta (1), Mapitlula (1), Nwajaheni (2), Nyakelani (3), Nkambako (4), Mugwazeni (4), Radoo (1), Burgersdorp (8), Myakayaka (2), Runnymede (1), Sunnyside (1), Mariveni (1), Relela (1), Pulaneng (1), Dan (1), Lefara (2), Mphame (1), Mogoboya (1), Mamitwa (1), Semarela (1), Mavele (1), Serare (1), Leolo (1), Mookgo (1), Marumofase (2) and 44 emergency units in various villages.

**Table 36: Percentage of households with access to basic housing**

Year	Total Households	Households in informal houses	% of HH in formal settlements
2010/2011	89 844	20 000	22%
2011/2012*	108 926*	7 729	7.01%
2012/2013	108 926*	7 729	7.01%

\*Number of Households as established through Census 2011 (Stats SA, 2011)

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**Table 37: Housing Service Delivery targets for 2012/13 as set out in the SDBIP**

Programme	Project/ KPI	Annual Target (2012/13)	Actual Achieved (30 June 2013)	Reason for deviation
Human Settlements	# of housing units constructed	333	146	There was a delay of Geo-Tech and design from COGHSTA
Human settlements	560 units for un blocking of the blocked project. Wards- 4,5,10,11,16,19,23,24,28,29, 30 and 34	Continuous monitoring through meetings and site visits	143 beneficiaries verified, still waiting for a response from COGHSTA.	COGHSTA intend to rollover the project to 2013/14 financial year
Human settlements	<i>Acquisition of land parcels for development</i>	Liaise with all relevant stakeholders for the acquisition of land for the realisation of the 2030 vision (Berlyn, Pusela, Portion 36 & 37 of Hamawasha, Muhlaba's Location, Gelukaut Farm, Haenertsburg town, Shivurali and Ledzee)	Rural Development purchased Portion 37 of Hamawasha with the intention to donate to Council. Currently the caretaker agreement has been signed while waiting for transfer. Ledzee is purchased by Rural development.	Berlyn, Haenertsburg Town and Town lands, Muhlaba's location and Gelukauf has been referred to HDA for further negotiation because it is a long term project to attain Vision 2030
Human settlements	Administration of tenants at Portion 6 of Pusela 555LT and development of plans	Administration of tenants and handling of queries	All tenants are paying rent and services.	None
Human settlements	Emergency Housing (44 units)	Monitor implementation and report progress	All 44 Emergency Units are completed.	None
Human settlements	<i>Low Cost housing - RDP Housing (333 units)</i>	Monitor Project implementation and report progress on the building of houses at the allocated villages	Out of 333 units there is: <b>29</b> at foundations, <b>77</b> at Roof & finishes, <b>132</b> VIP Toilets and <b>59</b> Untouched. Progress is very slow, Developers not paid since April 2013.	Progress is very slow because developers were not paid by COGHSTA since April 2013.

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<b>Village (Location)</b>	<b>Commencement date</b>	<b>Nr of Unit allocated</b>	<b>Number completed</b>	<b>Challenges/Achievements</b>
Mookgo 6	1 <sup>st</sup> April 2012	10	10	None
Mookgo 7	1 <sup>st</sup> April 2012	10	10	None
Xihoko	1 <sup>st</sup> April 2012	10	9	Project stopped because of non payment by COGHSTA
Rikhotso	1 <sup>st</sup> April 2012	10	7	Project stopped because of non payment by COGHSTA
Mulati	1 <sup>st</sup> April 2012	20	20	None
Ntsako	1 <sup>st</sup> April 2012	10	8	Project stopped because of non payment by COGHSTA
Bonn	1 <sup>st</sup> April 2012	10	10	None
Ezekhaya	1 <sup>st</sup> April 2012	10	7	Project stopped because of non payment by COGHSTA
Pharare	1 <sup>st</sup> April 2012	10	8	Project stopped because of non payment by COGHSTA
Boudaux	1 <sup>st</sup> April 2012	20	20	None
Serutlutlung	1 <sup>st</sup> April 2012	20	5	Project stopped because of non payment by COGHSTA
Matsilapata	1 <sup>st</sup> April 2012	20	20	None
Shoromong	1 <sup>st</sup> April 2012	8	8	None
Makhubedung	1 <sup>st</sup> April 2012	10	10	None
Mogapeng	1 <sup>st</sup> April 2012	10	10	None
Ga-Wally	1 <sup>st</sup> April 2012	10	10	None
Nyakelani	1 <sup>st</sup> April 2012	10	10	None
Radoo	1 <sup>st</sup> April 2012	10	9	None

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**Table 38: RDP Housing projects 2012/13**

Village (Location)	Commencement date	Nr of Unit allocated	Number completed	Challenges/Achievements
Motupa	1 <sup>st</sup> April 2012	2	0	Project stopped because of non payment by COGHSTA
Ramotshinyadi	1 <sup>st</sup> April 2012	18	18	None
Molekatla	1 <sup>st</sup> April 2012	6	6	None
Rwana	1 <sup>st</sup> April 2012	19	19	None
Fobeni	1 <sup>st</sup> April 2012	3	0	Project stopped because of non payment by COGHSTA
Marirone	1 <sup>st</sup> April 2012	22	22	None
Mapitlula	1 <sup>st</sup> April 2012	1	0	Project stopped because of non payment by COGHSTA
Bokuta	1 <sup>st</sup> April 2012	1	0	Project stopped because of non payment by COGHSTA
Nwajaheni	1 <sup>st</sup> April 2012	2	2	None
Nyakelani	1 <sup>st</sup> April 2012	3	3	None
Nkambako	1 <sup>st</sup> April 2012	4	0	Project stopped because of non payment by COGHSTA
Radoo	1 <sup>st</sup> April 2012	1	1	None
Burgersdorp	1 <sup>st</sup> April 2012	8	8	None
Myakayaka	1 <sup>st</sup> April 2012	1	1	None
Mandlakazi	1 <sup>st</sup> April 2012	2	0	Project stopped because of non payment by COGHSTA
Runnymede	1 <sup>st</sup> April 2012	1	1	None
Sunnyside	1 <sup>st</sup> April 2012	1	1	None
Mariveni	1 <sup>st</sup> April 2012	1	0	Project stopped because of non payment by COGHSTA

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**Table 38: RDP Housing projects 2012/13**

<b>Village (Location)</b>	<b>Commencement date</b>	<b>Nr of Unit allocated</b>	<b>Number completed</b>	<b>Challenges/Achievements</b>
Relela	1 <sup>st</sup> April 2012	1	1	None
Pulaneng	1 <sup>st</sup> April 2012	1	1	None
Mugwazeni	1 <sup>st</sup> April 2012	4	0	Project stopped because of non payment by COGHSTA
Emergency houses	1 <sup>st</sup> April 2012	44	44	None

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The Land & Human Settlement Division has an approved organogram of 15 positions, six of which have been filled.

**Table 39: Employees for Land and Settlement function**

JOB LEVEL	2011/2012			2012/2013		
	No of posts	Positions filled	Vacancy rate	No of posts	Positions filled	Vacancy rate
Level 0-3	1	1	0	1	1	0%
Level 4-6	4	2	50%	4	3	25%
Level 7-9	4	3	90%	7	2	71.4%
Level 10-15	3	0	100%	1	1	0%
Level 16-17	0	0	0	0	0	0%
<b>Total</b>	<b>12</b>	<b>6</b>	<b>50%</b>	<b>13</b>	<b>7</b>	<b>50%</b>

## Challenges on Land Management

- Illegal occupation of state own land held in trust of traditional Councils
- No serviced stands to meet the demand.

## Challenges Experienced on RDP Housing Beneficiary Lists

- Backlog figures are not reflected in terms of income levels and special needs.
- Waiting lists are not in accordance to the National Criteria, no Housing Subsidy System (HSS)
- Not all stakeholders involved in the identification of beneficiaries are familiar with the National requirements to qualify for a housing subsidy.
- The public complain about identified beneficiaries but do not submit comments or objections during publication of lists.
- Selling and demolishing of RDP units.
- Emergency lists submitted are scattered and this has a negative cost implication.
- Minimal participation of beneficiaries/ownership of projects.

## Challenges Experienced on Institutional Matters

- Greater Tzaneen Municipality has only been engaged in few a housing programmes.
- Housing funds are controlled and allocated by Cooperative Governance Human Settlements and Traditional Affairs.

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- Greater Tzaneen Municipality is predominantly rural and this poses problems in balancing backlogs vs. spatial growth patterns through the provision of low cost housing.
- Scarce land for development in the townships and some villages.
- An integrated approach in addressing the needs of communities is still lacking
- Stand numbers in some villages cannot be detected clearly.

## **Challenges Experienced on LED/Quality Issues**

- Poor workmanship by most of the local builders. A challenge in effected LED
- No database for skilled people, qualified construction, within Municipal area.
- Locally manufactured building materials seldom qualify for SABS.
- Sustainability of existing skills.

## **Housing Consumer Education**

113 beneficiaries were trained on housing consumer education as follows: 39 in Relela cluster, 33 in Bulamahlo and 41 in Lesedi.

## **Housing Backlog**

The Municipal housing backlog is standing at twelve thousands five hundred and ninety (12590) pending the review of beneficiaries for 2013 to 2015. Middle income backlog is standing at one thousand six hundred and ninety eight (1698).

## **Land and Property**

The transfer of sites at Nkowankowa Section C from Greater Tzaneen Municipality to occupants is 200 and at Dan Extension 2 are 472.

## **Pusela 6**

The new lease agreements were signed by the Tenants to rent the units as family units.

## **Portion 292 and 293 of the farm Pusela 555LT (Talana Family Hostel and Surrounding)**

The property is registered in the name of Council. A feasibility study was conducted to determine the implementation of Community residential units. The property is enrolled with COGHSTA for their project pipeline.

## **Areas earmarked for development (presented in Table 40)**

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<b>Table 40: Land Developments</b>		
<b>Town</b>	<b>Developer</b>	<b>Progress</b>
Dan Extension 1	Dewcon	Developers are waiting for Eskom to respond on electricity connection and prices
Tzaneen Extension 13	Phethego Project	Building of houses is in progress
Tzaneen Extension 53	Phadima Holdings	Project is under litigation
Tzaneen Extension 60	Solidarity Developers	The EIA is in advanced stage
Tzaneen Extension 78	Ngoma Trading	Developers submitted designs for roads at the Engineering and Electricity Departments

The Housing Development Agency (HDA) appointed a Service Provider, a Town Planner, for Urban appraisal of all projects with possibility of funding Community Residential Units (CRU) and Social Housing Projects.

### 3.5.2 BUILDING CONTROL

The Building and Maintenance Unit is responsible for providing Building control services as specified in the National Building Regulations (1977). The unit must also maintain all Council owned Buildings to ensure that they comply with the Occupational Health and Safety Act (Reg. 1039 of 2005). Lastly, the unit is responsible for fleet management for the entire GTM to ensure that vehicles are available for departments and also maintenance on all Council owned vehicle. The unit is receiving  $\pm 50$  building plans per month and almost half are returned for corrections. The Municipality is approving  $\pm 25$  building plans per month, which are being approved within the 30 day period, as stipulated in the building regulations.



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The process involved in approving building plans is that after payment of plan/administration fees, a file is opened, then circulated to various departments for their respective comments and once all the requirements are met, an approval letter is issued to the applicant. There's a general decline in number of building plans approved this is due to a decrease in financing by banks and other financial institution along with the effects of the global economic meltdown in some European countries en the recession. The staff compliment of the division is presented below in **Table 41** below:

<b>Table 41: Square meters and value of building plans approved 2010/11 - 2012/13</b>						
	<b>2010/2011</b>		<b>2011/2012</b>		<b>2012/2013</b>	
	<b>Area (m<sup>2</sup>)</b>	<b>Value (R)</b>	<b>Area (m<sup>2</sup>)</b>	<b>Value (R)</b>	<b>Area (m<sup>2</sup>)</b>	<b>Value (R)</b>
New houses approved	13 266	R 53 064 000	16 957	R 67 828 000	15190	65 139 000
Additions to existing houses approved	2 182	R 8 728 000	5 849	R 23 396 000	4505	19 135 000
New shops approved	1 327	R 5 308 000	538	R 2 152 000	490	2 205 000
Additions to existing shops approved	0	0	0	0	0	0
Additions to existing industrial approved	538	R 2 152 000	6 152	R 24 608 000	6752	30 384 000
New churches approved	0	0	0	0	782	3 519 000
New townhouses approved	496	R 1 984 000	2 691	R 10 764 000	1233	4 932 000
New other ( cell phone towers ) approved	940	R 3 760 000			896	4 032 000

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<b>Table 42: Employees – Building and Maintenance (2012/13)</b>						
Job level	2011/2012			2012/2013		
	Nr of Posts	Nr of Posts	Nr of Posts	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0	1	1	0%
Level 4-6	12	10	16.6%	13	12	7.6%
Level 7-9	3	3	0	3	3	0%
Level 10-15	12	4	66.6%	28	17	39.2%
Level 16-17	13	10	30%	0	0	0%
<b>Total</b>	<b>41</b>	<b>28</b>	<b>31.7%</b>	<b>45</b>	<b>33</b>	<b>26.6%</b>

The Capital allocation for Building and Maintenance is presented in **Table 43** below:

<b>Table 43: Capital Project Expenditure 2012/13: Building and Maintenance (R'000)</b>					
Capital Projects	2012/2013				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Security Rates Hall	0	1 385	547	-547	<b>586</b>
Additional Office space	R 3 000	R 3 000	R0	-R3 000	<b>3 000</b>
Replacing Air conditioner and furniture in Engineering Department	R 500	N/A	R 150	-R350	<b>150</b>
<b>Total</b>	<b>R3 500</b>	<b>4 435</b>	<b>697</b>	<b>3 897</b>	

The financial performance of the Building and Maintenance Division is presented in **Table 44**.

<b>Table 44: Financial Performance 2012/13: Building and Maintenance (R'000)</b>					
Detail	2011/2012	2012/2013			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Revenue (excluding tariffs)</b>	<b>752</b>	<b>462</b>	<b>462</b>	<b>1 662</b>	<b>-1 200</b>
Expenditure:					
Employees	6233	7 125	7 125	8 408	-1 283
Repairs & Maintenance	614	2 334	1 594	1 117	477
Other		3 590	3 630	4 630	1 000

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Detail	2011/2012	2012/2013			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Expenditure</b>	<b>10 119</b>	<b>13 049</b>	<b>12 349</b>	<b>14 155</b>	<b>-1 806</b>
<b>Net Operational (Service) Expenditure</b>	<b>9367</b>	<b>12 587</b>	<b>11 887</b>	<b>12 493</b>	<b>-606</b>

## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

The Municipal Council gives priority to the basic needs of the community, promote the social and economic development of the community and ensure that all residents and communities in the Municipality have access to at least the minimum level of basic municipal services, in terms of Section 152 (1) (b) and 153 (b) of the Constitution. Basic services are generally regarded as to be access to electricity, clean water within reasonable distance, basic sanitation, solid waste removal and access to and availability of roads.

The key purpose of an Indigent Subsidy Policy is to ensure that households with no or a low income are not denied a reasonable service, and on the contrary the Local Authority is not financially burdened with non-payment of services. Provided that grants are received and funds are available, the Indigent Subsidy Policy should remain intact. To achieve this, a threshold income level of a maximum of R1 260 per individual or R2 520 per household applies. The consumer, in order to qualify as an indigent, needs to complete the necessary documentation as required and agree to regulations and restrictions stipulated by Greater Tzaneen Municipality.

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**Table 45: Free Basic Services to Low Income Households\***

Year	Registered Indigents Total HH	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Waste Removal	
		HH with Access	% with access <sup>1</sup>	HH with Access	% with access	HH with Access	% with access	HH with Access	% with access
2009/2009	32 009	2 090	MDM	2 090	MDM	5 862	82%	5 862	11%
2009/2010	30 000	905	MDM	905	MDM	7 173	83%	7 173	11%
2010/2011	23 089	919	MDM	919	MDM	9 700	85%	9 700	12%
2011/2012	11 161	1 560	MDM	1 367	MDM	7 350	85%	1 385	12%
2012/2013	22 998	1 549	MDM	1 357	MDM	7 231	85%	1 377	12%

**Table 46: Financial Performance 2012/13: Cost to the Municipality of Free Basic Services Delivered (R'000)**

Service	2011/2012	2012/2013			
	Actual Expenditure	Budget	Adjustment Budget	Actual Exp	Variance to budget
Electricity	R2 837	3 500	3 500	3 560	-1%
Waste Collection	R807	911	911	1 357	-48%
<b>Total</b>	<b>R3 644</b>	<b>4 411</b>	<b>4 411</b>	<b>4 917</b>	<b>-11%</b>

Council has adopted an Indigent Subsidy Policy which provides for households earning less than R1 260.00 per individual per household to have access to basic services through specially subsidized tariffs. Provision is also made on our Credit Control and Debt Collection Policy for indigent debtors consistently with our rates and tariffs and any national policies on indigents. The Equitable Share and the free basic electrical grant assist in financing the benefits that the registered indigents are to receive in the form of discounted tariffs for services consumed.

<sup>1</sup> Greater Tzaneen Municipality is the Water Service Provider and only provides water in the 5 formal Towns therefore, information regarding the access to water and sanitation for the entire Municipality can only be obtained from the Mopani District Municipality (MDM) as the Water Service Authority.

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<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
Free Basic Services	Nr of households with access to free basic electricity	10000	22988	New Indigent applications received

It should be noted that GTM is not a Water Service Authority and therefore not providing water and sanitation in the entire municipal area, making it impossible to provide figures on the provision of free basic services in this regard.

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## COMPONENT B: ROADS & STORMWATER

### 3.7 ROADS & STORMWATER

Greater Tzaneen Municipality own and manages ± 2300 km of municipal road network. This network comprises of district / connector and municipal / access roads in terms of road classification. The Municipality is tasked with the planning, design, maintenance, construction and usage of these roads. It is also required to prevent the deterioration of surfaced roads by conducting preventative maintenance, control of storm water and provision of drainage structures and to surface priority roads. Roads and stormwater cannot be separated because when there is no proper stormwater drainage system on a road, the life span of the road cannot be guaranteed.

Maintenance of tar roads are done through cleaning of catch pits, patching of potholes and road marking to prevent deterioration. Maintenance of gravel roads is through grading and construction of small bridges and stone pitching. Due to insufficient resources to get all the roads in good condition, priority is given to roads to schools, clinics, grave yards, business areas and roads which are used by public transport. In terms of Roads and Stormwater the following challenges are experienced:

- There is insufficient funds for regravelling and tarring of municipal roads.
- Many of the roads need stormwater management control.
- Most of the municipal roads and internal streets are gravel and need more machines than what is available to be maintained regularly.
- No budget for the development of Roads Master Plan
- There are not enough labourers to construct stone pitching, wing walls and other maintenance related tasks which can be done in-house.
- One old grader needs to be maintained and R200,000 is needed for its refurbishment.
- GTM is sometimes forced to maintain roads which should actually be attended to by the District Municipality and the Department of Roads and Transport as they take too long to maintain them. This has a negative effect on our programme and budget.

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**Table 48: Road infrastructure 2008/09 - 2012/13**

Year	Gravel				Tar/Asphalted			
	Total km	Newly constructed	Upgraded to tar	Maintained	Total km	Newly constructed	Re-sheeted	Maintained
2008/2009	1610	13.14	0	1779	690	0	0	0
2009/2010	1610	14.73	0	1610	690	0	0	0
2010/2011	1610	0	0	1478	690	0	0	0
2011/2012	1610	0	0	1824	690	0	0	56 727 m <sup>2</sup>
2012/2013	1610	0	0	2355	690	0	0	7594 m <sup>2</sup>

**Table 49: Cost of construction & Maintenance of roads (2008/09 - 2012/13)**

Year	Gravel				Tar/ Asphalt			
	Maintained (Km)	Expenditure (R'000)	Newly Constructed (Km)	Expenditure (R'000)	Maintained (m <sup>2</sup> )	Expenditure (R'000)	Newly Constructed (Km)	Expenditure (R'000)
2008/2009	1779	8,746,580.99	13.14	12,800,287	7510.92	5,480,607.35	0	0
2009/2010	1610	7,505,839.5	14.73	15,583,206	8,000	5,090,149.3	0	0
2010/2011	1478	12,116,463	0	0	42 488	12,812,238	0	0
2011/2012	1824	15,222,895	0	0	56 727	12,895,697	0	0
2012/2013	2355	5,388,907.37	0	0	7 594	5,013,946.51	0	0

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Table 50: Service Delivery targets for Roads & Stormwater as set out in the SDBIP for 2012/13				
Programme	Project/ KPI	Annual Target (2012/13)	Actual Achieved (30 June 2013)	Reason for deviation
Roads and Storm water maintenance and upgrade	<i>R-value spent on maintenance of roads infrastructure as % of asset value</i>	5%	5%	None
	Funeral roads in all clusters	100% compliance to requisitions submitted	100% compliance to requisitions. 667 km graded	None
	Regravelling of internal streets all clusters	Maintain internal streets in all clusters as and when required, report activities on a monthly basis	Regravelling - 2.5km Petanenge, 2.8km Dan village and 3km at Burgersdorp.	None
Roads and Storm water Infrastructure Development	Km of roads regravelled	150	0	Regravelling capital projects are no longer taking place because we are doing tar roads only.
	<i>% reduction in road backlog</i>	12%	0%	Projects for tarring of roads are multi-year projects.
	<i>Km of roads tarred</i>	21	9km's & 200m	Delays in project finalisation due to delays in the process of procuring service providers
	<i>Lenyenye new cemetery tar road</i>	Appointment of contractor and monitor implementation. Report progress	Waiting for the approval for the new Lenyenye Cemetery site.	Waiting for the approval of the new cemetery site.
	<i>Mafarana to Sedan Tar (6km)</i>	Monitor implementation and report progress before 6th of every month	Contractor is on site and busy with site establishment, by-passes and roadbed	Slow supply chain processes
	<i>Khwekhwe Low level bridge</i>	Monitor implementation and report	Consultant has just completed	Delays in appointing



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<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
		progress	the designs which are approved	consultant by SCMU was only appointed in February 2013
	<i>Mawa Block 12 Low level bridge</i>	Monitor implementation and report progress	Consultant has just completed the designs which are approved	Delays in appointing consultant by SCMU was only appointed in February 2013
	<i>Mokonyane low level bridge</i>	Monitor implementation and report progress	Consultant has just completed the designs which are approved	Delays in appointing consultant by SCMU was only appointed in February 2013
	<i>Rikhotso low level bridge</i>	Monitor implementation and report progress	Consultant has just completed the designs which are approved	Delays in appointing consultant by SCMU was only appointed in February 2013
	<i>Ramotshinyadi to Mokhwati Tar road (Phase 2)(3.5km)</i>	Monitor implementation and report progress before 6th of every month	Construction physical progress is at 86%. 9km's of Phase 1 has been completed. The contractor is busy with sub-base and base layers, also blasting of outcrops of Phase 2.	The project was supposed to be completed on 30 June 2013. Penalties will be imposed.
	Rehabilitation of streets in Tzaneen - Claude Wheatly	Monitor implementation and report progress	Construction physical progress is at 45%. Contractor has finished the other part of the road which is open for use and now busy with layer works, kerbing and surfacing	Slow supply chain processes following the Court's decision to re-advertise
	<i>Sasekani to Nkowankowa Tar road (Phase 2)</i>	Monitor implementation and report progress before 6th of every month	Construction physical progress is at 45%. Contractor has stopped working on 3 June 2013 pending the approval of VO's.	Slow supply chain processes following the Court's decision to re-advertise

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**Table 50: Service Delivery targets for Roads & Stormwater as set out in the SDBIP for 2012/13**

Programme	Project/ KPI	Annual Target (2012/13)	Actual Achieved (30 June 2013)	Reason for deviation
	<i>Senakwe to Maropalala Tar (Phase 2)</i>	Monitor implementation and report progress before 6th of every month	Construction physical progress is at 61%. Contractor is on site and busy with mass earth works and layer works.	None
	<i>Speed humps</i>	Implementation of 33 speed humps and report progress	Waiting for the appointment of Politsi low level bridge contractor	The budget is reserved for the shortfall on the construction of low level bridges.
	<i>Thapane to Moruji Tar</i>	Monitor implementation and report progress before 6th of every month	Contractor was appointed on 28 June 2013	Slow supply chain processes resulted in tenders expiring
	<i>Ramotshinyadi bridge</i>	No target	Physical progress at 27%	Project brought forward due to slow progress with other MIG projects

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Job level	2011/2012			2012/2013		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	100%
Level 4-6	9	5	45%	10	4	40%
Level 7-9	0	0	0	0	0	0%
Level 10-15	89	20	78%	182	38	20.88%
Level 16-17	124	14	89%	0	0	0%
<b>Total</b>	<b>223</b>	<b>39</b>	<b>83%</b>	<b>193</b>	<b>43</b>	<b>22.28%</b>

Detail	2011/2012		2012/2013		
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Revenue (excluding tariffs)</b>	<b>R 150</b>	<b>150</b>	<b>150</b>	<b>-</b>	<b>150</b>
Expenditure:					
Employees	R6 951	9 812	9 812	11 658	-1 846
Repairs & Maintenance	R31 094	33 094	25 810	20 877	4 933
Other	R57 390	59 444	59 444	57 443	2 001
<b>Total Operational Expenditure</b>	<b>R95 434</b>	<b>102 350</b>	<b>95 066</b>	<b>89 978</b>	<b>5 088</b>
<b>Net Operational (Service) Expenditure</b>	<b>R95 284</b>	<b>102 200</b>	<b>94 916</b>	<b>89 978</b>	<b>4 938</b>

The expenditure on capital in terms of roads and stormwater is presented in **Table 53**.

Capital Projects	2012/2013				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Lenyenye new cemetery tar road	R 2 000 000	R 2 000 000	R0	R2 000 000	R2 000 000
Claude Wheatly	R10 363 643	R10 363 643	R4 207 502	R6 156 141	R10 091 582.94.
Mafarana to	R 10 500 000	R 10 500 000	R1 563 508	R8 936 492	R27 228 000

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<b>Table 53: Capital Expenditure 2012/13: Roads and storm water Services (R'000)</b>					
<b>Capital Projects</b>	<b>2012/2013</b>				
	<b>Budget</b>	<b>Adjustment budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>	<b>Total Project value*</b>
Sedan Tar (6km)					
Khwekhwe Low level bridge	R 500 000	R 500 000	R0	R 500 000	R 500 000
Mawa Block 12 Low level bridge	R 500 000	R 500 000	R0	R 500 000	R 500 000
Mokonyane low level bridge	R 500 000	R 500 000	R0	R 500 000	R 500 000
Rikhotso low level bridge	R 500 000	R 500 000	R0	R 500 000	R 500 000
Ramotshinyadi to Mokhwati Tar road (Phase 2)(3.5km)	R 12 751 569	R 12 751 569	R16 971 442.13	-R4 219 873.13	R56 497 380
Sasekani to Nkowankowa Tar road (Phase 2)	R 8 473 559	R 8 473 559	R 9 886 764	-R1 413 205	R38 246 368.00
Senakwe to Maropalala Tar (Phase 2)	R 31 285 000	R 31 285 000	R21 967 786	R9 317 214	R38 676 883.39
Speed humps	R 2 200 000	R 2 200 000	R 0	R 2 200 000	R 2 200 000
Thapane to Moruji Tar	R 11 144 700	R 11 144 700	R2 283 638	R8 861 062	R52 035 000
Additional Office space	R 3 000 000	R 3 000 000	R0	R 3 000 000	R 3 000 000
Replacing Aircon and furniture in Engineering Department	R 500 000	R 500 000	R 149 464	R350 536	R 500 000
Capital Equipment	R 150 000	R 150 000	R0	R 150 000	R150 000
Tzaneen Airfield Fencing	R 650 000	R 650 000	R0	R 650 000	R650 000
Ramotshinyadi Bridge	R4 564 500	R4 564 500	R6 847 029.18	-R2 282 529.18	R18 525 000
Fleet Management (Roll over)	N/A	R3 058 969	R3 058 969	R0	R 34.6 million
Security Rates Hall (Roll over)	R1 384 009	R1 384 009	R546 009	R838 000	R 1 384 009
Mopye low level	R500 000	R500 000	R221 593	R278 407	R 500 000

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<b>Table 53: Capital Expenditure 2012/13: Roads and storm water Services (R'000)</b>					
<b>Capital Projects</b>	<b>2012/2013</b>				
	<b>Budget</b>	<b>Adjustment budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>	<b>Total Project value*</b>
bridge (Roll over)					
Politsi low level bridge (Roll over)	R500 000	R500 000	R153 676	R346 324	R 1 500 000
Thako to Sefolwe (low level bridge)	R500 000	R500 000	R151 666.42	R348 334	R 500 000
Motupa (low level bridge)	R1 000 000	R1 000 000	R191 396.99	R808 630	R 1 000 000
<b>Total</b>	<b>R55 878 209</b>	<b>R55 878 209</b>	<b>R10 094 320.41</b>	<b>R 43 915 279</b>	<b>R 275 992 640</b>

\* Including past and future expenditure as planned

The variation on the Ramotshinyadi Bridge & Sasekani to Nkowankowa road projects is due to the fact that these are multiyear projects and the projects did not exceed the total project value.

<b>Table 54: 2013/14 Planned Targets for road infrastructure development</b>			
<b>Project name</b>	<b>MIG Fund</b>	<b>Counter Fund</b>	<b>Total</b>
Sasekani to Nkowankowa Tar Road – D3763: Phase 3 (7km)	R1 199 475	R5 301 368	R6 500 843
Senakwe to Morapalala Tar Road – D3215: Phase 2 (4,3km)	R9 282 635	R11 485 000	R20 767 635
Mafarana to Sedan Tar Road – D3767: Phase 2 (2km)	R10 136 130	R6 001 022	R16 137 152
Thapane to Moruji Tar Road – D3248/D3175: Phase 2 (6,5km)	R27 791 380	R10 200 307	R37 991 687
Ramotshinyadi Bridge: Phase 2	R9 115 500	R2 890 530	R12 006 030
Refurbishment and Upgrading of Nkowankowa Stadium	R2 000 000	0	R2 00 000
Refurbishment of Tzaneen Swimming Pool	R3 792 000	0	R3 792 000
Hawkers Esplanades	R100 000	0	R100 000
Community Hall – Relela	R1 000 000	0	R1 000 000
Park Renovation – Tzaneen	R1 000 000	0	R1 000 000

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**Table 54: 2013/14 Planned Targets for road infrastructure development**

Project name	MIG Fund	Counter Fund	Total
Refurbishment and Upgrading of Lenyenye Stadium	R5 000 000	0	R5 000 000

**Table 55: 2014/15 Planned Targets for road infrastructure development**

Project name	MIG Fund	Counter Fund	Total
Moruji to Maswi: Upgrading Road from Gravel to Tar: Phase 1 (6km)	R26 315 789	R3 684 210	R30 000 000
Rita to Mariveni: Upgrading Road from Gravel to Tar: Phase 1 (6km)	R26 315 789	R3 684 210	R30 000 000
Upgrading of Juliesburg Sports ground	R10 072 630	0	R10 072 630
Upgrading of Bugersdorp Sports ground	R3 000 000	0	R3 000 000
Mamitwa, Babanana, Jopie to Xihoko: Upgrading of Road from Gravel to Tar: Phase 1 (5km)	R17 960 752	R4 344 676	R22 305 428

**Table 56: 2015/16 Planned Targets for road infrastructure development**

Project name	MIG Fund	Counter Fund	Total
Moruji to Maswi: Upgrading Road from Gravel to Tar: Phase 2 (6km)	R26 315 789	R3 684 210	R30 000 000
Rita to Mariveni: Upgrading Road from Gravel to Tar: Phase 2 (6km)	R26 315 789	R3 684 210	R30 000 000
Upgrading of Runnymede Sports ground	R14 142 600	0	R14 142 600
Mamitwa, Babanana, Jopie to Xihoko: Upgrading of Road from Gravel to Tar: Phase 2 (7km)	R23 738 462	R5 303 348	R29 041 810

In **Tables 54-56** above the three year plan - the priority list on roads is presented. Priorities were done by Council after needs of communities were received. Capital expenditure for 2012/2013 is very low because of the following factors:

- Slow supply chain processes
- Court interdict delayed construction

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- Consultants appointed were very slow to produce documentation

We do not foreseen variation outside the budgets because of the ten percent contingency amounts in the existing budgets. In the previous year only regravelling was done in the budgets.

## 3.8 LICENSING

The Vision of the Licensing and Testing Division is to be the best performing Licensing and Testing Division in Limpopo. Clients can be assisted at Tzaneen and Nkowankowa DLTC with issuing of learners and drivers licenses and also the renewal of drivers' licenses. The Registration Authority at the main building assists with all vehicle licenses and registration issues.

Challenges faced are:

- Insufficient parking for clients in front of the main building,
- Air conditioners at DLTC that's not working for the past 3 year and
- Telephone lines that are not working at DLTC for the past 3 years.
- Applicants that are flocking to the 2 testing stations to get assistance for learners and drivers licenses
- Corruption at the testing stations and the overcrowding of driving schools at the testing stations

The top 3 service deliveries priorities are vehicle renewal, registration and licensing of vehicles and the issuing of learners and drivers licenses. The outline approach is that all licenses which are issued must be issued in terms of the National Road Traffic Act, procedures and K53 manuals. Initiatives introduced to improve service delivery:

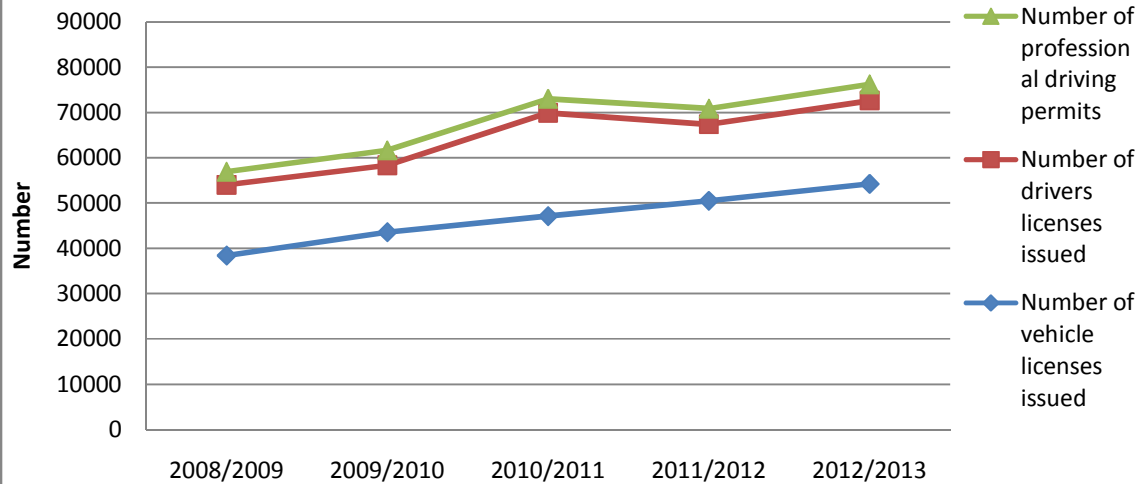
- All offices are open during launch hours and we also assist bigger companies from neighbouring Municipalities in registration and licensing issues.
- We have also introduced the electronic booking system and the electronic learner's license system in Tzaneen DLTC only.
- Establishment of Mopani Licensing Forum where all Municipalities of Mopani District are meeting

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**Table 57: Licensing and Testing services 2008/09 - 2012/13**

Year	Number of vehicle licenses issued	Number of drivers licenses issued	Number of professional driving permits	Revenue collected (R)
2008/2009	38390	15646	2844	R 8 677 681
2009/2010	43531	14826	3259	R 12 424 800
2010/2011	47109	22810	3089	R 24 419 793
2011/2012	50488	16914	3453	R12 45 816
2012/2013	54202	18415	3618	R 20,463,353

**Figure 6: License applications processed**

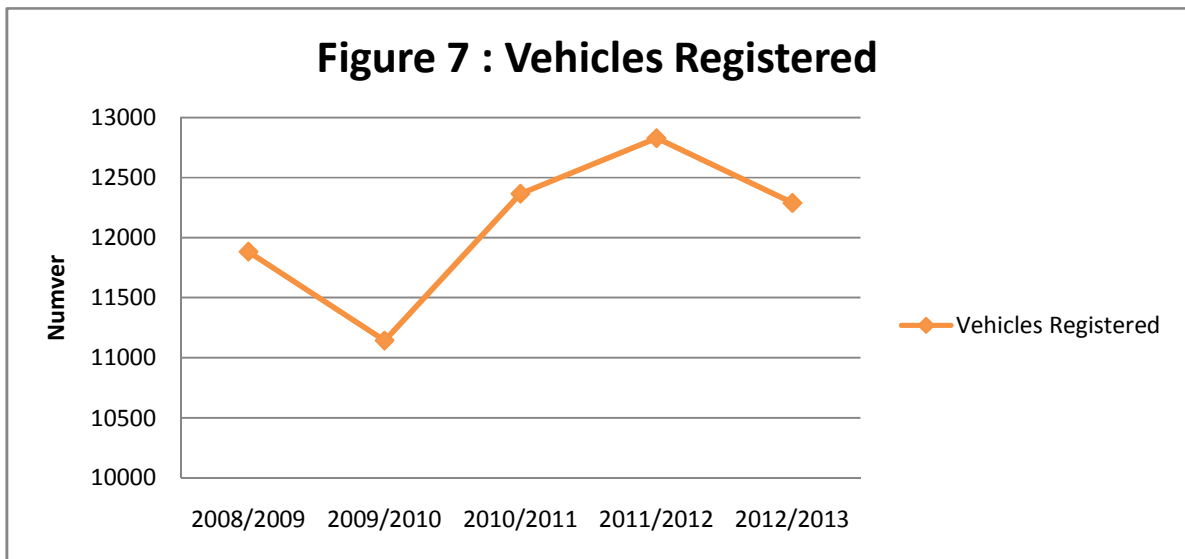


**Table 58 : Number of new vehicles registered**

Year	Number
2008/2009	11882
2009/2010	11143
2010/2011	12364
2011/2012	12827
2012/2013	12287



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**Figure 7** presents the number of vehicles registered from 2008/09 to 2012/13, showing a marked decline since 2011/12. This is most probably linked to the international economic slow-down, which has resulted in a reduction in the sales of new vehicles.

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<b>Table 59: Licensing Service Delivery targets for 2012/13 as contained in the SDBIP</b>				
<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
Licensing Services	% of people with access to learners, drivers licenses and vehicle licensing	100%	100%	None

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Table 60: Employees - Licensing and Testing Services						
Job level	2011/2012			2012/2013		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0	1	1	0%
Level 4-6	17	10	41.18%	23	10	56%
Level 7-9	16	10	37.5%	25	12	52%
Level 10-15	4	3	25%	11	3	72.7%
Level 16-17	5	2	60%	0	0	0%
<b>Total</b>	<b>43</b>	<b>26</b>	<b>40%</b>	<b>60</b>	<b>26</b>	<b>56.6%</b>

Table 61: Financial Performance 2012/13: Licensing and Testing Services (R'000)					
Detail	2011/2012	2012/2013			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Revenue (excluding tariffs)</b>	<b>20053</b>	<b>44 473</b>	<b>44 473</b>	<b>13 616</b>	<b>30 857</b>
Expenditure:					
Employees	8474	9 538	10 228	11 747	-1 519
Repairs & Maintenance	15	47	33	8	25
Other	467	25 487	25 499	367	25 132
<b>Total Operational Expenditure</b>	<b>8956</b>	<b>35 072</b>	<b>35 760</b>	<b>12 122</b>	<b>23 638</b>
<b>Net Operational (Service) Expenditure</b>	<b>11097</b>	<b>9 401</b>	<b>8 713</b>	<b>1 494</b>	<b>7 219</b>

5 year targets are set out in the IDP and all falls in the approved budget.

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## COMPONENT C: PLANNING AND DEVELOPMENT (TOWN PLANNING & LED)

This component includes: Town Planning; and Local Economic Development.

### **Land Use and Land Claims**

Approximately 66% of the total land area is privately owned while 33% of the total land area is owned by the state mainly in Traditional Authority areas. A negligible extent is municipal commonage. Land is a precious resource that forms the basis of a nation's wealth, security, pride and history. It is a major resource on which all spatial development proposals are based. Land and its ownership and use play an enormous role in shaping the political, economic and social processes.

Tribal land is not under Municipal control. Land restitution and land redistribution are all part of the Government's Policy on land reform. Land restitution is a programme to restore land to people who were dispossessed since 1913. Currently there are almost 45 claims that have been lodged with the Land Claims Commission within Greater Tzaneen Municipality. The number of these claims provides an indication of the extent and potential impact these claims may have on the SDF planning proposals.

### **Tourism**

Since the establishment of the Local Tourism Association, tourism activities and events are well coordinated. There is a good working relation between the Municipality and other government institutions including parastatals and privately owned organization (LEDET, TEP, LTPA, Tzaneen Info). Currently the Municipality has seconded a Tourism Officer to LTPA Tourism Centre for the distribution and dissemination of tourism information and she also serves as a link between the two. We currently have an updated database of tourism product owners, which is readily available and will be annually reviewed.

The Municipality still needs to address the following:

- Strengthen the relationship with other tourism role-players for sustainable and continuous tourism.
- To identify a Tourism Landmark which will identify Tzaneen as a unique Tourism destination
- Information on Tourism beds and coordinated tourism visitations

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## **Agriculture**

The Municipality is largely dominated by Agriculture which is also regarded as a major contributor in job creation. Due to unresolved and/or rather slow redistribution process it is now on the decline. Since there are uncoordinated agricultural activities, the Municipality therefore held a summit in June 2013 which resolved to form partnerships for support and mentorship. The Department of Agriculture and Department of Rural Development will be taking the leading role in the process, while the Municipality facilitates the processes. There is still however serious challenges which some may need higher level intervention:

- Disputes within governance structures including beneficiaries after land restoration
- Marketing and value addition processes
- Agricultural landmark for Tzaneen as a Tropical Paradise
- Global warming

## **Business**

Business within Greater Tzaneen plays a significant role in terms of job creation emanating from small, medium, micro enterprises (SMME). These also include the non formal sector which also contributes significantly in terms of job creation and poverty reduction, mainly within the agriculture and trade sectors. The Tzaneen Business Chamber has a good relationship with the Municipality wherein issues regarding service delivery are addressed for a healthy business environment. GTEDA currently facilitates development of shopping centres, emanating from the studies done previously. Other development agencies which support SMME's are SEDA and LEDA. The Annual Report for GTEDA is attached as [Annexure B](#).

### **Challenges identified include:**

- No policies to guides new development with economic impact (job creation, local business empowerment, etc)
- SMME consolidated database and a skills base profiling for the entire Municipal area
- Tribal Land which are earmarked for development purposes

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**Table 62: Applications for Land use Development 2010/11 - 2012/13**

	Formalisation of Townships			Rezoning			Built Environment		
	2010/2011	2011/2012	2012/2013	2010/2011	2011/2012	2012/2013	2010/2011	2011/2012	2012/2013
Planning application received	3	3	1	14	14	15	32	406	628
Determination made in year of receipt	2	2	2	12	6	6		0	0
Determination made in following year		1	0		3	6		0	0
Applications withdrawn	0	0	0	0	3	1	0	0	0
Applications outstanding at year end	1	1	2		2		15	0	0

**Table 63: Service Delivery targets for Town Planning as contained in the SDBIP for 2012/13**

Programme	Project/ KPI	Annual Target (2012/13)	Actual Achieved (30 June 2013)	Reason for deviation
Integrated development planning	<i># of strategic planning documents revised</i>	3	0	Awaiting the approval of National legislation by Cabinet (SDF)
	<i># of monthly NDPG meetings</i>	3	3	Design plans finalised
	Partial Cancellation of General plan of Tz Ext 13,15 of Erf 3078	Approval of General plan	Project deferred to 2013/14 budget	Budget adjustment not catered for the project
	<i>Rural Development Strategy</i>	Submit Rural Development Strategy to Council for adoption along with the IDP.	Project deferred to 2013/14 budget	No budget for the project
	<i>Rural Nodal Development Plans Bulamahlo (Community Centre)</i>	Proclaimed township	Awaiting outcome of public participation	Traditional Authority delaying calling up of community participation

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**Table 63: Service Delivery targets for Town Planning as contained in the SDBIP for 2012/13**

Programme	Project/ KPI	Annual Target (2012/13)	Actual Achieved (30 June 2013)	Reason for deviation
Integrated Spatial Development	<i># Capital projects implemented in SDF nodes</i>	36	36	None
	% ESD departmental capital spent in priority areas identified in Spatial Development Framework	100%	100%	None
	% CSD departmental capital spent in priority areas identified in Spatial Development Framework	100%	100%	None
	<i>Digital Camera</i>	Procure a Digital Camera	Two cameras procured asset register updated	None
	Formulation of Density Policy (social contribution)	Implementation of Policy. Report progress of service provider	Awaiting finalisation of appointment of Service Provider by Bid Adjudication Committee	Slow SCM processes
	Formulation of Tavern Policy	Implement Tavern Policy and report number of applications received and approved	Policy implemented throughout GTM	None
	<i>GPS</i>	Procure a GPS	Purchased and registered in asset register	None
	Implementation of Nkowankowa Local Area Plan (Acquisition of shopping mall site)	Formation of a partnership for the development of land into a shopping Mall upon release.	Designs Pending approval of TA thereafter to be submitted to Council for approval	None
	<i>Metal Detector</i>	Procure a metal detector	Purchased and registered in asset register	None
Pusela 6 - Township Establishment (former Public Works prefab houses)	Implementation of Policy. Designs for land development. Handover to Housing Division to secure funding for Gap-	Awaiting approval of GENERAL PLAN BY S.G.	None	

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**Table 63: Service Delivery targets for Town Planning as contained in the SDBIP for 2012/13**

Programme	Project/ KPI	Annual Target (2012/13)	Actual Achieved (30 June 2013)	Reason for deviation
		Market houses. Report progress of service provider		
	<i>Review of Nodal Plans</i>	Proclamation of Nodal Plan	Awaiting finalisation of appointment of Service Provider by Bid Adjudication Committee	Slow SCM processes
	<i>Talana (Erf 292 &amp; 293) Township establishment</i>	Negotiate with COGHSTA to establish a township at Talana. Report progress	Feasibility study has been done, waiting for final report from COGHSTA.	The project is listed on the provincial budget for 2013/14 financial year.
	Township establishment - Shiluvane Library	Implementation of Policy. Report progress of service provider.	Awaiting outcome of public participation	Traditional Authority delaying calling up of community participation
	<i>Tzaneen Ext 89 Township establishment</i>	Negotiate with COGHSTA to establish a township at Talana. Report progress	Feasibility study has been done, waiting for final report from COGHSTA.	The project is listed on the provincial budget for 2013/14 financial year.
	<i>Wheel Tape measure</i>	Procure wheel tape measure	Wheel tape measure procured and asset register updated	None



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Table 64: Employees - Town Planning services						
Job level	2011/2012			2012/2013		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0	1	1	0%
Level 4-6	4	1	75%	6	2	66.6%
Level 7-9	3	2	33%	1	1	0%
Level 10-15	0	0	0	0	0	0%
Level 16-17	0	0	0	0	0	0%
<b>Total</b>	<b>8</b>	<b>4</b>	<b>50%</b>	<b>8</b>	<b>4</b>	<b>50%</b>

The financial performance of the Town Planning Service is presented in **Table 65** below:

Table 65: Financial Performance 2012/13: Town Planning Services (R'000)					
Detail	2011/2012	2012/2013			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Revenue (excluding tariffs)</b>	102	100	100	123	-23
Expenditure:					
Employees	2346	2 699	2 699	2 847	-148
Repairs & Maintenance	0	0	0	0	0
Other	R 1 037	1 328	1 328	505	823
<b>Total Operational Expenditure</b>	<b>3383</b>	<b>4 027</b>	<b>4 027</b>	<b>3 352</b>	<b>675</b>
<b>Net Operational (Service) Expenditure</b>	<b>-3281</b>	<b>3 927</b>	<b>3 927</b>	<b>3 229</b>	<b>698</b>

The capital expenditure for Town Planning Services is presented in **Table 66** below;

Table 66: Capital Expenditure 2012/13: Town Planning (R'000)					
Capital Projects	2012/2013				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Digital Camera	R 10 000	N/A	R 4 500	R5 500	R4500
GPS	R 9 000	N/A	R 3 000	R6 000	R3000
Metal Detector	R 5 500	N/A	R 1 500	R3 000	R1500
Township establishment -	R 500 000	R 500 000	R 147 000	R353 000	R490 000.00.

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<b>Table 66: Capital Expenditure 2012/13: Town Planning (R'000)</b>					
<b>Capital Projects</b>	<b>2012/2013</b>				
	<b>Budget</b>	<b>Adjustment budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>	<b>Total Project value*</b>
Shiluvane Library					
Wheel Tape measure	R 1 200	R 1 200	R 600	-R600	R600.00
<b>Total</b>	<b>R525 700</b>	<b>R525 700</b>	<b>R156 600</b>	<b>-R368 000</b>	

\* Including past and future expenditure as planned

The township establishment process for the Shiluvane Library was put on hold, pending cabinet approval of legislation. The four priority areas currently undertaken are not funded from capital funds but from operational expenditure namely:

- Formalization of townships
- Rezoning
- Built environment (consent use applications)
- Spatial Policy development
- Demarcations of rural sites
- Permission to occupy applications, rural business development.

During 2012/2013 an amount of R989 000 was been allocated to be utilized in four (4) projects namely:

- Establishment of High Density Residential for middle income group on Portion 6 of the Farm Pusela 555-LT at the allocation of R400,000.
- Acquisition of Trust Land on Mohlaba's Location to secure Municipal assets already constructed on the land (Shiluvane Library building) at allocation of R480,000.
- Review of Spatial Policy, Tzaneen Nodal Plan and Density Policy at cost of R300,000.
- Nkowankowa Local Area Plan – R397 000.

However only two projects were accomplished namely: the *High Density Residential on Farm Pusela 555 LT* and *Nkowankowa Local Area Plan*. The remaining two projects are still in the process of procurement. To-date, an amount of R704 000 has been spent on both projects, which represent 72% of the total budget. The remaining two projects will probably commence in March 2014 or once procurement has been finalised and will be completed in 2013/14.

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## 3.9 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

The five pronged GTM LED Strategy 2012 (2007 review) aims to create 12,500 new jobs over next the five year planning period. This will be done on the following basis:

- Improved Municipal Service Delivery
- Community Development
- Nodal Development
- Unlocking Resource Potential
- Informal Sector Development Support

The above will also address the following projects as identified for implementation:

- **Sapekoe Tea Estate:** GTEDA managed to rehabilitate the tea estate in Middlekop wherein 500 jobs were created. The second phase will focus on further rehabilitation and investor match making for diversification of products. It is anticipated that another 200 new jobs can be created which will result in growth employment and equity where in other communities will benefit.
- **Systematic Agricultural Scheme Support:** The project will seek to support 4 agricultural schemes/cooperatives with a potential to create at least 5000 jobs (1200/scheme) at a turnover of R5m per annum.
- **Revitalization of the Tours Scheme:** The revitalization process seeks to empower the 15 farmer cooperatives, considering the local shelf market in relation to vegetable and maize production. The operations will significantly change the lives of the community around Tours with an impact on poverty. It is envisaged that 240 permanent jobs will be created; this will increase to 500 seasonally.
- **Establish Agri-Business SMME Regional Centre:** The Pula-Mpfula SMME Regional Centre will focus on Research and development on small scale farming and products.
- **Greater Tzaneen Export Centre/Council:** This export potential within Greater Tzaneen Municipality lacks the necessary government support and is fragmented. In order to improve their competitiveness and growing number of exporters, particularly those in agricultural

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related products, a structure in the form of Export Council must be established and registered with the Department of Trade and Industry. The benefits will be:

- ✓ Increased export and markets which will in turn create more jobs
  - ✓ Maximise foreign earnings and sustain economic growth
  - ✓ Trigger export related industry expansion
  - ✓ Mobilization of resources
- **Nkowankowa Industrial Site:** The aim is to engage LEDA through GTEDA to jointly strategise on how to bring the site to its former glory. GTEDA should design a Marketing and Investment Strategy for the site which will encourage the local market investor targeting production, backward linkages and downstream products.
  - **Development of Retail Nodes:** The studies conducted previously through GTEDA recommended the development of convenient retail centres across strategic nodes in the GTM area. These will result in creating more jobs, increased sourcing of local products, ensure SMME Development and ensure local participation (equity). The retail nodes development is looking at creating 600 temporary jobs during construction while envisaged employment will be 800.
  - **Tourism Landmark Project:** The study done through GTEDA on Tourism further recommended for Tourism Landmark around one of the dams in Tzaneen. This type of development seeks to create 400 new jobs and generate R5m per annum.

<b>Sector</b>	<b>2010</b>	<b>%</b>
Agricultural, Forestry & Fishing	4119	8.3
Mining and Quarrying	579	1.2
Manufacturing	4165	8.3
Electricity, Gas and Water	264	0.5
Construction	3762	7.5
Wholesale and Retail trade, catering and Accommodation	12048	24.2
Transport, Storage and Communication	1619	3.2
Finance, Insurance, real estate and business service	4724	9.5
Community, social and personal service	11493	23.0
General Government	7110	14.3
<b>Total</b>	<b>49882</b>	<b>100.0</b>

Source: Quantec Regional Economic Database

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## Communities living in abject poverty

The CWP project, as a means of poverty reduction, was initiated in 4 wards, to date the project has been expanded to 5 more wards and since managed to create ± 2000 jobs. The project ‘Research and Poverty Monitoring Tool’, implemented in Ward 1, in partnership with the University of Venda, has been completed. However, GTM is still awaiting a final report. During its implementation phase of conducting research, 13 young people were employed for a period of 3 months. The aim the initiative was to measure the poverty level of the area with a view to come up with interventions which will also address the needs of the communities. The Municipality wishes to expand the initiative to the rest of the Municipal area in order to be able to get a baseline and monitor impact on service delivery.

**Table 68: Gross Value Added (GVA) per sector in GTM at constant 2005 Prices, R'm (Global Insight Database)**

Sector	2008/2009	2009/2010	2010/2011	% 2010
Agric, forestry and fishing	329	295	301	5.3
Mining and quarrying	114	81	88	1.5
Manufacturing	369	328	340	6.0
Electricity, gas and water	249	256	265	4.6
Construction	177	184	185	3.2
Wholesale and retail trade, catering and accommodation	893	822	385	14.6
Transport, storage and communication	664	660	689	12.1
Finance, insurance, real estate and business service	1571	1531	1550	27.1
Community, social and personal service	385	378	379	6.6
General government	1032	1040	1078	18.9
<b>Total</b>	<b>5784</b>	<b>5575</b>	<b>5710</b>	<b>100.0</b>

The LED Division has facilitated various projects; the table below presents the job creation.

**Table 69: Job creation per project for 2012/13**

PROJECT	JOBS CREATED
Sapekoe	526 permant 500 for 1 month
Mokgoloboto	152
Banareng	206
Leather making	16
Batlhabine	185

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Project	Short term	Medium term	Long term
Improved Municipal Service Delivery	<ul style="list-style-type: none"> <li>• Prioritization of vacancies</li> <li>• Customer satisfaction survey</li> <li>• Coordination in the Public Sector</li> <li>• Eradication of service delivery backlogs</li> </ul>	<ul style="list-style-type: none"> <li>• Source funding</li> <li>• Implementation</li> </ul>	Monitoring and evaluation
Nodal Development	<p><b>Urban Nodes</b></p> <ul style="list-style-type: none"> <li>• Establish nodal development team</li> <li>• Prepare Nodal Development Framework</li> </ul> <p><b>Rural Nodes</b></p> <ul style="list-style-type: none"> <li>• Prepare a recommendation on the approval of rural nodes</li> <li>• Prepare local area plans</li> </ul>	<ul style="list-style-type: none"> <li>• Source funding</li> <li>• Implementation</li> </ul>	Monitoring and Evaluation

## Expanded Public Works Programme

The 2012/2013 EPWP Incentive Grant allocation was R 935 000. **Table 71** below, depicts job creation achievements.

Year	Work opportunities	FTE,s	Performance by Municipality	Percentage performance per financial year
2009/2010	510	174	213	42%
2010/2011	594	203	228	38%
2011/2012	714	246	378	53%
2012/2013	960	331	566	59%
<b>Total</b>	<b>4069</b>	<b>1399</b>		

EPWP jobs were created in the Infrastructure sector and also the Environmental and Culture sector.

See **Table 72** below:

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SECTOR	Projects	TARGET		PROGRESS		DEMOGRAPHIC INFORMATION		
		Work Opportunities	Full Time Employment	Work Opportunities	Full Time Employment	Women	Youth	People With Disability
Infrastructure	17	387	331	183	184	34	107	0
Environmental and Culture	21	453		383		189	173	6

## EPWP Achievements

- ✓ EPWP job creation targets were incorporated in the Performance Agreement of Section 57 Managers responsible for service delivery
- ✓ 100% of the allocated 2012/2013 EPWP incentive grant was spent
- ✓ Alleviate poverty within rural areas by ensuring that ± 245 household had food on their table on at least a temporary basis
- ✓ We were able to provide refuse removal services to some of the rural areas
- ✓ Lobbied for inclusion of people with Disability within our projects and currently we have 7 that are temporary employed.

## EPWP Challenges

The implementation of EPWP is not yet integrated into all planning activities of Council. Five-year EPWP targets must still be included in the IDP.

## Tourism and Marketing

While Tourism is one on the major economic developmental opportunities within GTM, we need to establish the 'Tourism Landmark' which will identify Tzaneen as a unique Tourism destination. The Municipality has managed to establish the Local Tourism Association and a sustainable relationship/partnership with local tourism product owners. In terms of the revised LED strategy, GTEDA should be the implementing agent for the Municipality in the following four keys:

- Tourism product development
- Tourism skills development

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- Tourism marketing
- Events Management

The Limpopo Tourism and parks Agency, being the main marketing agency for the entire provincial tourism development, the LTA at local level together with the Municipality compliment the role during local, provincial and international trade events/publications as depicted in the table below:

<b>Events</b>	<b>Publications</b>
Marula Festival	Brochures
Indaba Trade Show	DVD's
Letaba Expo	Magazines
Getaway show	Local newspapers
Muhlaba Day	
Nwamitwa Day	
Flea markets and Arrive Alive campaigns	

<b>Wards participating</b>	<b>Number of cooperatives</b>	<b>Number of jobs</b>	<b>Output (work done)</b>
Ward 16	0	250	<ul style="list-style-type: none"> <li>• School support programme</li> <li>• HIV/AIDS</li> <li>• Crime prevention</li> <li>• Construction</li> <li>• Cemetery cleaning</li> <li>• Agriculture</li> <li>• Road maintenance</li> <li>• Early childhood development</li> </ul>
Ward 18	0	200	
Ward 22	0	280	
Ward 29	0	220	
Ward 30	0	200	
Ward 32	0	239	
Ward 33	2 (Sewing; Gardening)	300	
Ward 34	2 (Gardening, Sewing, Horticulture, Electrical)	250	
<b>Total no of Participants</b>		<b>1939</b>	
Total no of Coordinators		16	
Total no of site staff		8	
<b>Total no of CWP members</b>		<b>1963</b>	



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The CWP was initiated as a National Presidential programme with a view to address the challenges of unemployment and poverty. The focus is on women and they work for 3 days in a week at a rate of R65/day. The programme is currently implemented in the wards presented in **Table 75**:

<b>Ward</b>	<b>Village</b>	<b>Ward Councilor</b>
16	Mahlogwe, Leseka, Bvumeni and Lephepane	Cllr. R Rikhotso
18	Khujwana, Muhlaba cross and Bridgeway	Cllr. P Nghonyama
22	Rita, Lefara, Khopo, Mankweng and Mafarana	Cllr. C Makwala
29	Sunnyside, Myakayaka and Burgersdorp	Cllr. NA Masila
30	Tickyline and Matshelapata	Cllr. L Pudikabekwa
34	Rasebalana, Khopo, Lephepane and Thabina	Cllr. M Letsoalo
33	Leolo	Cllr. D Maake
32	Khujwana and Topanama	Cllr. S Raganya

## **Main objective**

- To create jobs to address the unemployment rate
- To promote safe and healthy living environment
- To promote healthy eating amongst poor people and those infected or affected by diseases

## **Activities**

- Awareness campaign about the risk factors of alcohol, teenage pregnancy, high rate of crime and rape.
- To establish food gardens at Public buildings (schools, churches and clinics)
- Cleaning and paving public area (clinics, schools, churches) and removing unwanted grass, weeds, shrubs etc.
- Landscaping/Vegetation control
- Sewing
- Regravelling main roads and streets
- Pavement at schools and churches using bricks and sand.

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<b>Village</b>	<b>Number of Jobs</b>
Mahlogwe, Leseka, Bvumeni and Lephepane	250
Khujwana, Muhlaba cross and Bridgeway	200
Rita, Lefara, Khopo, Mankweng and Mafarana	280
Sunnyside, Myakayaka and Burgersdorp	220
Tickeyline and Matshelapata	200
Rasebalana, Khopo, Lephepane and Thabina	239
Leolo	300
Khujwana and Topanama	250

<b>Population Section</b>	<b>Number of Jobs</b>
Female youth	870
Male youth	440
Female adult	237
Male adult	315
Male and female pensioners	71
Coordinators	120
<b>Total</b>	<b>2053</b>

## **PARTNERSHIPS**

Through the partnerships with GTEDA the Planning & Economic Development Department was able to attract additional funding for investment in projects within the Municipal area for the enhancement of economic development. The following partnerships were established:

- SEDA – SMME Development
- University of Venda – Research on Poverty Monitoring Pilot Tool
- LTPA – Tourism marketing
- Tzaneen Business Chamber – Events and Tourism marketing
- LEDET – Hawkers

The Annual Report for the Greater Tzaneen Economic Development Agency is herewith attached as [Annexure B](#).

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<b>Table 78: Targets for LED as contained in the SDBIP for 2012/13</b>				
<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
Extended Public Works	<i># of jobs created through EPWP projects</i>	3000	520	Litigation of infrastructure projects. Institutional arrangement was not clearly resolved
Extended Public Works	Facilitating EPWP (ESD)	Monitor progress with the implementation of EPWP and report progress to Council on a monthly basis. Submit job creation statistics to PED	159 job opportunities were created and the reports are forwarded monthly to provincial department	Initially targets for EPWP job creation where not set.
Enterprise Development (SMME support)	<i># of jobs created through municipal LED initiatives</i>	600	1827	None
Poverty Reduction and empowerment	<i>% reduction in unemployment</i>	5%	-5%	Only source of information is Stats SA 2001 vs. 2011, unemployment increased
Community Works Programme	Number of job opportunities created through the CWP	No target -reporting	1931	CWP initiated from COGHSTA, target not set by GTM initially
Enterprise Development (SMME support)	<i>R-value sourced for LED initiatives</i>	R2,500,000	R4,000,000	None
Agriculture	Land Reform/Agriculture project support	Facilitate land reform forum meeting. Attend monthly and	3 Land reform forum meetings facilitated	None

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Table 78: Targets for LED as contained in the SDBIP for 2012/13				
Programme	Project/ KPI	Annual Target (2012/13)	Actual Achieved (30 June 2013)	Reason for deviation
		quarterly meetings for identified agricultural projects and facilitate services to be provided to the identified projects (Tours, Mokgolobotho, Sapekoe, Banareng, Bathlabine, Kgatle, Mkomomonto, Maitjeng and Balepye). Engage stakeholder in freight study through DRT and support during events	Attended monthly and quarterly meetings for Tours, Mokgolobotho, Sapekoe, Banareng, Bathlabine, Kgatle, Mkomomonto, Maitjeng and Balepye projects and facilitated services to be provided to these projects.	
Agriculture	Renovation of Sapekoe staff compound	Report on progress with the implementation of the Renovation of the Sapekoe staff compound by GTEDA	Staff compound completed by Dec 2012	None
Community Works	Community works support	Support, attend and chair meetings and liaise with internal departments regarding the implementation and maintenance of the identified projects. Report quarterly on jobs created through the CWP	Attended the CWP Local Reference Committee held on the 26th of March 2013. Interviews coordinators for wards 29 and 30 were held on the 8th of April 2013 and appointed to start in May 2013.	None
Enterprise Development (SMME support)	Commercialisation of the Tzaneen Airfield	Liaise with MDM on implementing the Airfield Feasibility study	MDM function, meeting of the airfield control board is taking place.	None
Enterprise Development (SMME support)	GTEDA Sustainability	Provide continuous support to GTEDA to ensure self-sustainability. Attend board and monthly meetings as per invitation and schedule. Monitor adherence to SLA	Packaged the GTEDA public participation report and submitted to National and Provincial Treasury, Auditor General, COGHSTA and SALGA on the 8th of May 2013. Attended the Tours agriculture and Tourism meetings per their invites.	None

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<b>Table 78: Targets for LED as contained in the SDBIP for 2012/13</b>				
<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
Enterprise Development (SMME support)	<i>LED strategy review</i>	Submit LED projects from revised strategy to GTEDA & IDP for prioritisation and implementation. Monitor progress	LED strategy was adopted on 28 June 2013, Council Resolution number A 17	None
Enterprise Development (SMME support)	Partnerships and Stakeholder meetings	Facilitate the development of MOU's with LDA, Hand in Hand and Limpopo LED Resource Centre. Strengthening of partnerships and facilitate bi-monthly meetings with LED forum members.	Managed to facilitate MOU for: Hand in Hand, TIL and Univen. MOU with SEDA signed, to be reviewed for financial year 2013/2014. Sector forum meetings held for Agriculture, Tourism and Business Chamber.	TIL MOU on hold due to amalgamation to LEDA.
Enterprise Development (SMME support)	SMME strategy development	Presentation of the final document and Council resolution.	Project suspended, awaiting the finalization of the LED Strategy.	None
Enterprise Development (SMME support)	<i>SMME Support</i>	Facilitate the establishment of partnerships with development agencies Facilitate establishment of cooperatives within CWP projects and other cooperatives and build relationships	4 cooperatives were established through CWP in ward 34: Horticulture, Decor Waving, Sewing and Solar Energy. Identified 40 cooperative members to attend the New Venture Creation skills development training facilitated by Tzaneen FET to start from the 22 April to 26 July 2013.	None
Enterprise Development (SMME support)	<i>Tannery and Leather making</i>	Report on progress with the implementation of the Tannery and Leather making project by GTEDA	Cooperative members were trained on Financial Management, Cooperative Governance, Costing and pricing, Marketing, fund raising customer care. Trained in the making of leather products.	None
Poverty	<i>Employment Database</i>	Maintain Employment Creation	Database on jobs created through CWP,	Budget constraints, also

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<b>Table 78: Targets for LED as contained in the SDBIP for 2012/13</b>				
<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
reduction & Empowerment	<i>Development</i>	Database	jobs created is 1931.	coordinated through the District.
Poverty reduction & Empowerment	<i>Poverty Alleviation strategy</i>	Pilot the development of a Poverty Alleviation strategy in Ward 1. Report progress. Ensure capacity building of Municipal Employees by UNIVEN	Data capturing is completed. Received a delegation from Philippines on the 15th of May 2013. Village mapping was done. Currently the University is busy with data capturing data.	None
Tourism	<i>Tourism Support</i>	Facilitate LTA meetings and ensure inclusive participation by other community Tourism structures. Coordinate monthly meetings and share information based on Tourism.	Attended the GLM Tourism Forum meeting on the 11th of April. Organized training in customer care from 12 - 30 of April 2013. Held plenary meetings for Indaba on the 12th and 16th of April 2013. Undertaken site visits to Sekgopo on the 11th of June and Thabina on the 28th of June 2013.	None
Tourism	<i>Tourism Events</i>	Co-ordinate tourism activities as per annual calendar and in conjunction with business and marketing division Facilitate Indaba, Flea market. Finalise and adopt the developed route	Attended the Indaba show from the 10th to the 14th of May 2013. Flea market not coordinated	None
Tourism	<i>Tourism Framework</i>	Monitor progress with the drafting of a framework and report progress. Draft Framework ready for discussion	Tourism Concept document on various projects has been compiled.	None
Economic Growth and Investment	# of GTEDA board meetings attended	4	1	Board term of office expired, awaiting final approval from National Treasury

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<b>Table 78: Targets for LED as contained in the SDBIP for 2012/13</b>				
<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
Economic Growth and Investment	# of networking meetings	8	12	LED: Gala Dinner (5 June 2013) Land Reform Summit (6 June 2013)
Economic Growth and Investment	# of joint projects initiated with related stakeholders	5	5	None
Economic Growth and Investment	Alienation of sites	Manage the alienation of sites . Identify available land for alienation. Prepare documentation for the servicing of sites and implementation to ESD and submit to CFO for advertising and awarding of bids.	2 sites donated for RDP houses, 49 sites at Dan Ext 2 in process of being sold through SCM process	Delays in SCM, the tender was evaluated and waiting for adjudication by BAC

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Table 79: Employees - Local Economic Development services						
Job level	2011/2012			2012/2013		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	7	4	42.8%	3	2	33.3%
Level 7-9	2	2	0%	1	1	0%
Level 10-15	0	0	0%	5	3	40%
Level 16-17	0	0	0%	0	0	0%
<b>Total</b>	<b>10</b>	<b>7</b>	<b>30%</b>	<b>10</b>	<b>7</b>	<b>30%</b>

Table 80: Financial Performance 2012/13: Local Economic Development Services (R'000)					
Detail	2011/2012	2012/2013			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Revenue (excluding tariffs)</b>		<b>414</b>	<b>414</b>	<b>897</b>	<b>-483</b>
Expenditure:					
Employees	2140	3 070	3 070	3 313	-243
Repairs & Maintenance	0	0	0	0	0
Other	2770	4 520	4 320	3 842	478
<b>Total Operational Expenditure</b>	<b>4910</b>	<b>7 590</b>	<b>7 390</b>	<b>7 155</b>	<b>235</b>
<b>Net Operational (Service) Expenditure</b>	<b>-4910</b>	<b>-7 177</b>	<b>-6 977</b>	<b>-6 258</b>	<b>719</b>

Table 81: Capital Expenditure 2012/13: Local Economic Development Services (R'000)					
Capital Projects	2012/2013				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
None	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

LED had no Capital allocation for 2012/13



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## COMPONENT D: COMMUNITY & SOCIAL SERVICES

### **Aged Care**

Although Aged Care is not a function of the Municipality, GTM has 37 bachelor housing units (Pioneer Old Aged units) that are being rented out to those aged that are dependent on social grants. There is a waiting list which is updated on a daily basis, as and when requests are received. These units are maintained by the Engineering Services Department.

### 3.10 LIBRARIES; MUSEUM; COMMUNITY FACILITIES

#### **Parks and Community Facilities**

Parks in rural areas remain limited and although the plan is to provide at least one park per Ward, funding would still be required. The Ward Committees have been tasked to identify areas for parks development in their respective Wards and no development has taken place yet. The grass cutting is done in 2,006,647m<sup>2</sup> and grass slashing is done in a area of 1,188,29 m<sup>2</sup>.

GTM have three Community Halls i.e at Nkowankowa, Lenyenye, Julesburg Stadium Hall then also Mini-Tzanie Park Hall, Rhelela; Runnymede and Lesedi. These halls are booked to control access and for recording purposes and to collect some funds for sustainability. Only the three community halls are rented out, the usage of the others are free of charge. The halls surroundings are kept clean for maximum usage, to attract users and to promote safe and healthy environment. Communities living in poverty are currently utilising the halls at Rhelela, Bulamahlo, Lesedi and Julesburg for free, even though this is not sustainable, as these facilities needs to be maintained. As it is, the maintenance of community halls is not done as it should be, due to budget constraints.

The Museum is operational and objects are explained to visitors. The building is very small and need to be extended. Application of funds to construct a multi purpose museum is made to MIG . The Museum is currently operated by a Private Curator with his artefacts and the GTM seek to have its own collection and manage the facility, due to misunderstandings between the Private Curator and the GTM.

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## **Libraries**

Library Services, an unfunded mandate, is the joint responsibility of Municipal authorities and the Department of Sports, Arts & Culture (DSAC). The GTM has entered into a Service Level Agreement with the Limpopo Provincial Library Services, DSAC. In terms of the Service Level Agreement the Municipality is responsible for infrastructure, staff and operational costs. The Provincial Library Services is responsible for supplying furniture, equipment and reading material. The top three Library Service priorities are:

- Access to balanced book collections and lending services;
- Information services, with the emphasis on school project help and user education
- Educational holiday programmes and book-related arts and craft events, including an annual reading competition.

During 2012/2013, 93,984 people used the GTM libraries; 80,907 books were lent out; 104 school groups visited the libraries; 650 assignment topics were assisted with; 10 big and 16 smaller book related events were hosted; 3 holiday programmes were held and 1039 learners entered the library competition. The GTM Library Services constantly strives towards building relevant collections and providing friendly and efficient services. For that reason, communities from all over the Greater Tzaneen Municipality area and beyond use the libraries. Access to the libraries, project assistance and information is free of charge.

Public Work's construction of the new libraries at Shiluvane and Mulati continued throughout 2012-2013, and the DSA&C estimates that the libraries should be operational by April 2014 (Shiluvane) and June 2014 (Mulati). Both libraries are funded by National Library Grant funding, through the DSA&C. The GTM's Vision for Library Services is to build new libraries accessible to all, especially in rural areas and in all clusters. The infrastructure status quo and maintenance and development requirements of the three operational GTM libraries are presented in the tables below:

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<b>Table 82: Tzaneen Library details</b>	
Location	38 Agatha Street TZANEEN 0850
Characteristics	<p><b>Size</b> 1019 square meters (Including entrance hall, stacks, offices, store-rooms, study hall and toilets) Rand worth: R6,114,000</p> <p><b>Number of books in the library</b> 46,834 books</p> <p><b>Library</b> <i>Seating capacity</i> 70 (Seated at tables) <i>Use</i> The library is used to house books for information and recreation and as a study and information centre.</p> <p><b>Study Hall:</b> <i>Seating capacity</i> 42 (Seated at tables); 60 if used as lecture hall. <i>Use</i> During office hours the study hall is used by students studying and after hours as a lecture hall, workshop room or recreational centre.</p>
Number of beneficiaries	Library: : 50,000 users per annum Study Hall: 5,000 users per annum
General maintenance	The building is maintained by the Engineering Department's Building Division. The entire floor was tiled, the outside walls painted and the roof resealed in 2012/13. The public toilets regularly require repairs by the Water, Sewer and Plumbing Division. The Electrical Engineering Department maintains the electricity in the building, including lighting and air-conditioning. The building is cleaned by GTM cleaners on weekdays
Maintenance and building requirements 2013/14 – 2015/16	<p><b>2013/14</b></p> <ul style="list-style-type: none"> <li>• Additional library counter as counter space is insufficient for computers and scanners once the library is computerized. Counter to fit in space available (approximately 2, 8 meters in length), and have shelving or a drawer underneath counter top. Library staff must be able to sit behind the counter. The counter top must be broad enough for a computer, scanner and tattle tape scanning machine. Must be real wood, in Kiaat or similar, matching existing counter.</li> <li>• 2 Air dryers for toilets.</li> <li>• Servicing of air conditioners</li> </ul> <p><b>2014/15</b></p> <ul style="list-style-type: none"> <li>• Enclosure of library storeroom with a wall (6.5x3m) on the side enclosed with steel bars.</li> </ul> <p><b>2015/16</b></p> <ul style="list-style-type: none"> <li>• Expansion of Study Hall by 20 square meters.</li> </ul>

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<b>Table 83: Haenertsburg library details</b>	
Location	7 Marè Street HAENERTSBURG 0850
Characteristics	<p><b>Size</b> 235 square meters. Rand worth: R1,410,000</p> <p><b>Number of books in the library:</b> 11,384 books</p> <p><b>Library:</b> <i>Seating capacity</i> 20 (Seated at tables) <i>Use</i> The library is used to house books for information and recreation and as a study and information centre. Internet access is available free of charge.</p> <p><b>Turner Room (Board room):</b> <i>Seating capacity</i> 12 (Seated at table) <i>Use</i> The Turner Room is used for community meetings such as the Police Forum and for recreational activities such as library holiday programmes.</p> <p><b>Finance Office:</b> <i>Seating capacity</i> 2 Staff members. <i>Use</i> Municipal accounts are paid at the office.</p>
Number of beneficiaries	Library: 14,000 users per annum Turner Room: 1000 users per annum Finance Office: 500 users per annum
General maintenance	The building is maintained by the Engineering Department's Building Division. The public toilet is repaired when necessary by the Water, Sewer and Plumbing Division. The Electrical Engineering Department maintains the electricity in the building, including lighting. The building is cleaned by GTM cleaners from Mondays to Thursdays.
Maintenance and building requirements 2013/2014 – 2015/16	<p><b>2013/14:</b></p> <ul style="list-style-type: none"> <li>• 3 Air dryers for toilets.</li> <li>• Blinds for library, Turner room, passageway and finance office.</li> <li>• Air conditioning.</li> </ul> <p><b>2014/15:</b></p> <ul style="list-style-type: none"> <li>• Expansion of library by 50 square meters.</li> </ul> <p><b>2015/16:</b></p> <ul style="list-style-type: none"> <li>• General maintenance.</li> </ul>

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<b>Table 84: Letsitele Library details</b>	
Location	61 Kort Street LETSITELE 0850
Characteristics	<p><b>Size</b> 130 square meters (Including library, small library store-room and finance office) Rand worth: R780,000 Separate Council building, which includes offices, toilets and kitchen, not included.</p> <p><b>Number of books in the library:</b> 12,690 books</p> <p><b>Library:</b> <i>Seating capacity</i> 40 (Seated at tables) <i>Use</i> The library is used to house books for information and recreation and as a study and information centre, as well as for recreational holiday programmes. Internet access is available free of charge.</p> <p><b>Finance Office:</b> <i>Seating capacity</i> 2 Staff members. <i>Use</i> Municipal accounts are paid at the office and arrangements for sewerage removal in Letsitele are made via the office.</p>
Number of beneficiaries	Library: 20,000 users per annum Finance Office: 3,500 users per annum
General maintenance	The building is maintained by the Engineering Department's Building Division. The building was enlarged and renovated in 2003. All tiles were replaced in 2006. The Electrical Engineering Department maintains the electricity in the building, including lighting and air-conditioning. The building is cleaned by GTM cleaners on weekdays. Estimated cost of maintenance p/a: R23,400 (4% of total worth)
Maintenance and building requirements 2013/2014 – 2015/16	<p><b>2013/14:</b></p> <ul style="list-style-type: none"> <li>• 2 Air dryers for toilets in office block.</li> <li>• Upgrading of air conditioners.</li> <li>• Expansion of library by 100 square meters, including enlargement of current counter and library area, building of separate study/activities room and staff tea room.</li> <li>• Expansion of wooden library counter as counter space is insufficient, and will be more so once computers and scanners are placed on counter when library is computerized. The counter top must be broad enough for a computer, scanner and tattle tape scanning machine. Must be real wood, in oak or similar, matching existing counter.</li> </ul> <p><b>2014/15:</b></p> <ul style="list-style-type: none"> <li>• Building of new public ablution block outside library.</li> </ul> <p><b>2015/16:</b></p> <ul style="list-style-type: none"> <li>• General Maintenance</li> </ul>

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The challenge with Library Services infrastructure development and maintenance is that the responsibilities between the Municipality and the DSAC are unclear. The DSAC requests municipalities to submit infrastructure and maintenance requirements annually, to be addressed by the National Library Grant, which is administered by the Limpopo Provincial Library Services, DSAC. The DSAC has to date not informed the GTM which of its requests for infrastructure and maintenance at its existing libraries it will meet, making it very difficult to plan or budget.

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**Table 85: Library Service Delivery Targets as set out in the SDBIP for 2012/13**

Programme	Project/ KPI	Annual Target (2012/13)	Actual Achieved (30 June 2013)	Reason for deviation
Library Services	# people using the GTM libraries	84500	93984	None
	# of new libraries developed	1	0	Shiluvane and Mulati libraries not yet complete and not yet handed over to the GTM.
	Assistance to community libraries	Assist with the establishment of community Libraries through facilitating Biblionef donations providing a simplified Library management guide and rudimentary training.	Library management guide and Biblionef forms given to three fledgling community libraries and two schools, 171 Books and 250 National Geographic magazines donated to schools and fledgling community libraries. Rudimentary training in accessioning given to the library staff of the Lenyenye Community Library	None
	Book related events	3 Holiday programmes and 6 book related arts and culture events arranged and hosted.	3 Holiday programmes, 10 big and 16 smaller book related arts and culture events arranged and hosted.	None
	Library development and reading promotion	Ensure that accurate information services, continues user education, prompt lending services and balanced collection development takes place	93984 Library users 80907 Library items distributed, 116 Displays mounted, 104 School groups hosted, 650 school project themes assisted with 889 Donated books processed.	None
Library Infrastructure	Construct and establish new libraries (Shiluvane Library)	Manage the Shiluvane Library	A letter to the DSAC advising on placement of new libraries was forwarded to the DSAC in April. Attended Shiluvane and Mulati site meetings on 15 May. EXCO item on the Mulati Library was approved on 7 May.	The Shiluvane and Mulati libraries are nearing completion. Once completed, they will be formally hand over to GTM.

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**Table 86: Parks service delivery targets as set out in the SDBIP for 2012/13**

<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
Parks and Open space Management	<i>% of households with access to parks</i>	12%	12%	None
	# of dedicated parks maintained (developed)	7	7	None



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Job level	2011/2012			2012/13		
	Nr of Posts	Nr of Posts	Nr of Posts	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	3	0	100%	3	0	100%
Level 7-9	28	7	75%	28	12	64.2%
Level 10-15	1	0	100%	2	0	100%
Level 16-17	3	2	0%	0	0	0%
<b>Total</b>	<b>34</b>	<b>10</b>	<b>71%</b>	<b>34</b>	<b>13</b>	<b>61.76%</b>

The figures in Table 81 represent the number of posts for all GTM libraries, current and planned.

Job level	2011/2012			2012/2013		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	0	100%	1	0	100%
Level 4-6	6	6	0%	4	3	25%
Level 7-9	0	0	0	3	3	0%
Level 10-15	16	11	31.2%	89	80	10.1%
Level 16-17	73	46	36.9%	0	0	0%
<b>Total</b>	<b>96</b>	<b>63</b>	<b>34.3%</b>	<b>97</b>	<b>86</b>	<b>11.3%</b>

The building and establishment of new libraries is the responsibility of the Provincial DSAC (Library and Archives). Operational funding for new libraries is a challenge to the GTM (see financial performance for 2012/13 in **Table 89**). A letter requesting operational funding for the Shiluvane Library for two years has been written to the MEC for Sport, Arts and Culture. The letter was acknowledged but not yet responded to.

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<b>Table 89: Financial Performance 2012/13: Libraries (R'000)</b>					
Detail	2011/2012	2012/2013			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Revenue (excluding tariffs)</b>		125	125	80	<b>45</b>
Expenditure:					
Employees	3013	4 580	4 391	4 354	37
Repairs & Maintenance	6	13	13	9	4
Other	357	542	527	399	128
<b>Total Operational Expenditure</b>	<b>3376</b>	<b>5 135</b>	<b>4 931</b>	<b>4 762</b>	<b>169</b>
<b>Net Operational (Service) Expenditure</b>	<b>-3376</b>	<b>-5 010</b>	<b>-4 806</b>	<b>-4 682</b>	<b>124</b>

At a meeting of the GTM Sports, Recreation, Arts and Culture Cluster Committee on the 19th of February 2013, Councilors agreed that, as the two new libraries built through the DSAC at Shiluvane and Mulati are situated within the Bulamahlo and Lesedi clusters, the next new libraries should be built within the remaining two cluster areas, Runnymede and Relela. A letter, requesting that new libraries be placed in Runnymede and Relela was signed by the Municipal Manager and sent to the Senior Manager, Library and Archives (DSAC Limpopo).

<b>Table 90: Financial Performance 2012/13: Parks, Museums, Community Facilities (R'000)</b>					
Detail	2011/2012	2012/2013			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Revenue (excluding tariffs)<sup>2</sup></b>	<b>0</b>	<b>513</b>	<b>513</b>	<b>66</b>	<b>447</b>
Expenditure:					
Employees	8783	11 159	11 159	11 691	-532
Repairs & Maintenance	2128	1 970	1 951	1 040	911
Other	2672	4 437	6 272	5 079	1 193
<b>Total Operational Expenditure</b>	<b>13583</b>	<b>17 566</b>	<b>19 382</b>	<b>17 810</b>	<b>1 572</b>
<b>Net Operational (Service) Expenditure</b>	<b>-13583</b>	<b>-17 053</b>	<b>-18 869</b>	<b>-17 744</b>	<b>1 125</b>

<sup>2</sup>Payments made are deposited into a general account and not ring-fenced for parks and community facilities

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<b>Table 91: Capital Expenditure 2012/13: Parks &amp; Community Facilities (R'000)</b>					
<b>Capital Projects</b>	<b>2012/2013</b>				
	<b>Budget</b>	<b>Adjustment budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>	<b>Total Project value*</b>
None					
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Funding is too limited to accommodate all community needs which require capital funding, such as parks development in rural areas of GTM. Funding for renovation of existing parks at Lenyenyé, Nkowankowa and Haenertsburg was included in MIG for 2013/14. A service provider was appointed to supply brush cutters and bush cutters in 2012/13 but withdrew due to technicalities.

## 3.11 CEMETERIES

GTM have 136 cemeteries and only 6 are maintained monthly and the rest of the cemeteries are in rural areas. A Proposal for Partnership in cemetery maintenance was presented to South African Funeral Practitioners Association SAFPA members, representative of Provincial SAFPA and Mopani District Municipalities on 29 November 2011 and still awaiting feedback. This was done as a means to improve performance irrespective of financial constraints and as a means to support poor communities. However, currently there is no buy in. In 2012 and 2013, application for funding was sent to the Department of Environment and Tourism and GTM still awaiting a response.

Lenyenyé Community received land from Nkuna Tribal Authority for a new cemetery and development has started. There is a great need for cemetery extensions, fencing, construction of ablution facilities and cemetery maintenance in the rest of GTM cemeteries. Currently there are volunteers who are cleaning cemeteries in various Wards. GTM procured and handed out cemetery registers to keep record in all rural areas. We managed to provide burial space to all GTM communities. The challenges are funds for fencing, construction of ablution facilities and cemetery maintenance. For the new Lenyenyé Cemetery the G24 Rectification process will commence in 2013/14 because the land was cleared before the Environmental Impact Assessment could be done.

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Table 92: Cemetery service delivery targets as set out in the SDBIP for 2012/13				
Programme	Project/ KPI	Annual Target (2012/13)	Actual Achieved (30 June 2013)	Reason for deviation
Cemetery maintenance and upgrade	<i># of Cemeteries with amenities</i>	89	89	Lenyenye & Nkowankowa cemeteries not yet established/ extended
	Cemetery Management	Maintain existing cemeteries and liaise with Land, Property and Housing Division for the acquisition of land for new cemeteries	All existing cemeteries are maintained, PED acquired land for Lenyenye cemetery, but the matter is still to be finalised with Nkuna and Mogoboya Tribal Authorities	None
	Cemetery Register (Rural)	Monitor the usage of the rural cemetery register and capture data on a monthly basis	136 cemetery registers were handed over to all GTM wards in April 2013. Consolidated data is collected monthly from end April 2013	None

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The responsibility to manage Cemeteries and Parks reside in the same division and the personnel fulfils both functions with the operating budget also covering both functions. For the number of employees allocated to parks (cemetery) refer to Table 88 and for financial performance to Table 90.

<b>Table 93 : Capital Expenditure 2012/13: Cemetery services (R'000)</b>					
<b>Capital Projects</b>	<b>2012/2013</b>				
	<b>Budget</b>	<b>Adjustment budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>	<b>Total Project value*</b>
None	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The cemeteries in rural areas are currently maintained by the community on a voluntarily basis. The challenge is that they need to be provided with maintenance tools and possibly a stipend. There is a need to extend cemeteries, fence and building of ablution facilities but budget constraints does not allow. Land has been procured for the Lenyenye cemetery and the land is currently being developed.

## 3.12 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Youth Gender & Disability Programme is part of the Mayor's Special Programmes. Its main functions include: Co-ordination, Mainstreaming, Advocacy, Development & empowerment of focal or designated groups. Its objective is to encourage public participation and inclusive project planning, implementation and monitoring. It is a function done for internal and external stakeholders. The strategic objective is good governance.

The following are the key priorities achieved for Youth, Gender and Disability programmes during the year under review.

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## Calendar Events

- **Youth Month celebrations**

The YGD is responsible for the coordination of the provincial, district and local youth month celebrations to commemorate and celebrate the June 16 Youth Uprising. Two busses were coordinated to ferry youth to the provincial rally that was held at Sekgopo Show grounds on the 16<sup>th</sup> of June 2013. The busses were procured by the Office of the Premier. The local event was not held due to financial constraints. The Greater Tzaneen Municipality also hosted the national youth liquor awareness campaign at Lenyenye stadium on the 21<sup>st</sup> of June 2013. It was addressed by the Deputy Minister of Trade & Industry. The event had 1200 people in attendance. GTM in partnership with Department of Social Development held a youth empowerment workshop at Runnymede Thusong Centre and Mugodeni Health Centre on the 19<sup>th</sup> and 20<sup>th</sup> of June 2013, respectively. We also transported 12 youth leaders to the provincial youth parliament in Lebowakgomo.

- **Women's Month celebrations**

The Youth, Gender and Disability office is responsible for the coordination of the calendar events throughout the year. The office therefore also became part of the organs of the society through the coordination of national, provincial, and local women month celebration activities. The office thereto, during August 2012 managed to, among other launch the women caucus wherein all women Councilors attended and also arranged transport to ferry 39 women from across GTM to Polokwane for national women month celebration event. A bus and two minibus taxis were arranged in this regard.

- **16 Days of Activism on No Violence Against Women and Children**

Annually November 25 marks the beginning of the 16 days of Activism on No Violence against Women and Children, the office of YGD also acknowledged the event and co hosted with the OHS office. The event was mainly for GTM employees, whereby more than 50 employees attended the event.

- **Annual Men's Indaba**

The office of Youth, Gender and Disability hosted the GTM Annual Men's Indaba in March 2013, which was graced by speakers from different sectors of our communities. It has been amongst others, sat down and crafted resolutions that seek to enhance the status of men in

# Chapter 3

our communities. The event was graced by more than 100 participants, which included community members. It was a spectacular event for GTM.

- **National and International Disability month celebrations.**

The YGD is responsible for the coordination of the provincial, district and local disability month celebrations to commemorate and celebrate the November national and 3 December International Day of Disabled Persons (IDDP). Various programmes were embarked upon to celebrate these calendar events. Local disability month celebrations were held in Nkowankowa community hall which was addressed by the Mayor on the 28th of November 2012. We co-coordinated a bus full of people to the provincial rally of the IDDP, held at Mankweng on the 4th of December 2012. We also sent 22 disabled persons to Mopani District disability parliament held in Lulekani on the 7th of December 2012.

#### **Provision of Administrative support to Councils.**

Various activities must be done to offer support to Community Based Councils. There is Local Youth Council and the Local Disability Council.

- **Local Youth Council:**

The Local Youth Council is the local branch of the national youth organization called the South African Youth Council (SAYC). It is in the jurisdiction of the local Municipality. Its main role is to co-ordinate, organize, mainstream, lobby and advocacy on issues affecting youth in the Municipality in partnership along with the Municipality. The Annual Youth Assembly was not held due to financial constraints.

- **Disability Council:**

The support was provided to the local disability Council. The disability Council is held annually to elect a Committee, receive reports and take resolutions affecting disabled people. The Disability Council was not held due to financial constraints and was postponed several times for future dates.

#### **Mainstreaming & Advocacy**

Mainstreaming is being done by conducting workshops with employees and giving inputs through day to day reports and correspondences. Mainstreaming is also done by conducting and monitoring

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employment equity trends, analysing policies and recommendation for and inclusive Municipality. The main challenge remains reviewing the Youth Policy, Gender Policy and the Disability Policy.

## **National Youth Development Agency**

The GTM has signed a Memorandum of Agreement (MOA) with NYDA in 2010. In this agreement the Municipality supports the NYDA by providing of administrative support through the Youth Office. This includes handling of walk-ins, development and management of the JOBS programme and Business Support Opportunity services to young people. A youth officer serves as the liaison between the youth and the NYDA. Workshops were also facilitated during the year.



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**Table 94: Youth, Gender & Disability programmes targets as set out in the SDBIP for 2012/13**

Programme	Project/ KPI	Annual Target (2012/13)	Actual Achieved (30 June 2013)	Reason for deviation
Youth, Gender & Disability support	# of Jobs created by Municipal Capital projects for youth	Reporting only - no target	116	Job creation targets not set in IDP
	# of Jobs created by Municipal Capital projects for women	Reporting only - no target	39	Job creation targets not set in IDP
	# of Jobs created by Municipal Capital projects for disabled persons	Reporting only - no target	2	Job creation targets not set in IDP
	Annual Youth Assembly	Arrange and co-ordinate Annual youth assembly during June 2013	Not done	No funds available, budget re-directed
	# of jobs created for youth, women and people with disabilities through LED initiatives	Reporting only - no target	1931	None
	Disability Council Official Launch	Arrange and co-ordinate launch of Disability Council during June 2013	Not done	No funds available, budget re-directed
	National Disability Month Celebrations	Arrange and co-ordinate national disability month celebrations during December	Local Celebrations held on 28/11/2012 in Nkowankowa Community Hall (100 disabled) 22 disabled sent to District celebrations in Lulekani community hall on 07/12/2012	None

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**Table 94: Youth, Gender & Disability programmes targets as set out in the SDBIP for 2012/13**

Programme	Project/ KPI	Annual Target (2012/13)	Actual Achieved (30 June 2013)	Reason for deviation
			60 disabled sent to Provincial event at Mankweng on 04/12/2012	
	National Women's Month Celebrations	Arrange and co-ordinate national women's month celebrations during August	Transport was provided to Provincial Woman's day celebration (R9,000.00)	None
	National Youth Month celebrations	Arrange and co-ordinate national youth month celebrations during June	Coordinated youth (10 buses) to NLA/DTI Liquor awareness on 21/06 at Lenyeny stadium and two buses to Provincial youth day at Sekgopo.	No funds available, budget re-directed
	Annual Men's indaba	Preparations for Annual Men's Indaba	The annual Men's Indaba was held on the 07th March 2013 at the Karibu Lodge	None
	Re-launch Of SAWID	Arrange launching of young SAWID during June .	Not done	No funds available, budget re-directed
	16 Days of activism against Women and child abuse	Arrange and coordinate 16 days of activism campaign in November	Incorporated into GTM AIDS day event	None
	Youth Strategic Session	Arrange and co-ordinate Youth strategic session during September	Youth strategic session took place in November but second session could not materialise due to budget limitations	Budget limitations
	Young Entrepreneur summit	Arrange and coordinate young entrepreneur summit and submit report to Council	Youth Entrepreneurs summit was held on 23/11/2012 at Nedtex Lodge (50 entrepreneurs)	No funds available, budget re-directed
	Youth Plenary	Arrange and Coordinate Youth Plenary quarterly	The Plenary was held on the 19/10/2012 at Runnymede TSC and 28/02/2013 at Nkowankowa stadium	No funds available, budget re-directed

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Job level	2011/2012			2012/2013		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	0	100%	0	0	0%
Level 4-6	4	2	50%	4	2	50%
Level 7-9	4	1	75%	0	0	5%
Level 10-15	1	1	0	0	0	0%
Level 16-17	0	0	0	0	0	0%
<b>Total</b>	<b>10</b>	<b>4</b>	<b>60%</b>	<b>4</b>	<b>2</b>	<b>50%</b>

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Detail	2011/2012	2012/2013			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Revenue (excluding tariffs)</b>	n/a	n/a	n/a	n/a	n/a
Expenditure:					
Employees	n/a	n/a	n/a	n/a	n/a
Repairs & Maintenance	n/a	n/a	n/a	n/a	n/a
Other	n/a	n/a	n/a	n/a	n/a
<b>Total Operational Expenditure</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Net Operational (Service) Expenditure</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

An amount of R350,000 has been budgeted for the Youth, Gender and Disability programme under Council expenditure, as line item and reduced by R205,000 to R145,000 through virements, of which R115, 918.51 was spent. Expenditure for YGD programmes are integrated into the budget for the Office of the Mayor. No capital projects were implemented for Youth, Gender and Disability programmes during 2012/13.

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## COMPONENT E: ENVIRONMENTAL HEALTH SERVICES

This report will reflect on the state of Environmental Health Service in Greater Tzaneen Municipality. This service includes the identification, evaluation, monitoring and control of environmental health hazards and risks regarding but not limited to the following:

- Water Quality monitoring;
- Food control
- Occupational hygiene
- Vector control
- Environmental management; and
- Facility cleaning services.

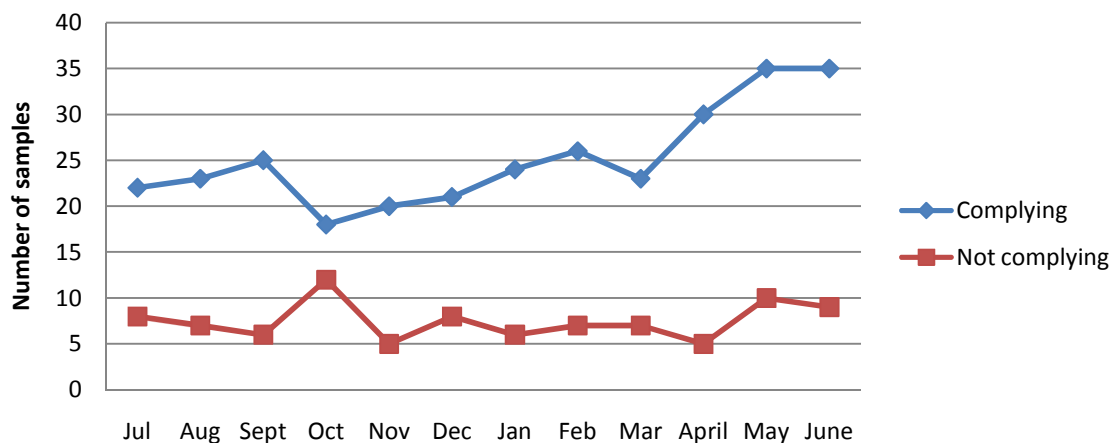
### 3.13 ENVIRONMENTAL HEALTH SERVICES

#### **Water Quality Monitoring**

We have developed and implemented a water quality monitoring schedule for the period under review. The monitoring was done to ensure that water for domestic, industrial and food production is safe in respect of its microbiological, chemical and physical quality. We form part of a Project Steering Committee of the Letaba Water Resource Classification System, our main focus being on the quality of water in the catchment area. During the period under review, we have collected a total of 392 water samples (see Table 97). The increase in the number of samples is due to the monitoring of water quality in the vicinity of the diesel spillage site. This has resulted in the increase in the number of samples which do not comply with SANS 241 water quality standards for drinking water from 14.52% in 2011/12 to 30% in 2012/13. The monthly results of Water Quality Monitoring for 2012/13 are illustrated in **Figure 8**.

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**Figure 8: Outcome of water samples, 2012/13**



## Food control

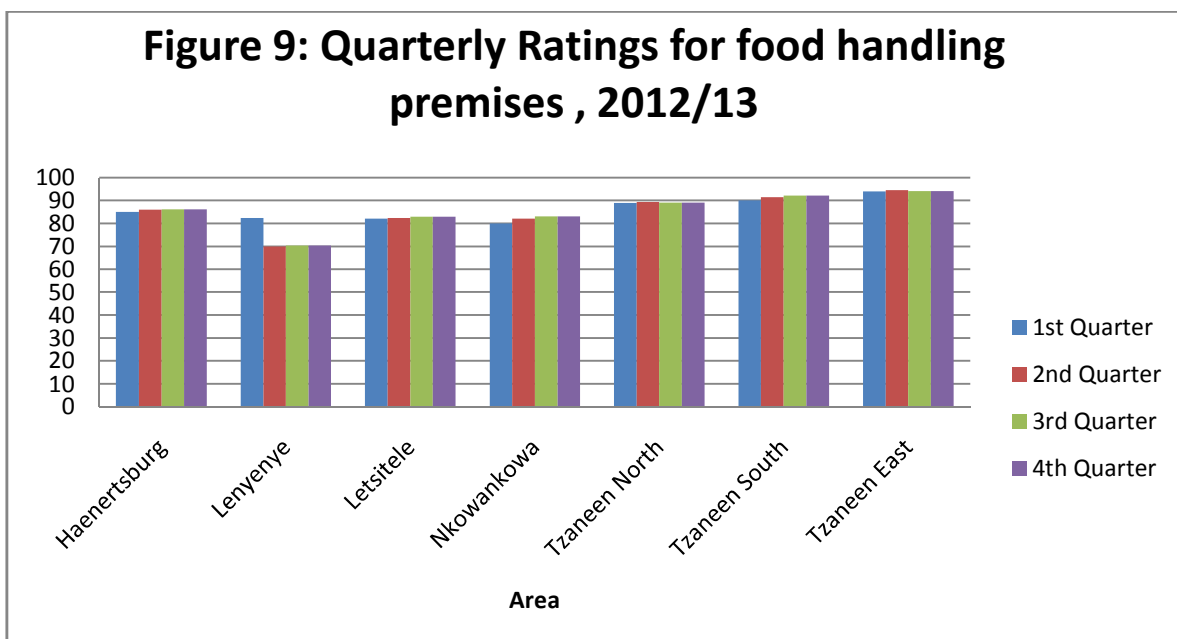
The main activities in food control entails conducting inspections, health education and the issuing of contravention notices were warranted, in both formal and informal food handling premises. The highlight for the period under review is the joint operation conducted with the Consumer Commission in response to the meat labelling scandal. We also conducted two joint operations with SAPS, SARS and Home Affairs in formal food handling premises; with non complying premises fined up to R1500. A total of 172 formal food handling premises and 18 accommodation facilities were inspected (see **Table 99**); the average rating for these premises is 85%, as illustrated in **Figure 9**.

**Table 99: Average rating for food handling premises, 2012/13**

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Haenertsburg	85	86	86.1	86
Lenyenyene	82.4	70	70.3	76
Letsitele	82	82.4	83	83.2
Nkowankowa	80	82.1	83.1	83.3
Tzaneen North	89	89.4	89.1	90
Tzaneen South	90	91.4	92.1	92
Tzaneen East	94	94.5	94.2	95.3

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**Figure 9: Quarterly Ratings for food handling premises , 2012/13**



## **Occupational hygiene**

This entails inspection of industries to identify any occupational health hazard, environmental, water and air pollution prevention. A total of 108 industrial premises were inspected to ensure that industries comply with requirements of relevant legislation. The average rating for the industries is 75% a good increase when compared to the 2011/2012 rating.

## **Vector control**

This includes identifying vectors, their habitats and breeding places, instituting measures for vector control in the interest of public health. We spray municipal work stations on a six weekly basis. Environmental control is done on mosquito larvae in identified habitats.

## **Environmental management**

Planning for sustainability and Climate change adaptation has become a very important aspect of Environmental Management. We serve in various Committees which seek to address Environment and Environmental Health Issues: The Pre-Assessment Committee of Council, Provincial Air Quality Steering Committee, South African Institute for Environmental Health, and the Letaba Levubu Catchment Management Committee. We have also reviewed 14 basic assessment reports for developments in our area. We formed part of a Joint Operation Team DEAT in attending to non

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compliance to Environmental Authorizations by developers resulting in the damage to sensitive environment. We have, together with the Air Quality Officer from Mopani District Municipality, investigated possible sites for placing Air quality monitoring equipment. We were part of a response team to control major diesel spillage from a locomotive in Politsi; and we continue to monitor the bio-remediation of the site. We have an Environmental Management plan which was reviewed during the 2012/2013 financial year. We had two officers successfully completing a course on Air Quality Management. We see a growth in the Cleanest School Competition. In the period under review we were marking 10 years since its inception by introducing the competition at cluster level.

## **Facility cleaning services**

This entails providing cleaning services to maintain municipal facilities in a clean, neat and hygienic condition, to ensure that municipal employees work in an environment that is conducive to work in productively. We have total staff complement of 20 responsible for this function. Challenges faced in this function are the lean limited number of staff, which does not allow for relief when someone goes on leave. For the outlying areas, one person covers two work stations, attending to these on alternate days.

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**Table 97: Outcome of Water samples taken during 2012/13**

Result	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Complying	22	23	25	*18	20	21	24	26	23	30	*35	*35
Not complying	8	7	6	*12	5	8	6	7	7	5	10	9

\* Incidental contamination of water due to motor and locomotive accidents.

**Table 98: Environmental Health Service Delivery targets as set out in the SDBIP for 2012/13**

Programme	Project/ KPI	Annual Target (2012/13)	Actual Achieved (30 June 2013)	Reason for deviation
Environmental Monitoring	Water quality monitoring	100% compliance to water quality monitoring schedule and 100% expenditure	94 water samples were taken at predetermined sampling points and in accordance with SANS 241 and 20 milk samples.	None
	Environmental management Plan	Review EMP	EMP reviewed to include Climate change adaptation charter. Investigated site for the placement of Air Quality monitoring equipment with the District Air Quality Officer.	None
Environmental/Health Management	Environmental Health Plan	Inclusion of Environmental Health plan in IDP	Environmental Plan developed and included in the IDP	None
	Environmental management plan	Review current Environmental management plan and submit for inclusion in draft IDP	Environmental Management Plan reviewed and included in the draft IDP	None
	Industrial impact management	Evaluate industrial premises Respond to air pollution incidents Issue contravention notices and follow up	104 Industrial premises were evaluated. 2x mortuaries inspected for the issuing of a Certificate of	None



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<b>Table 98: Environmental Health Service Delivery targets as set out in the SDBIP for 2012/13</b>				
<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
		on contraventions Attend training course for EMI's (Industrial)	Competence. 10 contravention notices and 9 follow up notices were issued. .	
	Letaba river rehabilitation	Coordinate clean-up campaign	Clean up campaign done and meetings to develop a strategy on the removal of alien plants were held.	None
	Star grading system	Evaluation of food handling premises Issue contravention notices and follow up on contraventions Issuing of certificates of acceptability Arrange and host star grading award ceremony	164 food handling premises evaluated all follow up visits from 1st, 2nd and 3rd quarter visits. A total of 47 follow up notices were issued with 9 final notices, which were handed over to the Legal Division. 6 Certificates of Acceptability were issued to new premises. A total of 40 acts of food recall and condemnation were done with equal number of condemnation certificates issued.	None
	Vector control	Spray area on a six weekly basis	Areas not effectively sprayed.	Pest control attendant was appointed in the third quarter of the financial year.
	Wetland Management	Assist with wetland management by ensuring alien vegetation control	Alien invasive plants removed in the wetland in Park and Ponsetia Streets	None

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Job level	2011/2012			2012/2013		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	6	3	50%	6	3	50%
Level 7-9	0	0	0%	0	0	0%
Level 10-15	2	1	50%	32	19	40.6%
Level 16-17	30	20	33%	0	0	0%
<b>Total</b>	<b>38</b>	<b>24</b>	<b>36.80%</b>	<b>39</b>	<b>23</b>	<b>41%</b>

Detail	2011/2012	2012/2013			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Revenue (excluding tariffs)</b>	39	10	10	31	-21
Expenditure:					
Employees	3778	4 229	4 229	5 453	-1 224
Repairs & Maintenance		26	4	0	4
Other	276	812	865	860	5
<b>Total Operational Expenditure</b>	4054	5 067	5 098	6 313	-1 215
<b>Net Operational (Service) Expenditure</b>	<b>-4015</b>	<b>5 057</b>	<b>5 088</b>	<b>6 282</b>	<b>-1 194</b>

Capital Projects	2012/2013				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Agatha Cemetery Environmental Impact Assessment	R100 000	0	0	R100 000	R100 000
<b>Total</b>	<b>R100 000</b>	<b>R100 000</b>	<b>0</b>	<b>R100 000</b>	<b>R100 000</b>

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## COMPONENT G: SECURITY AND SAFETY

This component includes: internal safety and security and works in hand with the SAPS within the jurisdiction. The Safety and Security Division is responsible for safety and security for employees and communities through social crime prevention initiatives. The division is tasked to assist with Victim Empowerment Programme together with the Justice and Crime Prevention Cluster departments. The Community Safety Forum (SCF) has been established and is functioning well to champion the reduction of crime at the community level. There is however a high rate of unfilled positions as per an approved organogram and this predicament places the division under pressure to reach service delivery targets for the community. The Projects for 2012/2013 Financial year included the installation of a Biometrics Reader (Morpho Access) for the Civic Centre and installation of additional Security gates with Cameras in the offices of the Mayor linking with the office of the Secretary, the Municipal Manager and MPAC office. The Upgrading of Surveillance Cameras in the Civic Centre, Library, Streets and remote areas of Municipal premises.

### 3.14 LAW ENFORCEMENT

The top 3 service delivery priorities are Roadblocks, Speed checks, Point duties. Throughout the year the three have had great successes, with reduction in accident statistics. Measures taken to improve performance include spreading the service to rural areas throughout the years, including point duties at school points and accident scenes around our rural juristic areas.

	<b>2010/2011</b>	<b>2011/2012</b>		<b>2012/2013</b>	
	<b>Actual no.</b>	<b>Estimated no</b>	<b>Actual No</b>	<b>Estimated no</b>	<b>Actual No</b>
Number of road traffic accidents	118	140	102	80	79
Number of by-law infringements attended	85	85	68	80	100
Number of traffic officers in the field on an average day	16	16	15	15	
Number of traffic officers on duty on an average day	17	17	16	16	13
R-value revenue from traffic fines	R 7,908,480	R 8,000,000	R1,439,910	R19 047 805	R5 559 480

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**Table 104: Law Enforcement targets as set out in the SDBIP for 2012/2013**

Programme	Project/ KPI	Annual Target (2012/13)	Actual Achieved (30 June 2013)	Reason for deviation
Traffic Services	<i>% decrease in road accidents</i>	10%	11%	Many accidents take place at night. For reporting only as department has no control over it.
	<i>% decrease in traffic offenders</i>	10%	8%	Increase in new drivers
	<i>% of households with access to traffic services</i>	5%	6%	None
	Rand value received for fines issued / R value of fines issued (%)	70%	60%	Low collection rate. Not measurable taking into consideration some households does not have vehicles and vehicles stopped are from all over including SADC countries.
	GTM Law Enforcement in rural areas and scrapping of vehicles	Conducting rural traffic program as per schedule. Manage and follow up on the scrapping of vehicles	Rural policing not effective	Pay points not accessible
	Kukula Ndlela drunken-driving blitz project	Additional roadblocks - 2 (Drunken driving Blitz)	Tests for drunken drivers are done as and when we hold roadblocks and routine patrols.	None
	Minitzani-Bonatsela Traffic centres scholar Education	Conduct road safety education campaigns at rural schools. Report schools attendance in monthly reports	Very effective attendance. Monthly reports submitted	None

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**Table 104: Law Enforcement targets as set out in the SDBIP for 2012/2013**

<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
	Scholar patrols and cluster control points	Ensure that road traffic is controlled at schools on busy routes to ensure scholar safety (Primary School Tzaneen, Unicorn, Florapark & Nkowankowa & Rita)	Very effective. 5 days a week at the specified points	None

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Job level	2011/2012			2012/2013		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0	1	1	0%
Level 4-6	35*	16*	54.2%	5	2	60%
Level 7-9			-	30	15	50%
Level 10-15	2	0	100%	5	2	60%
Level 16-17	3	2	33.3	0	0	0%
<b>Total</b>	<b>41</b>	<b>19</b>	<b>53.6%</b>	<b>41</b>	<b>20</b>	<b>51.2%</b>

\*Affect of changing from TASK grading to VD Merwe

The total number of officers divided into the two shifts. The three supervisors assist in planning and supervision of their colleagues on a daily basis. Officers also perform standby duties, especially with occurrence of emergencies like accidents, etc. On average, officers work a total of 32 hours per month. The division is short staffed, taking into consideration the vast size of our policing area.

Detail	2011/2012		2012/2013		
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Revenue (excluding tariffs)</b>	<b>6 171</b>	<b>3 001</b>	<b>3 001</b>	<b>5 559</b>	<b>-2 558</b>
Expenditure:					
Employees	8 952	10 117	10 117	11 876	-1 759
Repairs & Maintenance	59	51	51	25	26
Other (Security Services)	8 790	12 227	12 227	11 918	309
<b>Total Operational Expenditure</b>	<b>17 801</b>	<b>22 395</b>	<b>22 395</b>	<b>23 820</b>	<b>-1 425</b>
<b>Net Operational (Service) Expenditure</b>	<b>-11 630</b>	<b>-19 394</b>	<b>-19 394</b>	<b>-18 260</b>	<b>1 134</b>

No capital was available to fund projects for the Law Enforcement division. However, the top 3 service delivery priorities are:-

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## **Law Enforcement:**

- Roadblocks: where vehicles are stopped and examined for roadworthiness and drivers are examined for their capability and Drunken driving cases also attended to.
- Patrols: where officers drive around or walk, identify law breaks and acts accordingly.
- Point duties: officers assist in control of traffic situations, accident scenes etc. and eases traffic congestions
- Escorts of dignitaries visiting the area, funerals, etc. for safety sake.
- Speed checks: an effective way of enforcement for compliance by motorists to avoid accidents.
- Warrants of arrest: Follow ups on unpaid written notices result in offenders being taken to court to answer for their offences.

## **Scholar patrols**

On school days officers are tasked and deployed to selected schools, especially those adjacent to busy roads, and the work is done at specific schools including all schools with the risk of scholars crossing the roads, to and from schools.

## **Road safety campaigns**

- Schools are visited to conduct road safety (on how to observe rules/signs on the road).
- Kids are educated on road safety.
- Communities are sensitized on issues of road safety e.g. robots, pedestrian crossings.
- Officers have been deployed to service the school points and also to patrol our policing areas including rural areas.
- Vehicles scrapings have been extended to deep rural areas and farms
- Speed law enforcement has always been done across our policing area, including Letsitele, Lenyenye, Nkowankowa and Tzaneen.
- With regard to school points, we have always serviced areas close to the juristic offices of our Provincial Government for Traffic because we have noted their reluctance to assist. We therefore also serve our needy and poor communities of Motupa, Tickyline/Burgersdorp, Sasekani and Khopo and Letsitele.
- Replacing of damaged road traffic signs and painting of scholar patrol points, especially near schools closer to main roads and checking for new places where there are needs.

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## 3.15 DISASTER MANAGEMENT

Disaster Management is a continuous and integrated multi-sectoral and disciplinary process of planning and implementation of measures aimed at disaster prevention, mitigation, preparedness, response, recovery and rehabilitation. (Disaster Management Act no. 57\2002).

For disaster Management to be effective, it is important that all concerned parties be made aware of its provision and that every official, role player, departments and personnel be prepared to carry out the assigned functions and responsibilities before, arrangements in the Greater Tzaneen Municipality. Disaster Management's approach is to effectively prevent disasters from occurring and to lessen the impact of those hazards that can be avoided. Emergencies are defined as situations or threats of impending situation abnormally affecting the lives and property of societies. By the nature, or magnitudes these require a co-ordinated response by a number of role-players, both government and private, under the direction of the appropriate elected officials.

Most peace-time natural or man-made disasters/emergencies that occur in the geological areas of responsibility of the Greater Tzaneen Municipality are as follows:

- Fires (Structural and Unstructural)
- Storms (Hail, Wind and Thunder)
- Floods
- Transportation Accidents
- Air/rail crashes
- Building or structural collapse
- Explosions
- Breakdown of essential services, supplies or any combination thereof

### **Disaster management preventative/mitigation measures**

Awareness campaigns on fire, floods and communicable diseases were conducted as follows:

- Schools: Mabje-a-kgoro, Morutji, Ooghoek, Sepeke, Miragoma, Moleketla, Khujwana, Moleketla and Sefolwe,



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- Communities/Wards: Basane farm (Ward 16), Muhlava Village (Ward 24), Khujwana Village (Ward 18), Lephephane Village (Ward 34), Hlabine Village (Ward 34), Ramotshinyadi Village (Ward 3), Thapane Village (Ward 11), Rita Village (Ward 30), Sunnyside Village (Ward 29), Moleketla Village (Ward 9), Moime Village (Ward 32), Bokgaga Village (Ward 33), Mohlaba Cross (Ward 18).

## **Special Events**

Eighteen (18) special events were managed according to disaster measures. Emergency plans were prepared for the following events: Opening of indigent houses at ward 34, Letaba Expo Show, N'wamitwa day Celebrations, Banana festival, Vlamvatfees, Muhlaba Day Celebrations, Classic Clashes Sport etc.

## **Projects attended**

The launching of 10 projects was attended at various venues and with different stakeholders.

## **Disaster Relief**

± 517 households were assessed and assisted with 416 food parcels, 198 blankets, 155 mattresses and 211 tents.

## **Challenges**

Delays in the reporting of incidents by Councillors.

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<b>Table 107: Disaster management targets as set out in the SDBIP for 2012/13</b>				
<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
Disaster management	<i>Annual Disaster Management report submitted to Council and MDM within legislated timeframes</i>	31 Jul '12	19-Mar '13	Delays in finalising the Item for Council
	<i>% disaster incidences responded to (relieved) within 72-hours</i>	100%	100%	None
	<i># of Disaster awareness campaigns organised</i>	15	15	None
	Disaster response and recovery	Train departments on the implementation of the Response and recovery plan	Training workshop on disaster management for Councilors and Dept of Health was held on the 18th of April 13, with assistance from MDM and PDM.	None
	Disaster Risk Reduction	Arrange Disaster risk awareness campaign to cover all wards	Awareness campaign held and Disaster emergency plan to be reviewed. Wards covered: 2,3,7,8,9,11,16,18,22,29,30,32,33,34	The most vulnerable wards are targeted, those mostly affected by floods and structural fires
	Institutional Capacity for Disaster management	Build capacity of Disaster Management unit and ensure attendance of Advisory Forum & Technical Committees.	Advisory forum at district level, only two technical Committee meetings was held.	None
	Disaster response and recovery	Train departments on the implementation of the Response and recovery plan	Training workshop on disaster management for Councilors and Dept of Health was held on the 18th of April 13, with assistance from MDM and PDM.	None

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Table 108: Employees - Disaster Management (2012/13)						
Job level	2011/2012			2012/2013		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	0	100%	0	0	0%
Level 4-6	2	1	50%	4	1	75%
Level 7-9	1	1	0%	1	1	0%
Level 10-15	0	0	0%	0	0	0%
Level 16-17	3	1	67%	0	0	0%
<b>Total</b>	<b>7</b>	<b>3</b>	<b>63%</b>	<b>5</b>	<b>2</b>	<b>60%</b>

Table 109: Financial Performance 2012/13: Disaster Management (R'000)					
Detail	2011/2012		2012/2013		
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Revenue (excluding tariffs)</b>		-	-	-	-
Expenditure:					
Employees	884	884	884	1 056	-172
Repairs & Maintenance		171	171	-	171
Other	267	377	473	471	2
<b>Total Operational Expenditure</b>	<b>1 151</b>	<b>1 432</b>	<b>1 528</b>	<b>1 527</b>	<b>1</b>
<b>Net Operational (Service) Expenditure</b>	<b>-1 151</b>	<b>-1 432</b>	<b>-1 528</b>	<b>-1 527</b>	<b>1</b>

Municipalities may not budget for uncertain activities such as a Disaster that may not occur. There is however a Council resolution which determines that 2% of the budget can be utilised in case of Disasters. All legislative requirements must also be complied with.

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## COMPONENT H: SPORT AND RECREATION

The role of the Sports, Arts and Culture office in GTM is to facilitate, coordinate and manage sport activities. There is a Sport and Recreation Council in GTM that assist with coordinating all sport related matters in GTM communities. There is a Service Level Agreement signed between the Department of Sport Arts and Culture and the Greater Tzaneen Municipality that assist in making sure that sport development takes place in GTM from grass root levels. The Mayors Cup was renamed to GTM Sports Day and it annually takes place in December.

### 3.16 SPORT, RECREATION, ARTS AND CULTURE

#### **Sports**

GTM hosted District farms sports which were played by people who are working on farms only. The programme was a Provincial initiative and hosted at Letsitele Mahahela Farm. Farms participating in the Farms Sports Programme were Letaba Estate, Letaba Citrus, Lavana DOC and Junction. They participated in both male and female football and netball . The GTM sports officers assisted in coordinating the programme in the Municipality. Under club development, the GTM sports office has assisted in developing a player under Makhubidung Shinning Star (Bulamahlo cluster) called Judas Moseamedi. He is currently playing at Black Aces under PSL first division.

#### **Arts and culture,**

GTM have annual arts and culture programmes such as the Cultural Music Competition in June 2013. In collaboration with the Wellness programme in the Municipality, 8 sporting codes is encouraged. These are soccer, netball, golf, fishing, table tennis, pool, darts and volley ball, which all employees are encouraged to participate in. Internal sport is very active and operational with the view to keep employees and Councilors bodies and minds healthy and active for better service delivery. SAIMSA games were hosted by Botswana, Gaborone in September 2012 and GTM participated.

GTM further hosted the local Indigenous games, Arts and Culture competition, O.R Tambo games from Cluster level to local level and this was followed-up with District and Provincial competitions hosted by the Department of Sports, Arts and Culture. The highlights for GTM in terms of sports, art and culture are as follows:

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- GTM's internal sport participated in the Provincial and National games (hosted in Botswana) Inter Municipal Games arranged by the Southern African International Municipal Sport Association (SAIMSA).
- The Greater Tzaneen Marathon took place at Nkowankowa Stadium and the OR Tambo games was also hosted
- Nkowankowa stadium is now also accommodating rugby after the Blue Bulls donated rugby poles.

The main challenges experienced are:

- The grading of sports grounds are not sustainable, these grounds needs proper construction and requires a bulldozer, grader, more soil if necessary and the usage of a roller. GTM however does not have the financial resources to cover these.
- The Runnymede cluster does not have formal sport facility
- Rhelela has an incomplete stadium at Lerejeni Village which was commissioned by Mopani District but not completed to date.

There is an Arts and Culture Council which is not fully functional. This is mainly due to the absence of funding. Most members are not employed and therefore do not have their own resources to attend meetings and coordinate activities.

Job level	2011/2012			2012/2013		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	0	100	1	0	100%
Level 4-6	0	0	0	0	0	0%
Level 7-9	3	3	0	3	0	0%
Level 10-15	0	0	0	0	0	0%
Level 16-17	0	0	0	0	0	0%
<b>Total</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>4</b>	<b>3</b>	<b>25%</b>

The budget for the Sport, Arts and Culture section forms part of the budget for Parks and Recreation (See **Table 88**).

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<b>Table 110: Sports and recreation targets as set out in the SDBIP for 2012/13</b>				
<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
Sport and recreation	SAIMSA Games	Co-ordinate and facilitate SAIMSA Games to be held during 22-29 September in Botswana	103 participants inclusive 3 Councillors, and Acting Director attended the SAIMSA event on the 22-29/09/12.	None

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## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

### 3.17 EXECUTIVE AND COUNCIL

#### **COUNCIL**

The role of Council is set out in Section 3 of the *Local Government Structures Act (Act 117 of 1998)*.

The principal roles are to:

- Act as representative, informed and responsible decision makers in the interests of their communities;
- Provide and co ordinate various public services and facilities and to develop their communities and resources in a socially just and ecologically sustainable manner;
- Encourage and develop initiatives within their communities for improving the quality of life within them;
- Represent the interests of their communities to the wider community; and
- Exercise, perform and discharge the powers, functions and duties of Local Government in relation to their areas.

#### **Purpose of the Executive Committee**

To take responsibility within the Executive on the basis of individual and/or collective responsibility for a delegated portfolio of services or functions of the Council

#### **Key Duties and Responsibilities**

- To participate in the Executive and to implement agreed policies by taking responsibility individually and/or collectively for any portfolio allocated by the Leader of the Council, including providing a lead on and proposing new policy, strategy, programming, budget and service standards.
- To exercise delegated powers in accordance with the Council's constitution
- To consult and communicate with members of all party groups, Council officers and key partners as appropriate to ensure decisions are well formed and that Council policies are widely understood and positively promoted

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- To ensure that the party group is briefed at the appropriate time on significant issues within the respective portfolio – i.e. those which have financial or other major resource implications will result in a change in established policy, or which are contentious or politically sensitive.
- To act as spokesperson within and outside the Council for matters within the portfolio
- To have the responsibility for liaison with Chief Officers and other senior officers responsible for the services within the portfolio
- To answer and account to the Council and the community for matters within the portfolio
- To respond within agreed timescales to the recommendations of relevant overview and scrutiny panels
- To seek to involve and consult non Executive members in the area of work for which they have responsibility, particularly members of the relevant overview and scrutiny panel
- To represent the Council and the political administration in the community and elsewhere as required by the Leader



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<b>Table 112: Executive and Council targets as set out in the SDBIP for 2012/13</b>				
<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
Council Support	% of GTM Council resolutions implemented	100%	100%	None
	# of successful cluster meetings	108	91	No items submitted by Departments to the cluster Committee meetings for discussion
	% of Departmental Council resolutions implemented	100%	100%	None
	<i># of Council meetings held</i>	4	9	None
	<i># of Exco meetings held</i>	24	19	No items submitted by departments to the EXCO meetings for discussion.
	% of Departmental Council resolutions implemented (CFO)	100%	100%	None
	% of Departmental Council resolutions implemented (EED)	100%	100%	None
	% of Departmental Council resolutions implemented (ESD)	100%	100%	None
	% of Departmental Council resolutions implemented (CSD)	100%	100%	None
	% of Departmental Council resolutions implemented (PED)	100%	100%	None

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Table 113: Employees – Executive and Council (Mayor & MM offices) (2012/13)						
Job level	2011/2012			2012/2013		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	0	100%	1	0	100%
Level 4-6	2	1	50%	4	2	50%
Level 7-9	1	1	0%	4	1	75%
Level 10-15	0	0	0%	1	1	0%
Level 16-17	3	1	67%	0	0	0%
<b>Total</b>	<b>7</b>	<b>3</b>	<b>63%</b>	<b>10</b>	<b>4</b>	<b>60%</b>

Table 114: Financial Performance 2012/13: Executive & Council (MM & Mayor office) (R'000)					
Detail	2011/2012		2012/2013		
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Revenue (excluding tariffs)</b>	0	1	1	-	1
Expenditure:					
Employees	20951	5 627	5 715	5 619	96
Repairs & Maintenance	90	467	496	497	-1
Other	2668	21 343	21 400	20 837	563
<b>Total Operational Expenditure</b>	<b>23709</b>	<b>27 473</b>	<b>27 612</b>	<b>26 954</b>	<b>658</b>
<b>Net Operational (Service) Expenditure</b>	<b>-23709</b>	<b>-21 472</b>	<b>-27 611</b>	<b>-26 954</b>	<b>657</b>

## 3.18 FINANCIAL SERVICES

The three main priorities per division can be summarized as follows:

### Financial Services and Reporting Division

The budget office co-ordinates the drafting of Council budget through the Budget Steering Committee and the participation of all departments. This includes the calculation of cost reflective tariffs to ensure a full, funded budget. The drafting of Council's adjustment budget is also the responsibility of this division. The division is also responsible for financial reporting which includes the compilation of the Annual Financial Statements, monthly and quarterly as well as the Section 71 reports. The insurance portfolio of Council, insurance administration and claims management is also the responsibility of this Division. Short and long-term investments are also done by this division.

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## **Revenue Division**

The Revenue division is responsible for billing and rendering of Municipal accounts. The division also renders Municipal accounts, which are based on metered services calculated on approved service tariffs. The Division manages revenue collection which include the receipting and balancing thereof, on a daily basis, along with credit control and debt collection. Outstanding accounts are subjected to credit control actions, which include:

- SMS
- Final notice
- Disconnection of service
- Payment arrangement where applicable

The Division further manage property rates, through the implementation of the MPRA, which for the 2012/2013 financial year included a new valuation roll to be implemented 1 July 2013. The Division is also responsible for the indigent register and review the Indigent Policy on an annual basis. The management of registration and verification of the indigents was done by Utility Management Services for the year under review.

## **Expenditure**

The Division manage all processes for payment of creditors, direct payment and contract payment in line with the approved budget. The Division is also responsible for salary management through the financial administration of all salaries and salary related issues are also responsibilities of this Division. It includes all statutory deductions and other personnel related deductions.

## **Supply Chain Management**

The Division is responsible for the timely planning and management processes to ensure that all goods and services required by the Municipality are quantified, budgeted for and timely and effectively delivered at the right location and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost. Also for acquisition management by ensuring that goods and services are procured by the Municipality in accordance with authorized processes and that the expenditure on goods and services is incurred in terms of an approved budget in terms of Section 15 of the Act. Lastly, the Division must manage an inventory kept by Council to ensure continuous supply of essential services. This includes the day to day procurement of stock items, the issuing of

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stock and the control of stock. Furthermore the Unit has started implementing the procurement plan which its intention will be forecasting planning with milestones.

## ASSETS MANAGEMENT

The Division is responsible for maintenance of Fixed Asset Register which includes re-assessing useful lives of assets, recording of revaluation amounts of fixed property, updating the register with addition and disposal of assets. Also, monitoring the status of records associated with the assets of the Municipality, applying internal control procedures to check, verify, update and maintain acquisition, valuation and location details. The division must also conduct the annual verification of all assets (i.e. stocktaking/ asset count) recorded in the Fixed Asset register. The division must also compile information and balance schedules relating to fixed assets for inclusion in the Annual Financial Statements notes and appendixes.

Details of the types of account raised and recovered	2011/2012			2012/2013		
	Billed in year	Actual for accounts billed in year	% of accounts value billed that were collected in the year	Billed in year	Actual for accounts billed in year	% of accounts value billed that were collected in the year
<b>Property Rates</b>	55 727	47 410	85%	59 183	50 723	85.71%
<b>Electricity Consumption</b>	337 909	323 552	95.75%	324 200	336 724	103.86%
<b>Refuse</b>	24 149	20 102	83.24%	21 617	20 738	95.93%
<b>Other</b>	55 727	47 410	85%	12 350	14 241	115.31%

The payment rate for electricity is higher than that for the other services as the allocation of payment is fully set off against electricity debt. The Property rate is 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. The Property rate is based on the valuation of the property and the tariff is calculated as a cent in every rand of the valuation of property. There was an increase in debt recovery due to credit control measures applied by the service provider.

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## **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 Municipality's must prepare their budgets using ESKOM bulk increases. The increase in the electricity tariff was 20,25%.

## **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 to adequately maintain its refuse removal service. We must also maintain our refuse sites and solid waste disposal efforts. The top priority of revenue collection in all three service areas is to improve payment rate through the approved revenue enhancement strategy.

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<b>Table 116: Financial Services targets as set out in the SDBIP for 2012/13</b>				
<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
Budget management	<i>% of capital spent on projects as prioritised in IDP for specific year</i>	100%	78%	Litigations
	% of municipal budget spent	100%	90%	Provisions still outstanding and will increase with final AFS
	% MIG funding spent	100%	92%	We could not spent the budget on Sasekani to Nkowankowa project for work done as the contractor's VO was not approved and also due to the delay in the appointment of the contractor for Thapane to Morutji road
	<i>Final budget tabled before Council by within legislated timeframes</i>	31-May	28-May	None
	<i>Annual Adjustment budget approved by Council within legislated timeframes</i>	End February '13	26-Feb-13	None
	<i>Cost coverage ratio</i>	0.8	0.4	None
	<i>Debt coverage ratio</i>	30	19.7	None
Financial reporting	% of AG queries responded to within 2 working days (CFO)	100%	70%	AG queries not managed through central point
	<i>Timeous submission of annual financial statements</i>	31-Aug-12	31-Aug-12	None
	% variance from annual	0%	0%	None

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<b>Table 116: Financial Services targets as set out in the SDBIP for 2012/13</b>				
<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
	Legislated Budget timetables			
	Operation Clean Audit	Implementation of the Clean Audit Action plan	Implemented	None
Municipal Assets	% GRAP compliance (asset register)	100%	95%	None
Municipal Assets	Asset management	Manage Departmental Assets ensure that Asset register are kept up to date. Ensure that annual asset verification are completed within the required timeframe	Done during May to June 2013	None
Revenue Management	<i>% increase in R-value revenue collection</i>	5%	0%	Low payment rate in townships due to insufficient water supply.
Revenue Management	<i>Increase in number of households billed</i>	21500	1304	Correct target (3500) Currently billing 22804 HH due to Township developments
Revenue Management	Average % Payment rate for municipal area	91%	95%	Credit control actions in June done in-house
Revenue Management	<i>Outstanding service debtors to revenue ratio</i>	90%	65%	Target set incorrectly
Revenue Management	% equitable share received	100%	100%	None
Revenue Management	<i>Number of indigents registered</i>	14000	22988	Assistance from services provider
Revenue Management	Revenue enhancement Strategy	Monitor implementation of the revenue enhancement strategy	Revenue enhancement strategy implemented and monitored Stand data verification 90% completed.	None

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<b>Table 116: Financial Services targets as set out in the SDBIP for 2012/13</b>				
<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
			Data cleansing done on ID and Tel no's	
Revenue Management	<i>Valuation Roll</i>	Advertise valuation roll, finalise objection process and submit to Council for approval	Valuation Roll in accordance with the MPRA ready for implementation 1 July 2013	None
Supply chain management	# of Tenders awarded that deviated from the adjudication Committee recommendations	0	0	None
Supply chain management	Average time taken from tender advertisement to submission of recommendation to the MM (# of weeks)	8	8	None
Supply chain management	% of Bids awarded within 2 weeks after adjudication Committee resolution	100%	100%	None
Supply chain management	<i>% compliance to supply chain management processes</i>	100%	90%	No forward planning, poor communication between role players
Supply chain management	Supply chain functionality improvement (MTAS)	Draft a list of criteria to measure SCM functionality. Report quarterly on progress made on improving functionality	Policy adopted and approved. Functionality criteria developed.	None
Expenditure Management	<i>% decrease in municipal budget variance</i>	98%	98%	None
Expenditure Management	Monthly capital expenditure as a % of planned capital expenditure	Reporting only - no target	76%	Due to late appointment of service providers and cost cutting measures
Expenditure Management	% of operational budget spent on repairs and maintenance	17%	13%	None



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<b>Table 116: Financial Services targets as set out in the SDBIP for 2012/13</b>				
<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
Financial viability	<i>5 Year Financial Plan</i>	Submit 5 Year Financial plan to the MM for inclusion in the draft IDP.	Draft 5 year Capital investment framework completed.	Projects prioritisation was done too late to complete framework for inclusion in draft IDP
Financial Viability	Cost recovery	Monitor Stand data verification, credit control, debt collection and report progress. Ensure that public is informed of all processes	All formal towns stand data has been verified, only farms need to be completed. Continuous credit control and debtors collection	Budget constraints for May and June 2013
Financial Viability	Financial Resource Mobilisation	Monitor budget to actual expenditure, cash flow and the acquisition of loans and short term investments. Report monthly	Monitoring and reporting done on a monthly basis.	None
Financial Viability	GRAP Training and Financial System improvement	Comprehensive system analysis and official training	GRAP & MFMP training conducted	None

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Job level	2011/2012			2012/2013		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	6	5	33%	6	5	16.6%
Level 4-6	20	15	25%	20	12	40%
Level 7-9	44	28	36%	46	37	19.5%
Level 10-15	1	0	100%	2	2	0%
Level 16-17	4	2	50%	0	0	0%
<b>Total</b>	<b>75</b>	<b>50</b>	<b>33%</b>	<b>74</b>	<b>56</b>	<b>24.3%</b>

Detail	2011/2012		2012/2013		
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Revenue (excluding tariffs)</b>	199 860	261 398	262 598	279 101	-16 503
Expenditure:					
Employees	17 965	19 878	19 878	22 887	-3009
Repairs & Maintenance	58	105	75	229	-154
Other	36 763	29 586	30 128	45 004	-14 876
<b>Total Operational Expenditure</b>	<b>54 786</b>	<b>49 569</b>	<b>50 081</b>	<b>68 120</b>	<b>-18 039</b>
<b>Net Operational (Service) Expenditure</b>	<b>145 074</b>	<b>211 829</b>	<b>212 517</b>	<b>210 981</b>	<b>1 536</b>

The actual operational revenue amounts to R279 million, whilst the actual operating expenditure amounts to R68 million. This represents a surplus of R211 million. It must however be mentioned that the actual income represents 106% of the budgeted amount and the actual expenditure represents 136% of the budgeted amount. The actual income includes grant allocations of R190 million and the overspending on actual total operating expenditure is mainly due to the overspending on provision for Bad Debts, and employee related cost due to benchmarking.

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## 3.19 HUMAN RESOURCE SERVICES

The mission of the HR Division – which falls under the Corporate Services Department – 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 and Employment Equity
- Training, Education and Development
- Labour Relations
- Organizational Development
- Occupational Health and Safety & Employee Wellness

The top three service delivery priorities for 2012/2013 were to:

- Review and re-align the organogram of the Greater Tzaneen Municipality in line with the IDP and service delivery needs
- Fill the service register after due process with capable and competent staff for those critical, essential and budgeted positions
- Maintain and where possible enhance all HR Policies, procedures, practises and systems to the benefit of all stakeholders

The impact the HR Division had made on the above three key service delivery issues were that:

- During the 2012/2013 financial year the organisational structure did not serve in Council, only affected developments was submitted for adoption. It was decided to in-source the process to review organisational structure and therefore the post for Organisational Development Officer was created and budgeted for. The intention is to ensure proper consultation with all stakeholders and the development of a proper aligned organisational structure for the Municipality. The Municipality has a high rate of vacancies on the organisational structure and was advised to project the personnel need for 5 years only. The division is also in the process of revisiting the staff establishment and Organisational structure.
- In order for the Greater Tzaneen Municipality to function properly all critical, essential and budgeted positions on request of the various line-managers must be filled timeously. In this regard the Personnel Provisioning Policy is used as policy guide to ensure the fair and

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equitable appointment of staff. The representatives of organised labour also play an important observers role in this regard.

- The turnover of staff and other relevant statistics are being dealt with in Chapter 4 of this report.
- An ever changing environment and legislative amendments have to be accounted for in policies, procedures and practises. Therefore, policies, procedures, practises and systems have to be aligned from time to time to keep abreast of such changes. The division has embarked on a policy workshop in reviewing all policies which effect employees of Council and its operation. The main objectives of the policy workshop is to ensure that adequate consultation is conducted and all stakeholder will then own the documents and ensure that it is implementable at all levels and that there is compliance. The impact of such amendments can be observed in the implementation of same. Compliance to legislation and agreements is and still remains an important focus area for this Municipality.

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<b>Table 119: Human Resource Management targets as set out in the SDBIP for 2012/13</b>				
<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
Employee Assistance	<i># of cases reported</i>	Reporting only - no target	7	None
Employee Assistance	<i># of EAP cases successfully attended to annually</i>	Reporting only - no target	5	None
Organisational Design	Total Number of staff employed in the Municipality	Reporting only - no target	660	None
Organisational Design	Number of Section 57 posts vacant for more than three months	1	1	Corporate Director Positions not filled - suitable candidate did not apply with first advertisement
Human Resource Management	<i>% Staff turnover</i>	6.5%	3.3%	None
Human Resource Management	<i># of staff appointed (new engagements)</i>	Reporting only - no target	31	None
Human Resource Management	<i># of people from employment equity target groups employed in the three highest levels of management</i>	22	23	None
Human Resource Management	<i>% Compliance to Employment Equity plan</i>	100%	100%	None
Human Resource Management	% of employees that are female	35%	34%	None
Human Resource Management	% of employees that have a disability	2.2%	2.1	None
Human Resource Management	% of employees that are youth	35.5%	26.5	None
Human Resource Management	% of critical posts filled (MM,	100%	67%	Corp Director position

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<b>Table 119: Human Resource Management targets as set out in the SDBIP for 2012/13</b>				
<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
	CFO, Engineer, Town Planner, Corp & Communications)			vacant & Communication Manager resigned
Human Resource Management	# of resignations	Reporting only - no target	2	None
Human Resource Management	# of promotions	Reporting only - no target	3	None
Human Resource Management	Career Management and retention	Implement Career Management and Retention policy upon approval	Retention Strategy Implemented	None
Human Resource Management	Personnel Provisioning	Monitor implementation of revise policy and report monthly	Policy approved by Council	None
Human Resource Management	<i>Task software</i>	Implement and maintain system	Project placed on ice	Reverted back to vd Merwe system
Labour Relations	Local Labour Forum	Coordinate Local Labour Forum meetings.	Co-ordinated 5 LLF Meetings	None

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**Table 120: Employees - Human Resource Services**

Job level	2011/2012			2012/2013		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	8	6	25%	7	4	42.8%
Level 7-9	4	2	50%	4	2	50%
Level 10-15	3	1	50%	3	1	66.6%
Level 16-17	0	0	0	0	0	0%
<b>Total</b>	<b>16</b>	<b>10</b>	<b>37.5%</b>	<b>15</b>	<b>8</b>	<b>46.6%</b>

**Table 121: Financial Performance 2012/13: Human Resource Services (R'000)**

Detail	2011/2012	2012/2013			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Revenue (excluding tariffs)</b>	<b>272</b>	-	-	<b>25</b>	<b>-25</b>
Expenditure:					
Employees	11 110	4 579	4 579	10 351	-5 772
Repairs & Maintenance	2	5	5	4	1
Other	1 999	1 718	1 633	1 365	268
<b>Total Operational Expenditure</b>	<b>13 111</b>	<b>6 302</b>	<b>6 217</b>	<b>11 720</b>	<b>-5 503</b>
<b>Net Operational (Service) Expenditure</b>	<b>12 839</b>	<b>6 302</b>	<b>6 217</b>	<b>11 695</b>	<b>-5 478</b>

Despite the fact that in the HR Division only eight of the 15 positions was filled (46.6% vacancy) an acceptable level of service to internal and external clients was rendered. An insignificant number of complaints regarding the quality of the services rendered during the 2012/2013 financial year were received. The HR Division was commended for their quick response times in addressing the matters at hand. Similarly the Personnel Administration Section performed well and all the basic transactions and record keeping were done to our satisfaction.

The function of Personnel Provisioning and the Employment Equity Project is receiving the necessary attention and progress is being made in terms of demographic representation as well as gender and

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disability representation. It is necessary to report that the Municipality has reached its target in employing people with disability with 2.2% as against the target of 2% for all government sectors in Limpopo. The Annual report to the Department of Labour, which is the EEA2 and EEA4 was reported in time and the Municipality was registered in the registration book for compliance. The project for Employment Equity monitoring is functioning and the Employment Equity Consultative Forum meets quarterly as per regulation and consult on issues which conflict with the Employment Equity Act such as the discrimination and unfair labour practice in the Municipality.

As far as the Education, Training and Development Section was concerned, the legislative requirements in terms of the submission of the WSP 2012/2013 and ATR 2012/2013 were complied to and monetary grants received back for the efforts. Funding the ABET programme remains a challenge as LGSETA must fund the project, however the request was made and the response is still pending. The overall execution of all the needs identified in the WSP was however hampered due to cash flow considerations.

It can be reported that the bulk of the training vote allocation was directed to senior management/management and Councilors to attend the MFMP programme that is being conducted by the University of Pretoria. As from 1 January 2013 all finance staff will have to comply with the Guidelines for Municipal Competency Levels of 1 July 2007 issued in terms of the Local Government Municipal Finance Management Act, 2003.

The execution of the Organisational Design and Labour Relations functions were still a challenge as these units were without staff, however the budget to fill these two positions was allocated and it will be filled within the next financial year. The OHS and EAP are functioning extremely well however cash flow constraints makes it extremely difficult to finalise projects. The Municipality has paid over R300 000 to the Compensation Fund and it was caused by the number of incidents and accidents reported. The only solution to reduce such expenses is for GTM to comply with the Occupational Health and Safety Act (Act 85 of 1993). This can be done by training first aiders and OHS Representatives as their certificates have expired two years ago. The project needs to be prioritised within the next financial year (2013/2014) for better results.



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## 3.20 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

It is the responsibility of the Information Technology Division under the Corporate Services Department to ensure that policies, procedures and standards regarding computer-related items are defined and adhered to. The Information Technology Division offers the following services:

- IT End Users Support (Hardware and Software).
- End User Training (Formal-classroom situation).
- End User Support Training (informal-telephonic or individual).
- Liaise with outsourced service providers i.e. SITA, SALGA, Provincial and National Local Government department regarding all escalated problems.
- Backup services.
- Disaster recovery planning
- Procurement of all IT equipment and Computer rollout
- Audit of computer equipment.
- Computer Consumables such as Mouse, Printer, Ink and cartridges,
- Data Security.
- Advisory capacity on effective business processes
- Maintenance and control of telephonic communication systems

### **SERVICE DELIVERY PRIORITIES**

- *Rural Broadband Project* – will assist the communities to connect through the satellite offices and e-Schools (Phase 2) to access the Municipal Services and information from the townships and villages. The Phase 1 of the project which is connecting all the Satellite Offices has been completed (with 80% of the Offices connected).
- *IT Infrastructure Refurbishment* – the upgrade on the servers and computers enables the community to get help from Municipal officials faster and ensures that the Municipal Systems are running from reliable infrastructure. This project was completed successfully during the 2010/2011 financial year and is now on a three year lease contract.
- *Mayoral Hotline* – This project will connect the Municipality and the community to assist on accountability and incident reporting. The project is being re-advertised.

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<b>Table 122: Information Technology targets as set out in the SDBIP for 2012/13</b>				
<b>Programme</b>	<b>Project/ KPI</b>	<b>Annual Target (2012/13)</b>	<b>Actual Achieved (30 June 2013)</b>	<b>Reason for deviation</b>
Information Management	<i># of helpdesk requests received</i>	252	192	None
	<i># of requests successfully dealt with</i>	0	192	None
	<i>% of legislated website content updated</i>	100%	100%	None
	<i>hrs downtime for outside work stations</i>	0	26	Repairs required to fix connection
	<i>Maintenance Contract Tally-Genicom line printers</i>	Monitor implementation of SLA for maintenance of Tally-Genicom line printers	Tally-Genicom line printers not being maintained as expected	No SLA in place with service provider
	<i>Rural Broadband connectivity (PP4)</i>	Provide technical inputs into the provision of connectivity for satellite and Thusong Centres. Attend NDPG task team meetings	Project Complete and all Satellite Offices now connected. New Satellite offices to be connected on Adhoc basis.	None

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Job level	2011/2012			2012/2013		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	0	100%	1	0	0%
Level 4-6	2	2	0	2	2	100%
Level 7-9	3	2	1	3	2	33.3%
Level 10-15	0	0	0	0	0	100%
Level 16-17	0	0	0	0	0	100%
<b>Total</b>	<b>6</b>	<b>4</b>	<b>33.3%</b>	<b>6</b>	<b>4</b>	<b>66.7%</b>

Detail	2011/2012	2012/2013			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Revenue (excluding tariffs)</b>		-	-	-	-
Expenditure:					
Employees	1 123	1 212	1 212	1 889	-677
Repairs & Maintenance	332	571	589	560	29
Other	1 917	2 775	2 407	2 803	-396
<b>Total Operational Expenditure</b>	<b>3 372</b>	<b>4 558</b>	<b>4 208</b>	<b>5 252</b>	<b>-1 044</b>
<b>Net Operational (Service) Expenditure</b>	<b>3 372</b>	<b>4 558</b>	<b>4 208</b>	<b>5 252</b>	<b>-1 044</b>

The four largest capital projects are:

- **Rural Broadband Project** – Phase 1 was successfully completed in the 2012/2013. This project will assist communities to connect through the satellite offices (Phase 1) and e-Schools (Phase 2) to access the Municipal Services and information from the townships and villages.
- **Mayoral Hotline** – This project will connect the Municipality and the community to assist in accountability and incident reporting. The bid will be re-advertised during the 2013/2014 financial year.

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- **e-Participation** – This project will help Municipality get in touch with all Community members and receive feedback instantly. Through this project other stakeholders (e.g. SAPS, Home Affairs, Banks, etc) can use the system to deliver vital information to the community. The project has been sponsored by GIZ ZA. The project has since been put on hold due to funding issues and will commence as soon as the sponsor secures further funding.

## 3.21 LEGAL SERVICES

The role of the Legal Services Division is to render legal services to Council. The division is responsible for Conducting Investigations, research on case law and statutes and advising Council accordingly. The division must also ensure that Council Comply with its statutory functions, law and standards. The division must also develop and maintain effective working relationship with government departments, courts and other relevant bodies. Furthermore, monitoring ongoing litigation by and/or against Council, co-ordinate the interaction between the Council and external Legal Practitioners and ensuring legislative compliance, Good Governance and that Council takes informed decisions. The Legal Division is also responsible for:

- a) Assisting with the development of Policies and By-Laws, by conducting workshops for Councillors and officials on the policies and By-Laws and facilitate the annual review of policies.
- b) Performing Contract Management functions by Drafting contracts or Service Level Agreements on behalf of the Council, studying Contracts and advise Council accordingly. Facilitate appointment of Service Providers during Tender Committee Meetings.
- c) Prioritising and recommending legal firms to be appointed. Receive referrals and legal queries from stake holders and attend to them. Providing Legal Opinions to Council

The highlights in respect of the achievements during 2012/13 financial year have been the introduction of a proper filing system (aimed at facilitating proper documents management) and precedents management. This was done with a view to position the legal division to resemble a normal professional legal environment.

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**Table 125: Litigations handled during 2012/13**

Type of legal case	Name of Case	Date Registered	Status at 30 June '13	Total Cost to Council to date
Labour	Mr. A Le Grange vs GTM	05/07/2012	Awaiting a Court date for the hearing of appeal.	R795 999
Labour	Mr. N Phatudi vs GTM	18/05/2011	Concluded	R3 205 328
Labour	Mr. T Ramogano vs GTM	18/05/2011	Concluded	R166 132.54
Labour	GTM vs Mr. T Visser	21/01/2013	Concluded	R44 980
Civil	Telegenix vs GTM	2008	Still awaiting Telegenix acceptance of our settlement proposal.	R487 502.89
Civil	Phadima Phadima Group Holinding Pty Ltd vs GTM	2009	The matter is awaiting the High Court date	R759 089
Civil	Thabo Molepo vs GTM	2009	Pending in the High Court	R35 033.76
Civil	Quality Plans Hire vs GTM	2011	Concluded	R1 482 068.48
Civil	Real Mandeg Estate vs GTM	2013	Finalised successfully, GTM won the case	R35 000
Civil	Trysome Chillies vs GTM	11/03/2013	At pleading stage	None
Eviction	Talane Hostel Residents vs GTM	21/08/2007	At pleading stage	None
Eviction	Unlawful Occupants of land at Nwamitwa vs GTM	12/06/2012	At pleading stage	R616 278.16

**Table 126: Contract Management for 2012/13**

Nr of Service Providers appointed	Nr of Contracts concluded	Nr of Contracts extended	Nr of Contracts Withdrawn by Service Providers
98	37	5	1

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<b>Table 127: Service Delivery protests 2012/13</b>				
<b>Date</b>	<b>Stakeholder/Ward</b>	<b>Reason for protest</b>	<b>Office Protested against</b>	<b>Approved / Not Approved</b>
12-Jul-12	Ward 7, The Commuter Forum Bolobedu	D1350 Road	GTM Offices	Approved
25-Jul-12	Petanenge Community	Water, Road And Clinic & Ward Councillor	GTM Offices	Not Approved
02-Aug-12	Maake Community	Removal Of The School Principal	Shiluvane Circuit	Approved
03-Aug-12	Bathlabine Communal Property	Land Claim	CPA Offices	Approved
08-Aug-12	Bright Morning Star Substance Abuse Prevention	Substance Abuse Prevention Awareness	Whole Limpopo Province	Approved
23-Aug-12	Marito Development Forum	Water Services	GTM	Approved
28-Sep-12	PWMSA (Progressive Women's Movement Of South Africa	Take Back The Night Campaign	Whole Mopani District	Approved
27 Sept -03 Oct	South African Transport And Allied Workers Union	Picketing	National (Road Freight Sector)	Approved
05-Oct-12	Ancyl	Economic Freedom	GTM	Cancelled By Applicants
09-Oct-12	Nkambako Villa	Against Bail The Accused's Application	Magistrate Ritavi	Approved
23 Nov-29 Nov 202	Maake Community	Removal Of School Principal	Department Of Education (Naphuno)	Approved
26-Nov-12	Ward 5 Community	Service Delivery	GTM Offices	Approved
05-Dec-12	Dept Of Health And Social Dev	16 Days Of Activism Aganst Women And Child Abuse	National	Approved
06-Dec-12	Ward 27 Community	Against Bail Application At Lenyenye	Magistrate Court	Approved
27-Feb-13	Mokgoloboto Community	Land Claim	Cpa Members At Mokgoloto Farm	Approved
12-Mar-13	Mark Shoppe Sub Region	Against Bail Application	Magistrate Court	Approved
22-Mar-13	Maake Community	Removal Of School Principal	Dept Of Education (Naphuno)	Approved
24-Apr-13	PWMSA	Against Bail	Magistrate Court	Approved

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<b>Date</b>	<b>Stakeholder/Ward</b>	<b>Reason for protest</b>	<b>Office Protested against</b>	<b>Approved / Not Approved</b>
		Application		
08-May-13	Capricorn FM	Anti Rape Awareness Campaign	Mopani Dist	Approved
24-Jun-13	Ward 02 Mawa Block 8b,9b & 12b	Demanding Municipal Services	GTM	Approved

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Table 128: Legal support targets as set out in the SDBIP for 2012/13				
Programme	Project/ KPI	Annual Target (2012/13)	Actual Achieved (30 June 2013)	Reason for deviation
Legal Support	<i># of legal cases reported</i>	0	0	None
	Arbitration and litigation	Represent Council in Arbitration and Conciliation report outcome	No case of Arbitration and Conciliation	None



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Table 129: Employees – Legal Services (2012/13)						
Job level	2011/2012			2012/2013		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0	1	0	100%
Level 4-6	1	1	0	1	1	0%
Level 7-9	1	1	0	1	1	0%
Level 10-15	0	0	0	0	0	0%
Level 16-17	0	0	0	0	0	0%
<b>Total</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>33.3%</b>

Table 130: Financial Performance 2012/13: Legal Resource Services (R'000)					
Detail	2011/2012				
	Actual	Budgeted	Adjustment Budget	Actual	Variance
<b>Total Operational Revenue (excluding tariffs)</b>		-	-	-	-
Expenditure:					
Employees	1 399	1 513	4 813	1 818	2 995
Repairs & Maintenance	0	0	0	0	0
Other	7 150	2 928	7 497	7 913	-416
<b>Total Operational Expenditure</b>	<b>8 549</b>	<b>4 441</b>	<b>12 310</b>	<b>9 731</b>	<b>2 579</b>
<b>Net Operational (Service) Expenditure</b>	<b>8 549</b>	<b>4 441</b>	<b>12 310</b>	<b>9 731</b>	<b>2 579</b>

No capital projects were planned or implemented for Legal Services during the 2012/13 financial year

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## COMPONENT J: ORGANISATIONAL PERFORMANCE SCORECARD

The full Annual Performance Report for 2012/13 is included as [Annexure C \(i\)](#) and [Annexure C \(ii\)](#).

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## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### Introduction

Although the Greater Tzaneen Municipality has made provision on its organizational structure for an Organizational Development (OD) Unit, by way of two positions, namely, that of a Work Study Officer and a Work Study Assistant, such Unit was not sourced by officials during the 2012/2013 financial year. The post of Work Study Officer was advertised to be filled in 2013/2014 financial year; however there is still a need to fill the post of Work Study Assistant based on the complexity and work load within the Organisational Development Unit. There are many challenges that must be addressed by this Unit; including the full implementation and maintenance of the TASK Job Evaluation Outcome as well as the cascading of the PMS to employees lower than job level 3.

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

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## 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

<b>Table 131: Employee turnover</b>					
<b>Department (functions)</b>	<b>2011/2012</b>	<b>2012/2013</b>			
	<b>No of Employees</b>	<b>Approved positions</b>	<b>No of Employees</b>	<b>No of Vacancies</b>	<b>% Vacant</b>
<b>Engineering Services</b> (Roads& Stormwater, Water & Sanitation, PMU, Building & Fleet Maintenance)	162	601	165	436	72.5%
<b>Electrical Services</b>	108	186	108	78	41.9%
<b>Community Services</b> (Waste management, Libraries, Parks & Cemeteries, Sports & Recreation, Environmental Health & HIV/AIDS, Licensing, Traffic)	252	436	257	179	41.9%
<b>Planning &amp; Economic Development</b> (LED, Town Planning, Housing, Youth, Gender & Disability)	19	33	21	12	36.4%
<b>Chief Financial Officer</b> (Expenditure, Revenue, Financial Services and budgeting, Supply Chain Management)	50	76	50	26	34.2%
<b>Corporate Services</b> (Legal, Communication, Archives & Records, HR, Public Participation & IT, Council Admin Support)	47	72	43	29	40.2%
<b>Municipal Manager</b> (Disaster Management, Internal Audit, IDP, Performance Management)	11	26	12	14	53.8%
<b>Office of the Mayor (Administration and Special Programs)</b>	4	11	4	7	63.6%
<b>Total</b>	<b>653</b>	<b>1441</b>	<b>660</b>	<b>781</b>	<b>54.2</b>

A comparison between the 2011/2012 and 2012/2013 financial years show that the number of officials actually employed has increased from 653 to 660. This can be explained by the fact that certain services, for example, the cleansing and slashing functions which were previously outsourced are now being performed internally again. A vacancy rate of 54.2% will be observed. Out of the 1441 positions approved not less than 781 were vacant as on 30 June 2012.

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<b>Designation</b>	<b>Total Approved posts</b>	<b>Vacancies</b>	<b>Variences (as % of total posts in each category)</b>
Municipal Manager	26	14	53.8%
CFO	76	25	32.8%
Other Section 57 Posts	8	1	12.5%
Middle Management: Financial (Level 3)&4	10	4	40%
Middle Management: non-Financial (Level 3)&4	51	15	29.4%
Highly skilled supervision: Financial (Level 5-6)	14	4	28.6%
Highly skilled supervision: Non-Financial (Level 4-6)	189	77	40.7%
<b>Total</b>	<b>374</b>	<b>140</b>	<b>37.4%</b>

There is a significant increase on the vacancy rate for 2012/13 as compared with the year 2011/12. The 37.4% vacant rate was affected by the cash flow of the Municipality. Although an analysis of the upper levels shows a vacancy rate of 53.8 % which is more than all designations. The area of concern is highly skilled (non financial) supervision with a vacancy rate of 40.7% and it must be addressed in the 2014/15 financial year.

<b>Year</b>	<b>Total No of posts filled at the beginning of the financial year</b>	<b>Terminations during the financial year</b>	<b>Turnover Rate*</b>
2008/2009	613	46	7.5
2009/2010	621	43	6.9
2010/2011	630	48	7.6
2011/2012	619	28	4.5
2012/2013	660	19	2.8

From the data above, it seems that the turnover rate of the Greater Tzaneen Municipality is in the region of 2.8 %. This rate is acceptable bearing in mind that about 60% of this rate can be attributed to deaths and retirements over which the Municipality has no control. As far as senior management positions are concerned, six director positions were filled as on 30 June 2013, except the Director Corporate Services.

Staff with the appropriate qualifications and experience and who competed for the vacant positions advertised, was promoted when they were found to be the best applicants after the interviews.

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Council does not have a promotion policy, however whenever a position is advertised, preference is given to the internal staff for promotion purposes and to encourage them as there are no incentives for middle and lower positions. A total number of eleven officials were promoted during the year under review (7 African males and 1 white male and 3 African female).

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### Introduction

Employees in Council need some form of leadership from Corporate Services perspective. The behaviour and actions of employees have to be channelled and directed towards the achievement of the organisation's objectives, contained in the IDP. In order to achieve the above; the appointment of Directors (Section 57 Managers) was imperative. Six directors were appointed, except for the Director (Corporate Services), who possesses suitable skills and competencies as per minimum competency level requirements and Municipal Systems Act guidelines. One of the responsibilities of Corporate Services is to retain scarce skills and develop career path for employees. Therefore for the past years, Council complied with Section 2 of the Skills Development Act (97 of 1998) by the following:

- ✓ Develop the skills of employees
- ✓ Increase the levels of investment in education and training in the labour market and to improve the return on investment.
- ✓ Using the workplace as an active learning environment, by providing employees with opportunities to acquire new skills through bursaries.

## 4.2 POLICIES

As per legislative requirements Section 67 of Municipal Systems Act, 2000 the process to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration continued. Where necessary, policies were reviewed to accommodate changing circumstances. The human resources related policies are standardising to a uniform standard and there is easy reference.

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Table 134: HR Policies and Plans			
	Name of Policy	% Completed	Date adopted by Council (or comment on failure to adopt)
1	Affirmative Action	100%	24/6/1996, currently review
2	Attraction and Retention	100%	A45 of 29/05/2012 (New Policy) Reviewed yearly with regard to turnover statistics
3	Code of Conduct for Employees	100%	As per Schedule to System Act
4	Delegations, Authorisation and Responsibility	100%	Not HR Competency (Legal Services)
5	Disciplinary Code and Procedures	100%	As per SALGBC Agreement (B40 of 24 August 2010)
6	Essential Services		Agreement under review due to new organogram
7	Employee Assistance/ Wellness	100%	A 29, 2013 June 28
8	Employment Equity	See 1	A29, 2013 June 28
9	Exit management	See 2	
10	Grievance Procedures	100%	As per SALGBC Agreement
11	HIV/AIDS for Employees		HR competency ( B126 of 26/11/2002
12	Human Resources Development	100%	B77 of 26/8/2008
13	Information Technology	100%	A 42 of November 2011
14	Job Evaluation	100%	Agreement has lapsed on 31/10/2009
15	Leave	100%	As per SALGBC & DCoS Agreements
16	Occupational Health and Safety	100%	A29, 2013 June 28
17	Official Housing	100%	B158 of 31/8/2004
18	Official Journeys	100%	B172 of 31/8/2004
19	Official transport to attend funerals	100%	Only Guidelines
20	Official Working Hours and overtime	100%	Only Guidelines (A71 of 29/2/2000)
21	Organisational Rights	100%	As per ORA in Main Agreement
22	Payroll deductions	100%	A249 of 30/8/1999
23	Performance Management and Development	100%	For job levels 0-3 only. A32 of 25/8/2011
24	Personnel Provisioning	100%	A 29, 2013 June 28
25	Remuneration Scales and Allowances	100%	B240 of 30/11/2004
26	Sexual Harassment	100%	A364 of 21/11/2000. Currently under review
27	Skills Development	100%	B77 of 26/8/2008. Currently under review

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	<b>Name of Policy</b>	<b>% Completed</b>	<b>Date adopted by Council (or comment on failure to adopt)</b>
28	Smoking	100%	A15 of 26/05/2009. Currently under review
29	Special skills		Not developed
30	Work organisation		Not developed
31	Uniforms and Protective Clothing	100%	A29, 2013 June 28
32	Policy on Granting of Bursaries to Employees	100%	A35 of 29/11/2011. Currently under review
33	Policy on Temporary Employment of Students	100%	28/09/1998. Currently under review
34	Anti-Corruption Policy	100%	A16 of 26/5/2009
35	Policy for Labour Relations	100%	29/7/1996. Currently under review
36	Language Policy	100%	29/1/2002
37	Risk Management Policy	100%	B63 of 2003
38	COIDA	100%	A44 of 28/08/2012 (New Policy)

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

<b>Type of Injury</b>	<b>Days Injury leave taken</b>	<b>No of employees</b>	<b>% of Employees using sick leave</b>	<b>Average injury leave per employee<sup>3</sup></b>	<b>Total estimated cost</b>
Required basic medical attention only	33	64	0.52	1.9	R8 448
Temporary total disablement	88	73	100%	0.82	R22 528
Permanent Disablement	45	1	100%	45	R16 800
Fatal	0	0	0	0	0
<b>Total</b>	<b>166</b>	<b>138</b>		<b>47.72</b>	<b>R47 776</b>

From **Table 135** above it will be observed that a total of 166 days sick leave occurred due to injury-on-duty cases. This constitutes 1.9% of employees who was involved in such incidences. The OHS and EWP Section are continuously busy with awareness creation regarding safe working conditions

<sup>3</sup> Not determinable



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and the role that each and every individual can play in limiting incidences of injury-on-duty. The three OHS Committees are also used as a platform to propagate a safe working environment within the OHS System which is in place. Inspections of workplaces are being done throughout the year and where necessary, follow-ups are being done to monitor compliance. The internal newsletter is also being used to place articles relating to OHS matters and to conscientize workman/women. During the induction program of new entrants, time is being spent on OHS and EWP matters.

<b>Designation</b>	<b>Total sick leave (days)</b>	<b>% of sick leave without medical certification</b>	<b>Employees using sick leave*</b>	<b>Estimated cost@ basic salary</b>
Unskilled and defined decision making (level 16-15)	1703	69%	175	600 592.00
Semi skilled - discretionary decision making (level 10-14)	488	6.9%	68	251 620.37
Skilled, technical and academically qualified workers (7-9)	1111	12%	92	996 771.77
Professionally qualified and experienced specialists (middle management) level 4-6	600	14.5%	67	729 063.36
Management (level 3)	153	8.4%	18	382 940.50
Senior Management (level 0-2)	16	0%	3	11 039.99
<b>Total</b>	<b>4071</b>		<b>423</b>	<b>2 972 027.99</b>

The average sick leave taken per employee is 6.05 days which is regarded as normal. Although the situation has deteriorated since 2011/12 it is still within acceptable norms.

<b>Position</b>	<b>Nature of Alleged Misconduct</b>	<b>Date of Suspension</b>	<b>Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised</b>	<b>Date Finalised</b>
HR Manager	Misrepresentation of the employer	21 January 2013	Deceased	Not finalised

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## 4.4 PERFORMANCE REWARDS

Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2011/12	Proportion of beneficiaries within group
				R' 000	%
Unskilled and defined decision making (level 16-17)	Female	95	0	0	0
	Male	198	0	0	0
Semi skilled - discretionary decision making (level 10-15)	Female	11	0	0	0
	Male	95	0	0	0
Skilled, technical and academically qualified workers (7-10)	Female	109	0	0	0
	Male	82	0	0	0
Professionally qualified and experienced specialists (middle management) level 3-6	Female	13	2	R107,737.15	40%
	Male	22	3	R165,749.46	60%
Senior management (level 0-2)	Female	10	0	0	0
	Male	25	0	0	0
<b>Total</b>		<b>660</b>		<b>R273,486.61</b>	<b>0</b>
Has the statutory municipal calculator been used as part of the evaluation process?					Yes

**Table 138** presents the performance awards made during 2012/13 for the assessments of performance during the 2011/12 financial year. Employee performance management has been cascaded to level three only. Due to human resource limitations further cascading is dependent on the appointment of additional personnel to manage the system. Five employees qualified for a performance bonus, which were the Managers for Environmental Health, and also Budget and Treasury, Waste Management, Licensing and Library Services. The scoring system is based on Regulation 805 of 2006 and is applied uniformly to all employees.

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## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

The Greater Tzaneen Municipality accepted legislative requirements of the Skill Development Act 97, 1998 to develop and improve the Skills of the South African workforce in capacitating municipal workforce in performing their functions and exercise their powers in an economic, effective and accountable way.

- And to enhance the workforce in adult education training and learnership programmes that lead to recognized occupational qualifications.
- For the financial year 2012/2013 an amount of R1,084,725.00 was allocated for the implementation of the training needs projected and approved. However, the training interventions exceeded the budgeted amount with R1 323 648.00.

The WSP for 2012/2013 was submitted to LGSeta by the 30<sup>th</sup> June 2013. Grant disbursements of R160 000 were received from the LGSeta for the training efforts, which is the 20% of the training intervention for the financial year.

The bulk of the training funds were spent on the (MFMP) for compliance with the National Treasury Competency level as directed. It must further be indicated that twenty four (24) officials, the majority of which are from finance have been enrolled on the MFMA training facilitated by North-West University. The training is envisaged to be concluded in December 2014. The cost of the training for the 24 delegates is amounting to R1,008,000.

### **Implementation of the workplace skills plan**

The training interventions projected for the financial year prioritised was not implementable due to the compliance of the National Treasury regulations on MFMP program for Municipal Workforce.

Implementation of the training needs (WSP) were as follows:

- Employees projected to be trained was 310
- Actual training 110
- % of WSP implemented 36%

A summary of the beneficiaries trained during the financial year, per occupational category, is presented in **Table 139**:

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**Table 139: Training interventions by occupational category, gender and race for 2012/13**

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, snr officials and managers	4			3	2			1	10
Professionals	1				2			1	4
Technicians and associate professionals	5			5	2				12
Clerks	2				6	1		2	11
Service and sales workers	1				1				2
Skilled agricultural and fishery workers									0
Craft and related trades workers	2				2				4
Plant and machine operators and assemblers	33				1	1		1	36
Elementary occupations	22				10				32
Total Permanent									
Non-permanent employees									
<b>Total</b>	<b>70</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>26</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>110</b>

## Training Interventions for 2012/13

### *Adult Basic Education and Training (ABET):*

The ABET training, with which GTM excelled in the past, could not be implemented during 2012/13 as funding could not be secured.

### *Experiential training*

As per approved temporary employment of student policy, the objectives outlined are to afford students a chance to get practical exposure in those directions which may have application value for them and to optimise their services to the benefit of Council and the student. Six learners were appointed in four departments to gain experience for the final year to acquire

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their qualifications. The students are reimbursed at 30% of a job level 12 salary. The following (see **Table 140**) is comprehensive data of learners who were assisted through the experiential programme in the Municipality to acquire their qualifications for the 2012/13 financial year:

No	Surname & initials	Stream/qualification	Department	Period
1	Moloto MF	N4 Office Administration	Corporate Services	2013/02/06
2	Makumbila AI	Grade 12	Municipal Manager	2013/06/01- 2013/11/30
3	Phokongwane MF	National Diploma Local Government Finance (Final Year)	Finance (CFO)	2013/02/01- 2013/11/30
4	Mailula NC	N5 Marketing Management	Corporate Services	2013/06/01 – 2013/11/30
5	Raseokga I	Grade 12	Corporate Services	2013/06/01- 2013/11/30
6	Phephenyane VE	N5 Engineering Services (Plumbing)	Engineering Services	2013/02/01 – 2013/11/30

Challenges occurred during 2012/2013 financial year for implementation:

- Unavailability of funds for implementation of WSP training needs.
- Approval of training interventions were not approved in the WSP training needs.
- Training of internship appointed due to unavailability of cash flow.
- Non-implementation of learnership programme due to stakeholders not availing funds for the programs.
- Employees who were enrolled for MFMP left Council.

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## 4.5 SKILLS DEVELOPMENT AND TRAINING

**Table 141: Skills Matrix**

Management level	Gender	Employees in post as at 30 June 2013	Number of skilled employees required and actual as at 30 June 2013											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual 30 June 2012	Actual 30 June 2013	Target	Actual 30 June 2012	Actual 30 June 2013	Target	Actual 30 June 2012	Actual 30 June 2013	Target	Actual 30 June 2012	Actual 30 June 2013
MM and S57	Female	2	0	0	0	0	2	0	0	1	0	0	3	0
	Male	4	0	0	0	0	3	1	0	0	0	0	3	1
Councillors, senior officials and managers	Female	41	0	0	0	3	11	10	0	7	1	3	18	11
	Male	51	0	0	0	12	20	19	0	15	0	12	35	19
Technicians and associate professionals	Female	170	0	0	0	0	6	18	1	3	0	1	9	18
	Male	101	0	0	0	0	29	24	0	23	0	0	52	24
Professionals	Female	15	0	0	0	0	0	0	0	0	19	0	0	19
	Male	18	1	0	0	0	2	1	0	1	6	1	3	7
Sub total	Female	228	0	0	0	0	19	28	0	11	20	0	30	48
	Male	174	0	0	0	0	54	45	0	39	6	0	93	51
<b>Total</b>		<b>402</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>73</b>	<b>73</b>	<b>1</b>	<b>50</b>	<b>26</b>	<b>17</b>	<b>123</b>	<b>99</b>

T4.5.1

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**Table 142: Financial Competency Development: Progress Report (2012/13)\***

Description	A. Total number of officials employed by Municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>				
<i>Accounting officer</i>	1	1	1	1
<i>Chief financial officer</i>	1	0	1	0
<i>Senior managers</i>	6	2	6	2
<i>Any other financial officials</i>	4	2	4	2
<b>Supply Chain Management Officials</b>				
<i>Heads of supply chain management units</i>	1	1	1	1
<i>Supply chain management senior managers</i>	0	0	0	0
<b>TOTAL</b>	<b>13</b>	<b>6</b>	<b>13</b>	<b>6</b>

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**Table 143: Skills Development Expenditure (R'000) for 2012/13**

Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2012/2013							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
Top management (level 0-2)	Female	1	R50 000	0	0	0	0	0	R50 000	0
	Male	1	R50 000	0	0	0	0	0	R50 000	0
Senior Management (level 3)	Female	19	R400 000	R1 152 000	0	0	0	0	R400 000	R1 152 000
	Male	6	R300 000	0	0	0	0	0	R300 000	0
Professionally qualified and experienced specialists (middle management) level 4-6	Female	14	R80 000	0	0	0	0	0	R80 000	0
	Male	15	R60 000		R80 000	R20 520	0	0	R140 000	R20 520
Skilled, technical and academically qualified workers (7-10)	Female	96	R40 000	0	0	0	0	0	R40 000	0
	Male	143	R90 000		R160 000	R125 628	0	0	R250 000	R125 628
Semi skilled - discretionary decision making (level 10-15)	Female	14	R450 000	0	0	0	0	0	R450 000	0
	Male	61	R450 000		R30 000	R25 500	0	0	480 000	R25 500
Unskilled and defined decision making (level 16-17)	Female	48	R600 000	0	0	0	0	0	R600 000	0
	Male	204	R600 000	0	0	0	0	0	R600 000	0
Sub total	Female	192	R1 620 000	0	0	0	0	0	R1 620 000	0
	Male	430	R1 550 000	0	R270 000	R171 648	0	0	R1 820 000	R171 648
<b>Total</b>		<b>622</b>	<b>R3170 000</b>	<b>R115 2000</b>	<b>R270 000</b>	<b>R171 648</b>	<b>0</b>	<b>0</b>	<b>R3 440 000</b>	<b>R1 323 648</b>
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									<b>0.62%</b>	<b>R1 084 725</b>



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Since the promulgation of the MFMA Competency Regulations eight officials at senior management and middle management level were given the opportunity to attend the CPMD training presented by Wits Business School. However, in the meantime five of the eight officials have left the employ of Council for greener pastures. Two groups consisting of 21 officials (on senior management level) and six Councillors started with MFMP training with the University of Pretoria in 2010/11. The costs of this year long training intervention are approximately R1.2 million, which is mostly being funded through the training vote. Evidently, it will be observed that not a lot of funds are available to conduct any other form of training for officials in the other job categories. Presently only 0.05% of the personnel budget is being allocated for training and it is the intention to increase it to at least 1% of the personnel budget as per the SALGA guideline. The MFMP training will be concluded at the end of December 2014. It must further be indicated that twenty four (24) officials, the majority of which are from the Finance Department have been enrolled on the MFMA training, facilitated by North-West University. The cost of the training for the 24 delegates is in the region of R1,000,000.

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### Introduction

Vacant positions are not being filled for the sake of filling them. An assessment is firstly made to determine whether the filling of a position is necessary, essential, critical and also budgeted for. In some instances all the criteria is present, but then cash flow considerations can lead thereto that position(s) are not being filled. In determining the increase in the cost of the personnel budget, the National Treasury guideline is always followed of the % increase being allowed. The need to fill positions will always exceeds the available budget provisioning as the latter guideline and the matter of cash flow have a direct bearing on it.

# Chapter 4

## 4.6 EMPLOYEE EXPENDITURE

**Table 144: Workforce Expenditure (R'000)**

Year	Total Workforce Expenditure	% of total budget
2007/2008	108 419 191.00	32.73%
2008/2009	108 794 939.00	27.24%
2009/2010	154 567 646.00	36.02%
2010/2011	147 951 040.00	27.01%
2011/2012	151 838 715.00	20.01%
2012/2013	198 337 670.00	26.30%

Employee cost increased annually as determined by SALGA and approved by Council. The high increases are a result of the change in the total budgeted amount and the number of people employed by the Municipality.

**Table 145: Number of employees whose salaries were increased due to their positions being upgraded during 2012/13**

Beneficiaries	Gender	Total
Senior management (level 0-2)	Female	0
	Male	0
Management (level 3)	Female	0
	Male	0
Professionally qualified and experienced specialists (middle management) level 4-6	Female	0
	Male	0
Skilled, technical and academically qualified workers (7-10)	Female	0
	Male	4
Semi skilled - discretionary decision making (level 10-15)	Female	0
	Male	0
Unskilled and defined decision making (level 16-17)	Female	0
	Male	0
<b>Total</b>		<b>4</b>

The upgrading was done in the Electrical Engineering Department for Linesman posts; they were upgraded from job level 10 to job level 8, this was for only 4 posts. It should further be noted that the Greater Tzaneen Municipality did not appoint any employee during 2012/13 in a position that did not exist on the organogram

# Chapter 4

**Table 146: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation (2012/13)**

Occupation	Number of employees	Remuneration level	Job Evaluation level	Reason for deviation
Accountant (Income)	1	4 PTH	T12	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administration Officer (Land)	1	5 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrative Officer (Town Planning)	1	5 PTH	T12	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrator	2	5 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrator (Cleaving)	1	8 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrator (Credit Control)	2	6 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrator (Engineering)	1	5 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrator (Expenditure)	1	6 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrator (Finance)	1	6 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrator (Revenue)	1	6 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrator (Stores)	1	6 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrator (Town Planning)	1	8 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Artisan (Electrician)	10	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Artisan (Mechanical)	3	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Artisan (Water and Sanitation)	3	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Artisan (Water)	2	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.

# Chapter 4

**Table 146: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation (2012/13)**

Occupation	Number of employees	Remuneration level	Job Evaluation level	Reason for deviation
Assistant Accountant	1	6 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Building & Drainage Inspector	4	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Building Maintenance Attendant	1	17 PTH	T4	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Cashier	2	9 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerical Asst/Typist	1	11 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerk	3	8 PTH	T4	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerk	2	8 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerk (Administration)	2	8 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerk (Building Control)	1	9 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerk (Expenditure)	2	8 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerk (Licensing)	1	11 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerk (Mechanical and Electrical)	1	8 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerk (Revenue)	5	8 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerk (Supply Chain Management)	1	8 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Community Development Officer	1	8 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Control Room Operator	5	8 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Controller (Finance)	2	5 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.

# Chapter 4

**Table 146: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation (2012/13)**

Occupation	Number of employees	Remuneration level	Job Evaluation level	Reason for deviation
Data Capture Clerk	2	13 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Disaster Management Officer	1	6 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Driver Operator	5	11 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Electrical Attendant	23	14 PTH	T4	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Electrical Engineering Technician	1	6 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Engineering Technician	1	4 PTH	T12	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Environmental Health Practitioner	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Examiner (Vehicle and Drivers Licences)	8	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Executive Secretary	1	7 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Executive Secretary	5	8 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Foreman (Roads and Storm Water)	2	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Assistant (Messenger)	1	14 PTH	T3	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Assistant (Parks, Recreation and Cemeteries)	20	16 PTH	T3	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Assistant (Stores)	3	17 PTH	T3	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Worker (Level 2) (Cleaner)	3	17 PTH	T2	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Worker (Level 2) (Parks, Recreation and Cemeteries)	24	17 PTH	T2	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Worker (Level 2) (Solid Waste)	79	17 PTH	T2	Post was previously graded on the VdM Grading system which is higher than the current Task system.

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**Table 146: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation (2012/13)**

Occupation	Number of employees	Remuneration level	Job Evaluation level	Reason for deviation
General Worker (Level 2) (Traffic Enforcement)	2	17 PTH	T2	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Worker (Level 2) (Water and Sanitation)	17	17 PTH	T2	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Worker (Level 2) (Water)	16	17 PTH	T2	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Worker (Level2)	18	17 PTH	T2	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Worker (Level2) (Licensing and Testing)	1	17 PTH	T2	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Handyman (Building Maintenance)	1	10 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Horticulturist	3	6 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
HR Administration Officer	3	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Internal Audit Officer	2	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Internal Auditor	1	5 PTH	T12	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Law Enforcement Officer	2	7 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Occupational Health and Safety Officer	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Office Assistant	1	10 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Office Attendant	2	15 PTH	T4	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Planner (Electrical)	2	5 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Principal Administration Officer	2	4 PTH	T12	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Principal Clerk	1	9 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.

# Chapter 4

**Table 146: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation (2012/13)**

Occupation	Number of employees	Remuneration level	Job Evaluation level	Reason for deviation
Principal Clerk (Committees)	2	6 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Principal Clerk (Debtors)	1	7 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Principal Clerk (Income)	1	7 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Principal Clerk (Libraries)	3	9 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Principal Clerk (Licensing)	3	7 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Principal Clerk (Supply Chain Management)	1	7 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Sanitation Attendant	1	14 PTH	T4	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Secretary	1	8 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Administration Officer	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Artisan Assistant (Water Purification)	1	12 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Civil Engineering Technician	2	4 PTH	T12	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Clerk (Administration)	1	8 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Clerk (Administration)	1	8 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Clerk (Building Control)	1	7 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Clerk (Credit Control)	2	8 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Clerk (Expenditure)	1	7 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Clerk (Finance)	1	7 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.

# Chapter 4

**Table 146: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation (2012/13)**

Occupation	Number of employees	Remuneration level	Job Evaluation level	Reason for deviation
Senior Clerk (Licensing)	6	8 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Clerk (Payroll)	1	7 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Clerk (Records)	2	11 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Environmental Health Officer	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Licensing Officer	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Training Officer	1	4 PTH	T12	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Storeman	1	9 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Superintendent	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Superintendent (Cleansing and Solid Waste)	1	5 PTH	T12	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Superintendent (Electrical)	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Superintendent (Law Enforcement)	1	6 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Superintendent (Mechanical and Electrical Services)	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Superintendent (Water and Sanitation)	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Superintendent (Water Purification)	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Supervisor Driver	1	10 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Supervisor Driver	2	12 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Supply Chain Management Practitioner	1	4 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.



# Chapter 4

**Table 146: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation (2012/13)**

Occupation	Number of employees	Remuneration level	Job Evaluation level	Reason for deviation
Team Leader	1	13 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Tourism Officer	1	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Town Planning Technician	1	6 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Tractor Driver	1	13 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Traffic Officer	10	8 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Typist	1	10 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Water Purification Attendant	1	14 PTH	T4	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Word Processing Operator	2	10 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Word Processing Operator	1	10 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Workshop Attendant	1	15 PTH	T4	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Youth, Gender And Disability Officer	1	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
				T4.6.3

# Chapter 4

## **SALARY BENCHMARK**

Greater Tzaneen Municipality took a decision to embark on a salary benchmarking exercise for all permanent employees. A Memorandum of Understanding was developed wherein all parties recognised and acknowledged the disparities in the salary structures of GTM. It was agreed that an amicable solution should be reached to address salary disparities. Amongst other issues the following were outlined in the Memorandum of Agreement.

- That three (3) municipalities of same category and relative revenue were selected as benchmarks.
- That experts, from same sector, be invited to advise on technical matters related to the process in question.
- That benchmark be paid retrospectively from 1st of July 2012

The three municipalities which were identified as possible areas to benchmark with were:

- Stellenbosch Municipality
- Drakenstein Municipality
- Newcastle Municipality

A Service Provider was appointed to provide expertise on the benchmark process. Thereafter, the Municipality received a benchmark report from the Service Provider. The report was analysed and it was concluded that the Service Provider did not deliver in terms of the Terms of Reference. As a result of that, the employees went on an unprotected strike. Following this, the Municipality's political and administrative leadership came together and agreed on a Task Team that had to look into the Benchmarking Process, in isolation from the appointed Service Provider. In the meeting of the Task Team it was concluded that the Service Provider did not understand the TOR. The Service Provider was busy doing Job Evaluation instead of Benchmarking Exercise. The Task Team therefore, agreed to do benchmarking as mandated by the Municipality's Leadership, and the Task Team agreed on a the following benchmarking principle: *“To take the maximum notch of lowest paying benchmark at each salary level as long as it higher than the current maximum notch of GTM, if it is below then consider to move to the next benchmark and take the maximum”*

# Chapter 4

A memorandum of understanding was therefore signed to this effect. The Greater Tzaneen Municipality benchmarking process managed to address the issues as outlined in the Terms of Reference. However it should be noted that Council still however needs to address the abnormal discrepancy in salary levels of Managers (level 03 employees).

## Disclosures of financial interests

All staff and Councillors are annually requested during June of the preceding year to disclose financial interests. The obligation to disclose rests on the individual and failure to do so may result in steps being taken against such individual, in terms of the Codes of Good Conduct. The following disclosures were made by officials and Councillors for the 2012/2013 financial year (see Table 147):

<b>Table 147 : Financial Interests declared 2012/13</b>			
	<b>Position</b>	<b>Name</b>	<b>Description of Financial Interest</b>
1	Assistant Accountant	Pochop MA	Annuity that pays a monthly income R995.16 Sanlam Policy
2	OHS Officer	Matsaung RG	100% shareholder of Lapologa Bed & Breakfast; Trustee of Magohlomane Family trust
3	Director Electrical Engineering	Van den Heever P	Own House for personal desire.
4	Manager Projects	Fourie NG	Tommie Fourie Trust; Farm Barend 523ms Piet 509MS
5	Assistant Superintendent	Modjela SM	Universal Vision Travel
6	Manager Human Resources	Visser MPS	Serve both Joint Municipal Pensions Fund and Branch Treasurer for IMPSA (Norlanga) Vice Chairperson Van Velden Hospital Board; Owner Lushof 41; Sanlam Annuity
7	Assistant HR officer	Maake NMH	Walktall Trading Cc;
8	Acting Manager Corporate Services	Twala TC	Erf 4600 Golden Acre (Bond)
9	Clerk	Van der Merwe C	Husband owner of vd Merwe Engineering Tzaneen. Performing services to Council on a quotation basis from time to time
<b>Councillors</b>			
1	Mayor	Mmetle DJ	None
2	Councillor	Pohl RE	Momentum shares; Numi Netix (Pty)Ltd member of Close Corporation; Partnership NUMINETI (Pty)
3	Councillor	Baloyi C	50% shares and securities in company
4	Councillor	Mashava BM	Shares at SA Brokers; business ventures with other Cllrs.
5	Councillor	Ramolefo ME	None
6	Full Time Councillor	Machinama C	None
7	Councillor	Janse v Vuuren AE	None
8	Councillor	Nukeri TK	MTN & ABSA Shares

# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### Introduction

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

Inflationary pressures will be curbed through expenditure management and with the increase in payment levels care will be taken to ensure that expenditure are kept within the actual income received and not the budget income

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### Introduction to financial statements

This component provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality. The Statements of Revenue Collection Performance by vote and by source are included in **Addendum K**.

# Chapter 5

## 5.1 FINANCIAL SUMMARY

Description	2011/2012	Current year 2012/13			2012/13 Variance to actual	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Financial Performance</b>						
Property rates	58 835	47 220	47 220	65 276	28%	28%
Service charges	329 306	363 642	363 642	356 168	-2%	-2%
Investment revenue	5 160	1 001	1 001	3 901	74%	74%
Transfers recognised - operational	180 687	214 058	214 132	220 476	3%	3%
Other own revenue	49 940	71 766	71 766	40 428	-78%	-78%
<b>Total Revenue (excluding Capital transfers &amp; contributions)</b>	623 928	697 686	697 760	686 249	-2%	-2%
Employee costs	97 737	89 206	92 506	127 801	30%	28%
Remuneration of Councillors	16 655	18 036	18 036	17 561	-3%	-3%
Depreciation & asset impairment	196 819	106 120	106 120	83 670	-27%	-27%
Finance charges	12 767	23 884	23 884	16 331	-46%	-46%
Materials and bulk purchases	204 803	231 845	231 845	233 343	1%	1%
Transfers and grants	24 561	30 399	42 573	23 481	-29%	-81%
Other expenditure	186 832	242 462	239 162	257 488	6%	7%
<b>Total Expenditure</b>	740 174	741 953	754 127	759 675	2%	1%
<b>Surplus/(Deficit)</b>	-138 012	-44 267	-56 367	-73 426	40%	23%
Transfers recognised - capital	27 610	59 526	64 526	62 640	5%	-3%
Contributions recognised - capital & contributed assets						
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-88 626	15 259	8 159	-10 786	241%	176%
Share of surplus/ (deficit) of associate						
<b>Surplus/(Deficit) for the year</b>	-88 626	15 259	8 159	-10 786	241%	176%
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>	111 074	118 655	115 591	94 133	26%	23%
Transfers recognised - capital	27 610	59 526	85 077	62 639	5%	-36%

# Chapter 5

**Table 148: Financial Summary 2012/13 (R'000)**

Description	2011/2012	Current year 2012/13			2012/13 Variance to actual	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Public contributions and donations	-					
Borrowing	69 999	30 000	1 385	7 684	-290%	82%
Internally generated funds	13 465	29 129	29 129	23 809	18%	18%
<b>Total sources of capital funds</b>	<b>111 074</b>	<b>118 655</b>	<b>115 591</b>	<b>94 133</b>	<b>21%</b>	<b>19%</b>
<b>Financial position</b>						
Total current assets	220 753	159 703	172 945	301 082	-89%	-85%
Total noncurrent assets	1 793 779	1 833 459	1 860 395	1 745 926	5%	7%
Total current liabilities	187 612	122 662	133 862	206 730	-68%	-54%
Total noncurrent liabilities	199 030	183 349	183 349	180 756	1%	1%
Community wealth/Equity	1 627 890	1 687 151	1 716 129	1 659 522	2%	3%
<b>Cash flows</b>						
Net cash from (used) operating	27 851	40 498	33 398	60 859	-50%	-82%
Net cash from (used) investing	-42 435	-60 234	-87 170	-77 905	29%	-11%
Net cash from (used) financing	42 664	20 736	20 736	-22 356	-8%	-8%
<b>Cash/cash equivalents at year end</b>	<b>50 278</b>	<b>24 000</b>	<b>17 242</b>	<b>10 876</b>	<b>55%</b>	<b>37%</b>
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	73 955	47 239	40 481	15 830	66%	61%
Application of cash and investments	10 886	-12 682	-22 836			
<b>Balance - surplus (shortfall)</b>	<b>63 069</b>	<b>59 921</b>	<b>63 317</b>	<b>15 830</b>	<b>74%</b>	<b>75%</b>
<b>Asset management</b>						
Asset register summary (WDV)	1 770 105	1 810 220	1 837 156	1 740 973	4%	5%
Depreciation and asset impairment	196 819	106 120	106 120	83 670	21%	21%
Renewal of Existing Assets	12 049	8 000				
Repairs and Maintenance	90 714	108 845	101 211	91 867	16%	9%
<b>Free services</b>						
Cost of Free Basic Services provided	3 836	3 500	0	4 824	37%	37%
Revenue cost of free services provided	212	210		144	31%	31%

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**Table 149: Financial Performance of Operational Services (R'000) for 2012/13**

Description	2011/12	2012/13		2012/13 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Cost</b>						
Water	n/a					
Waste Water (Sanitation)	n/a					
Electricity	298 027	346 021	346 521	360 585	(14 564)	(14 064)
Waste Management	34 061	45 015	47 980	51 096	(6 081)	(3 116)
Housing	10 119	13 049	12 349	14 155	(1 106)	(1 806)
Component A: sub-total	342 207	404 085	406 850	425 836	(21 751)	(18 986)
Waste Water (Stormwater Drainage)						
Roads	96 881	110 454	103 169	97 410	13 044	5 759
Transport	10 853	37 124	37 124	13 445	23 679	23 679
Component B: sub-total	107 734	147 578	140 293	110 855	36 722	29 438
Planning	3 383	14 509	25 509	17 805	(3 296)	7 704
Local Economic Development	13 354					
Component B: sub-total	16 737	14 509	25 509	17 805	(3 296)	7 704
Executive and Council	23 709	27 473	27 516	26 954	519	562
Budget and Treasury office	55 137	50 769	49 869	68 120	(17 351)	(18 251)
Corporate services	151 759	37 838	44 188	49 877	(12 039)	(5 689)
Component C: sub-total	230 605	116 080	121 573	144 950	(28 870)	(23 377)
Community & Social Services	3 376	5 135	5 135	4 762	373	373
Environmental Protection						
Health	4 203	5 300	5 300	6 618	(1 318)	(1 318)
Public Safety	18 952	23 827	27 027	25 347	(1 520)	(1 320)
Sport and Recreation	13 583	19 366	19 366	17 810	1 556	1 556
Waste water	2 776	6 075	6 075	5 692	382	382
Component D: sub-total	42 891	59 702	59 902	60 229	(527)	(327)
<b>Total Expenditure</b>	<b>740 174</b>	<b>741 953</b>	<b>754 127</b>	<b>759 675</b>	<b>(17 722)</b>	<b>(5 548)</b>

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## 5.2 GRANTS

Table 150: Grant Performance 2012/13 (R'000)						
Description	2011/2012	2012/2013			2012/13 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>						
Equitable share	167 203	195 684	195 684	195 684	0%	0%
Municipal Systems Improvement	690	800	900	874	-9%	3%
Neighbourhood Development Partnership Grant		5 000	22 000	9 392	-88%	57%
Integrated National Electrification Programme	1 017	13 000	13 000	7 142	45%	45%
Municipal Infrastructure Grant	39 050	56 665	74 965	59 300	-5%	21%
Expanded public works programme		935	1 009	1 846	-97%	-83%
Finance Management	1 250	1 500	1 500	1 500	0%	0%
<b>Provincial Government:</b>						
Health subsidy	n/a					
Housing	n/a					
Ambulance subsidy	n/a					
Sports and Recreation	n/a					
Seta	272	26	0	25	4%	100%
<b>District Municipality:</b>						
<i>[insert description]</i>	n/a					
<b>Other grant providers:</b>						
<i>Community Based Project</i>	57	0	0	897	100%	100%
<b>Total Operating Transfers and Grants</b>	<b>209 539</b>	<b>198 945</b>	<b>199 093</b>	<b>200 826</b>	<b>-1%</b>	<b>-1%</b>

The under spending of the Municipal Infrastructure Grant came as a result of late appointment of a contractor for Thapane to Moruji which was done on 28/06/2013. The under spending of the MSIG is as a result of Training of ward Committee members which did not take place during the 2012/2013 financial year. The NDPG was underspent as a result of late appointment of a contractor for the Ring Road project. A rollover application for the unspent grant amount was submitted to National Treasury. The allocation for FMG (Finance Management Grant) was fully spent during the year under review.



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SETA- the Grant is only received once the expenditure has been incurred. As a result nothing was allocated for such grant.

Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Neighbourhood Development Partnership Grant	5,000	22,000	9,392	47%	-134%	Grant to utilised for the purpose that it was acquired for. Its must be counter funded by the Municipality. This grant is for previously disadvantage communities and must be spent in the specified financial year.
Finance Management Grant	1,500	1,500	1,500	0%	0%	The grant is utilised for capacity building, minimum competency level, financial training as well as the remuneration of Interns
Municipal Systems Improvement	800	900	874	8%	-3%	The grant is used to upgrade the financial systems of the municipality and to provide training to officials.
National Electrification (INEP) & Neighbourhood	13 000	13 000	5 777	44%	44%	INEP funds must be utilised within the allocated period and the network must comply with ESKOM standards
<b>Total</b>	<b>20 300</b>	<b>37 400</b>	<b>18 908</b>	<b>-7%</b>	<b>-98%</b>	

GTM applied for MIG and NDPG during the 2012/13 financial year.

## **MIG:**

MIG enables the Municipality to ensure that the community receives the basic level of services by funding capital projects. With the introduction of the MIG, the use of labour intensive methods for certain types of infrastructure has been made mandatory. This is in line with the Expanded Public Works Programme (EPWP), assist to maximize job creation through government expenditure and therefore helps with alleviating unemployment rate and poverty. MIG is only funding up to a basic level of service. If a Municipality chooses to provide a higher level of service the Municipality must provide counter funding for the difference in cost between a basic level of service and the higher level of service opted for. Municipalities are responsible for making the final decision about the level of service to be provided. Job opportunities created through the implementation of MIG:

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Ramotshinyadi to Mokgwathi Road were 52, Sasekani to Nkowankowa Road were 28, Senakwe to Morapalala Road were 19, Mafarana to Sedan Road were 11 and Ramotshinyadi Bridge were 13.

## **NDPG:**

The Neighbourhood Development Partnership Development Grant (NDPG) Programme, a multi billion rand programme, which was announced in 2006 by the Minister of Finance, made an award to Nkowankowa Township, Greater Tzaneen Municipality (GTM) focusing on economic development as well as social upliftment. The NDPG Programme formally kicked off in 2008 and the comprehensive business plan containing the following projects was approved in 2010 valued at R77 million. The approval of the business plan allowed detailed planning, which was followed by the procurement process. After an exhaustive consultation process in partnership with the Nkowankowa Councillors and the GTM's Public Participation Department, in the Speaker's Office, the following three projects were undertaken:

- **Community Parks** (completed in June 2012) – which has created safe outdoor recreation spaces, that not only have benches, braai areas and play apparatus; they also incorporated traditional games for all members of the community especially the youth.
- **The Rural Broadband Connectivity** (completed in 2014) – this project entailed the connection of remote Municipal client service and multi-purpose centres to the main municipal offices in Tzaneen; thus connecting the following sites wirelessly: Rhelela, Runnymede, Homan Tower, Lenyenye, Letsitele, Ritavi, Nkowankowa Traffic, Bulamahlo and GTM HQ offices. This project had two phases:
  - Phase 1: GTM Remote multi-purpose centres broadband connection, and
  - Phase 2: GTM Local multi-purpose centres broadband connection and wholesale Internet & government database connectivity.

The completion of this project meant that Municipal client service and multi-purpose centres were for the first time connected to GTM head office in Tzaneen remotely and that administrative business can now be completed with officials not having to either travel from these GTM client service sites and multi-purpose centres or Tzaneen to complete the administrative task at hand.

- **Nkowankowa East Integrated Development Initiative: Ring Road project component** - Although the planning and the design of the Ring Road Project was completed in August 2011 and the tender was advertised in December 2011; administrative challenges with the GTM

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meant that the tender was re-advertised in September 2012 and finally award in December 2012. This ring road is 2.55km long and will provide a safe internal road for the community of Nkowankowa section C, a connection to section B, provide a mini taxi rank, street lights (for increased safety at night), and new Municipal offices that will bring a permanent local site for public services to the community in this section. It is anticipated that this project will be complete in September 2013.

## 5.3 ASSET MANAGEMENT

Greater Tzaneen Municipality has an approved Asset Management Policy which is fully aligned with GRAP 17. All assets are reflected in Greater Tzaneen Municipality's Asset Register which is unbundled to the lowest possible level. Each item on the asset register is depreciated over its useful life. Assets are verified annually and it is during this verification that the conditions of such assets are determined. Thereafter the useful lives of assets are adjusted where necessary. The finance department does the administration of the asset register and the co-ordination of the asset verification process. This includes accounting for the assets in the financial statements. The responsibility to manage and control Council Assets remains the responsibility of Directors. During the period under review Greater Tzaneen Municipality employed the expertise of Deloitte to assist with the Assets management. The changes hereto led to an increase in the total value of the municipal assets.

<b>Table 152: Treatment of the three largest assets acquired 2012/13</b>				
<b>Asset 1</b>				
Name	Computer Equipment			
Description	Ceragon Fibrair/Network Equipment			
Asset Type	Other Assets			
Key Staff Involved	Corporate service Director and Acting Manager IT			
Staff Responsibilities	Maintenance of equipment			
	<b>2009/2010</b>	<b>2010/2011</b>	<b>2011/2012</b>	<b>2012/2013</b>
Asset Value	0	0	0	R1 819 803.08
Capital Implications	New Acquisition			
Future Purpose of Asset	Improve the network connectivity			

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<b>Table 152: Treatment of the three largest assets acquired 2012/13</b>				
Describe Key Issues	Connect satellite offices (Thusong Centre) with civic centre for effective communication e.g internet, telephone and email.			
Policies in Place to Manage Asset	Approved yearly maintenance budget			
<b>Asset 2</b>				
Name	Vehicles			
Description	Earth moving equipments and trucks			
Asset Type	Other assets			
Key Staff Involved	Manager fleet and maintenance, supervisor workshop			
Staff Responsibilities	Ongoing maintenance			
	<b>2009/2010</b>	<b>2010/2011</b>	<b>2011/2012</b>	<b>2012/2013</b>
Asset Value	0	0	0	R3,058,969.27
Capital Implications	New acquisition			
Future Purpose of Asset	Support service delivery functions			
Describe Key Issues	Managed to acquire working equipments			
Policies in Place to Manage Asset	Approved yearly maintenance budget			
<b>Asset 3</b>				
Name	Pole			
Description	15m Aluminium Pole			
Asset Type	Infrastructure			
Key Staff Involved	Corporate service Director and acting manager IT			
Staff Responsibilities	Monitor Network Connections			
	<b>2009/2010</b>	<b>2010/2011</b>	<b>2011/2012</b>	<b>2012/2013</b>
Asset Value	0	0	0	R406,368.03
Capital Implications	New acquisition			
Future Purpose of Asset	Improve the network connectivity			
Describe Key Issues	Support the network Equipment			
Policies in Place to Manage Asset	Approved yearly maintenance budget			

The cost of these items (see Table 152) is determined through purchase price, which is depreciated on an annual basis. None of the above mentioned projects/items is a revenue generating project. The computer equipment will be utilized to connect with the civic centre for effective

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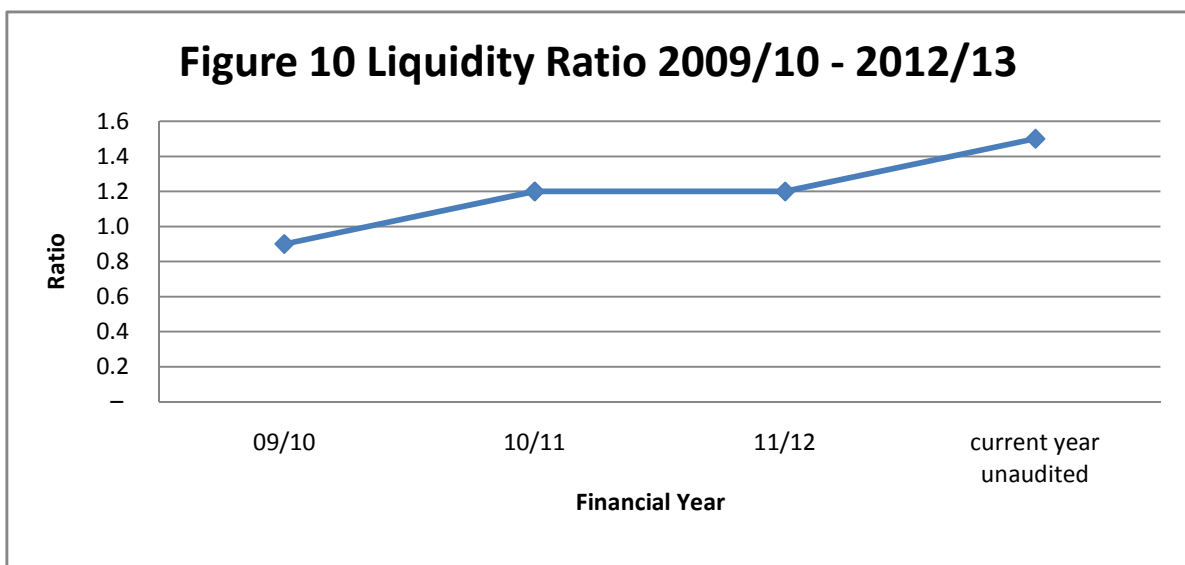
communication. The vehicles (Earth Moving Equipment) are for day to day support for operations of the Municipality. The Aluminium Pole is required for support of the IT network equipment.

Year	Original Budget	Adjustment Budget	Actual	Budget variance
2010/2011	79 493	94 493	100 982	<b>R -6 489</b>
2011/2012	96 174	96 174	90 714	<b>R 5 460</b>
2012/2013	139 087	100 967	91 867	<b>R 9 100</b>

The actual expenditure on repairs and maintenance represents 12,1% of the total expenditure which is close to the national norm of 13%. The 9% under spending can be attributed to small deviations which include inter-alia the under spending on the following:

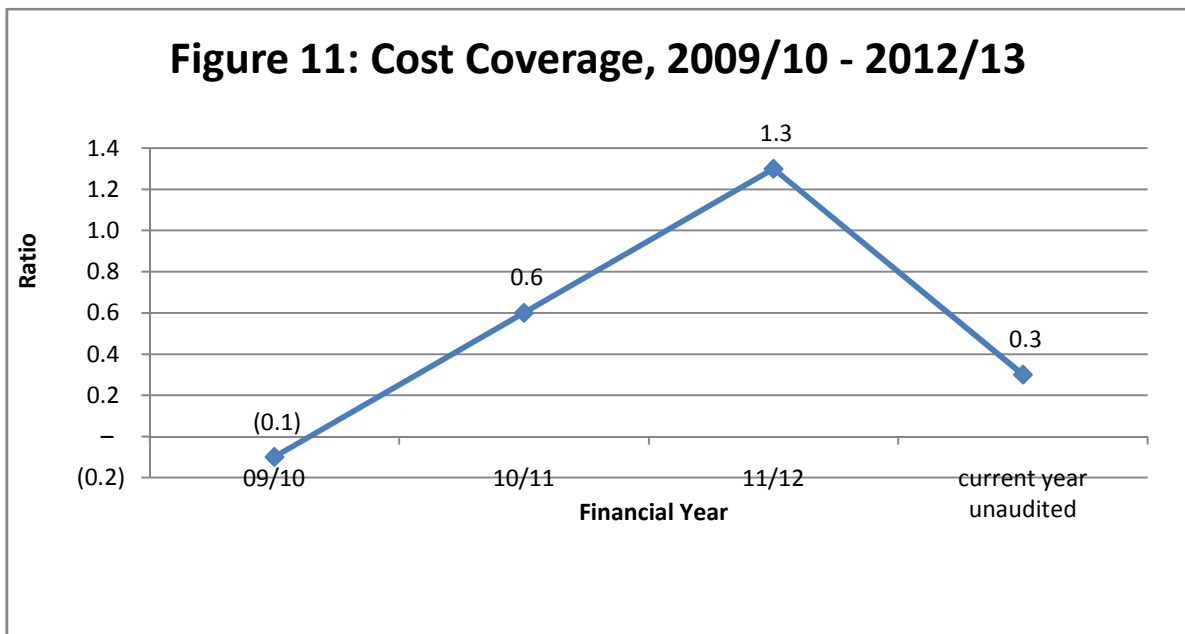
- Machinery and Equipment R1 258 249
- Stormwater Drainage R 972 337
- Tarred Roads R1 385 545
- Councils owned vehicle usage R5 503 490

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



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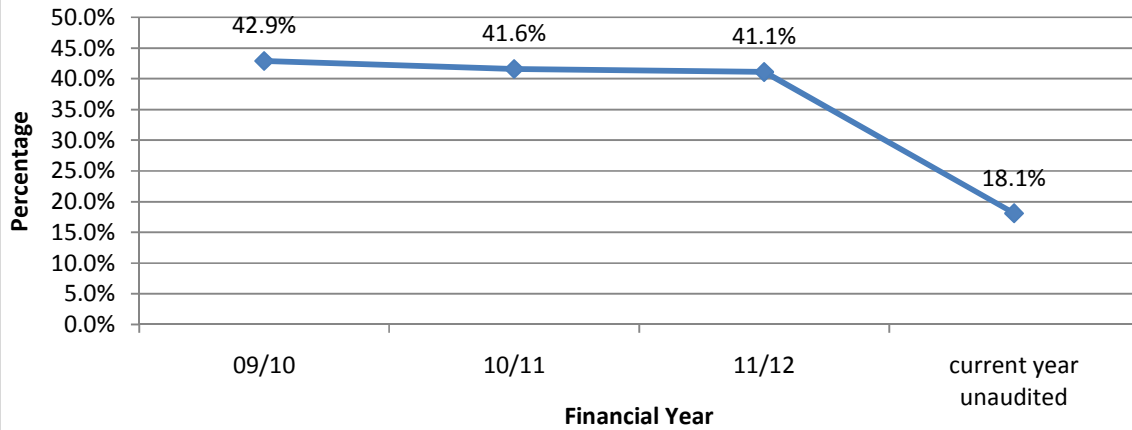
The liquidity ratio, as demonstrated for Greater Tzaneen Municipality in the figure above, measures the Municipality's ability to pay its bills and is calculated by dividing the monetary assets by the Municipality's current liabilities. A higher ratio is better. Greater Tzaneen Municipality has a positive liquidity ratio which increased from 1.2 to 1.5 and indicates that Council is financial viable (see **Figure 10**).



The Cost Coverage, as demonstrated for Greater Tzaneen Municipality in **Figure 11** above, explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants. This graph indicates that Greater Tzaneen Municipality's fixed monthly operational costs are covered by available cash and investments, but has decreased from 1.3 months to 0.3 months. This is a matter of concern seeing that the guideline set by National Treasury is 3 months.

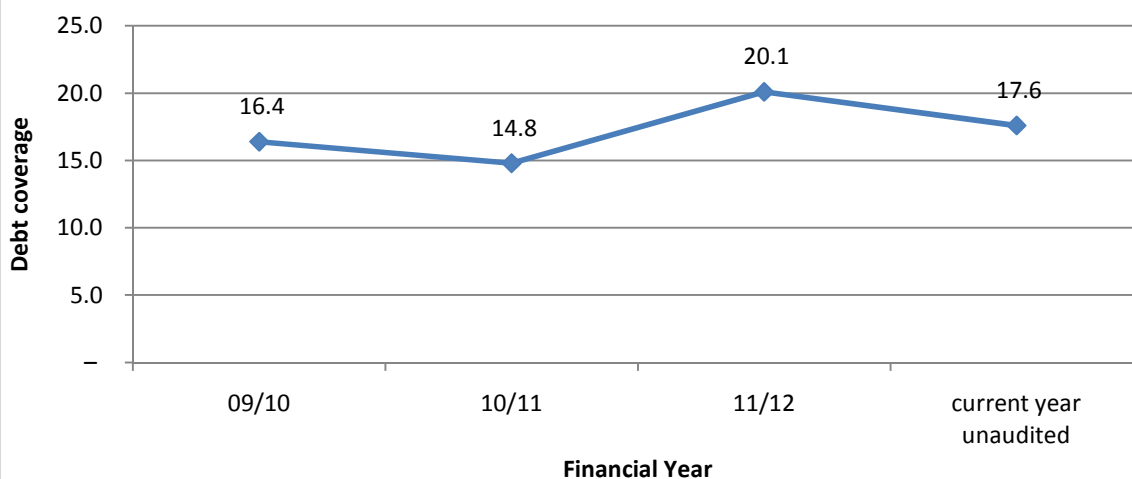
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**Figure 12: Total Outstanding Service Debtors  
2009/10 - 2012/13**



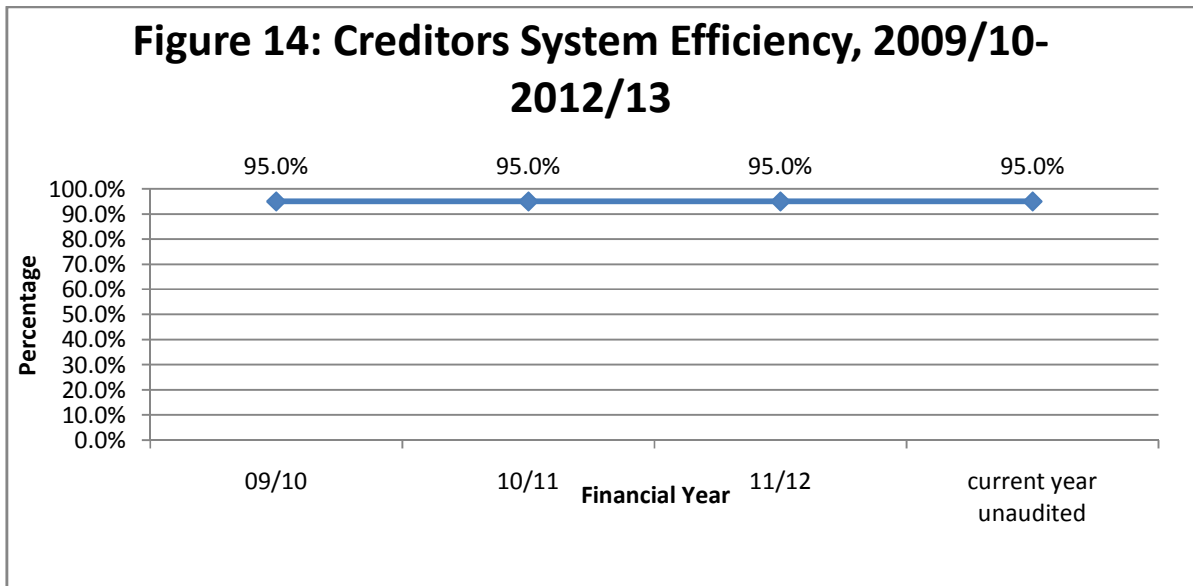
The outstanding service debtors, as expressed for Greater Tzaneen Municipality in the figure above, measure how much money is still owed by the community for electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better. It is evident from this graph that 18.11% of services billed are not recovered on time. Although the ratio dropped from 41.1% to 18.1% it is still a matter of concern since only 10% is budgeted for provision for bad debt.

**Figure 13: Debt Coverage, 2009/10 - 2012/13**



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Debt coverage, as expressed for Greater Tzaneen Municipality in **Figure 13** above, is the number of times debt payments can be accommodated within Operating revenue (excluding grants). This, in turn represents the ease with which payments can be accommodated by the Municipality. The current operating revenue of Greater Tzaneen Municipality covers all payments due for debt services within 17 days.

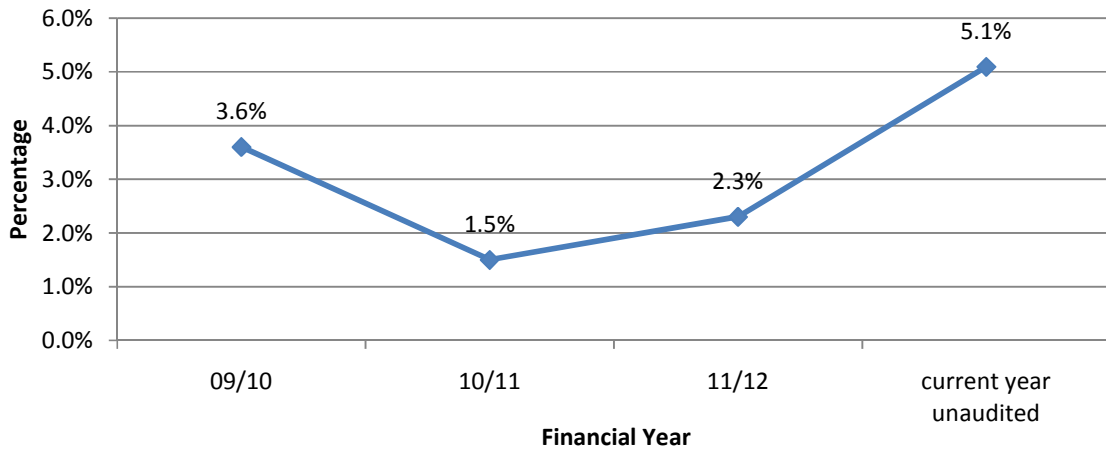


The Creditor System Efficiency, as demonstrated for Greater Tzaneen Municipality in **Figure 14** above, is the proportion of creditors paid within terms (30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases. The fact that 95% of Councils creditors are paid within 30 days is proof that good expenditure management is exercised.



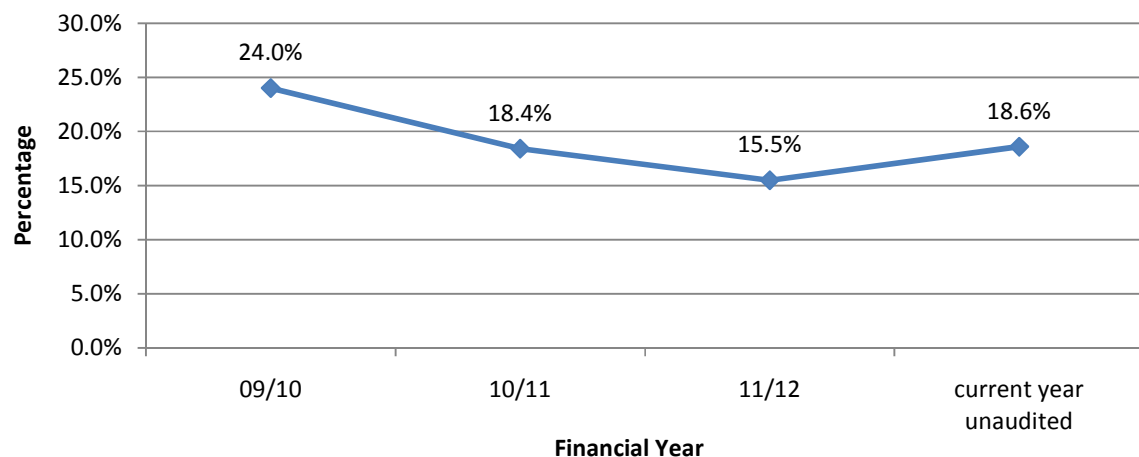
# Chapter 5

**Figure 15: Capital Charges to Operating Expenditure, 2009/10 - 2012/13**



The capital charges to operating expenditure ratio are calculated by dividing the sum of capital interest and principle by the total operating expenditure. **Figure 15** presents the percentage expenditure spent on the repayment of loans against total expenditure. Only 5.1% of the expenses was spent on the repayment of loans.

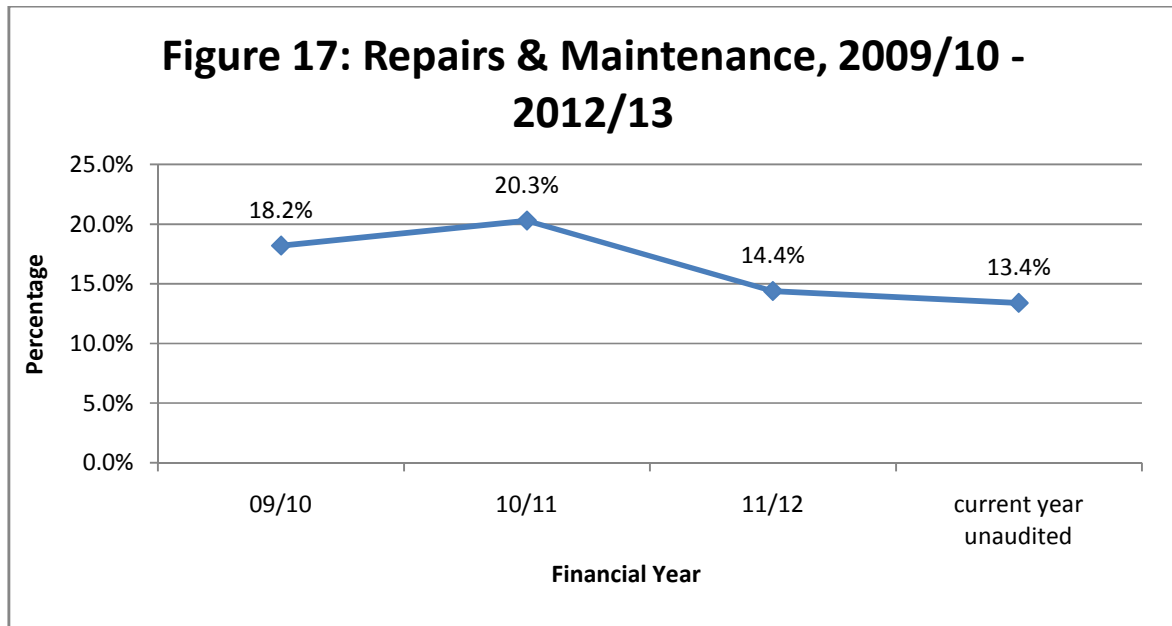
**Figure 16: Employee Costs, 2009/10 - 2012/13**



Employee costs, as expressed for Greater Tzaneen Municipality in the figure above, measures what proportion of the revenue was spent on paying employee costs. It is calculated by dividing the total

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employee cost by the difference between the total revenue and capital revenue. The employee cost ratio of 18.6% (see **Figure 16**) for Greater Tzaneen Municipality is well within the acceptable ratio.



The repairs and maintenance ratio, as demonstrated for Greater Tzaneen Municipality in **Figure 17** above, represents the proportion of operating expenditure spent on repairs and maintenance. The ratio of 13.4% is above the target of 13% which is an indication that Council assets have been maintained adequately during the financial year under review. Greater Tzaneen Municipality closed the 2012/2013 financial year with a positive cash book balance of R10.8 million. Unspent conditional grants for the financial year amounts to R31.5 million which indicates a cash shortfall of R20 million for the year under observation. The cost coverage ratio also confirms that the expenditure of Greater Tzaneen Municipality is covered for 0.3 months compared to the 1.3 months the previous year. This is as a result of the R30 million loan that was not taken up by Council during 2012/13.

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## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates to the investment in major initiatives, the benefit of which is going to last for more than one financial year. Section 19 of the MFMA determines that a Municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget. It also determines that the total cost of the project must be approved by Council and that the sources of funding for the project are available and has not been committed for other purposes.

The five largest projects can be summarized as follows:

- Ramotshinyadi to Mokhwati road Phase 2
- Sasekani to Nkowankowa road Phase 2
- Electricity network upgrading
- Roads and Stormwater management
- Senakwe to Maropalala road

These projects contribute 83% of the total capital expenditure for the year

### 5.5 CAPITAL EXPENDITURE

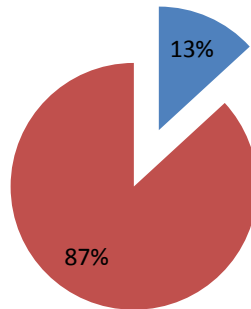
The capital expenditure for 2012/13 is presented below in **Table 154** and in **Figure 18**.

	<b>% of Expenditure Budget</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Un-audited Full Year Total</b>
Capital Expenditure	13.2%	118 655	115 091	103 550
Operating Expenditure	86.8%	741 953	754 127	759 675
<b>Total expenditure</b>	<b>100%</b>	<b>860 608</b>	<b>869 218</b>	<b>863 225</b>

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**Figure 18: Budget Expenditure, 2012/13**

■ Capital Expenditure ■ Operating Expenditure



## 5.6 SOURCES OF FINANCE

The Capital budget of R118 million was financed as follows:

- |               |                     |
|---------------|---------------------|
| • Own sources | R29 Million         |
| • Loans       | R30 Million         |
| • Grants      | R59 Million         |
| <b>Total:</b> | <b>R118 Million</b> |

No loan has been taken up to finance Capital projects, an amount of R104 million was spent on capital projects and a request for the roll-over of capital projects, that have not been finalized during the 2012/2013 financial year, has been submitted to National Treasury. The funding of the operational budget can be summarized as follows:

Rates and Service Charges	R446 Million
Grants and subsidies	R318 Million
Sundry Income	R 69 Million
Budgeted Revenue	R833 Million

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**Table 155: Capital Expenditure - Funding Sources 2011/12 - 2012/13 (R'000)**

Details		2011/2012	2012/13				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<b>Source of finance</b>							
	External loans	69 999	30 000	1 385	7 684	95.3	25.6
	Public contributions and donations	0	0	0	0	0	0
	Grants and subsidies	27 610	59 526	85 077	62 639	42.9	5.2
	Other	13 465	29 129	29 129	23 809	0	18.3
<b>Total</b>		<b>111 074</b>	<b>118 655</b>	<b>115 591</b>	<b>94 132</b>	<b>2.6</b>	<b>20.7</b>
<b>Percentage of finance</b>							
	External loans	63.0%	25.3%	1.2%	8.2%		
	Public contributions and donations	0.0%	0	0	0		
	Grants and subsidies	24.9%	50.2%	73.6%	66.54%		
	Other	12.1%	24.5%	25.2%	25.3%		
<b>Capital expenditure</b>							
	Water and sanitation	0	0	0	0	0	0
	Electricity	51 921	25 500		8 535		
	Housing	0	0	0	0		
	Roads and storm water	29 548	90 255				
	Other	29 604	13 649				
<b>Total</b>		<b>111 074</b>	<b>118 655</b>				
<b>Percentage of expenditure</b>							
	Water and sanitation	0.0%	0	0	0		
	Electricity	46.7%	12.4%				
	Housing	0.0%	0	0	0		
	Roads and storm water	26.6%	76.1%				
	Other	26.7%	11.5%				

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## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

<b>Table 156: Capital Expenditure of 5 largest projects*(R'000) 2012/13</b>					
Name of Project	Current Year			Variance Current Year	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Senakwe to Maropalala Tar (Phase 2)	R 31 285	N/A	R 21 968	29.8	N/A
Ramotshinyadi to Mokhwati Tar road (Phase 2)(3.5km)	R 12 752	N/A	R25 436	(99.5)	N/A
Electricity network upgrading	R 5 000	R9 251	R 8 333	(66.7)	9.9
Thapane to Sedan Moruji Tar	R 11 145	N/A	R 2 284	79.5	N/A
Mafarana to Sedan	R10 500	N/A	R1 564	85.1	N/A
Project details below:					
<b>A- Senakwe to Moropalala Tar(Phase 2)</b>					
Objective of Project	Upgrading of Road from gravel to tar.				
Delays	Variation order on increased rock quantity has not yet been approved				
Future Challenges	The due completion date might be compromised				
Anticipated citizen benefits	Completed tar road with easy access				
<b>B - Ramotshinyadi to Mokhwathi</b>					
Objective of Project	Upgrading of Road from gravel to tar.				
Delays	Approval of servitude				
Future Challenges	The project was completed after the scheduled date				
Anticipated citizen benefits	Completed tar road which link to all businesses				
<b>C - Electricity Network Upgrading</b>					
Objective of Project	To ensure sufficient capacity, sustainability and stability				
Delays	Availability of funds and DPW servitude approval				
Future Challenges	Funding				
Anticipated citizen benefits	Sufficient electricity capacity, sustainability and stability. Accommodate future developments				
<b>D - Thapane to Moruji Tar</b>					
Objective of Project	Upgrading of road from gravel to tar				
Delays	Appointment of Contractor delayed by Supply Chain Process				
Future Challenges	The due completion date will be affected				
Anticipated citizen benefits	Completed Tar Road				

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E- Mafarana to Sedan	
Objective of Project	Upgrading of Road from gravel to tar.
Delays	Appointment of Contractor
Future Challenges	Contractor behind schedule, might not complete the works by due completion date.
Anticipated citizen benefits	Completed tar road with easy access

It is vital to implement capital projects in time to avoid budget adjustment and variances. The PMU have learnt that all relevant municipal departments do not participate in implementation of capital projects and this has a negative effect on project implementation in terms of time and budget.

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

The current demand for infrastructure exceeds Councils ability to fund the required R400 million costs (electricity network alone) to renew and upgrade infrastructure. Various funding solutions are being sought.

**Table 157: Service Backlogs as at 30 June 2013**

	Service level above minimum standard		Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	53775	49.36%	55151	50.63%
Sanitation	17292	15.87%	24337	22.3%
Electricity	97745	89.66%	n/a*	n/a*
Waste management	10,775	10%	98,151	90%
Housing	86527	87.3	12590	12.7%

\* GTM does not supply Electricity Below minimum standard.

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Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
<b>Infrastructure - Road transport</b>						
<i>Roads, Pavements &amp; Bridges</i>	56 665	0	51 987 992.56	56 665	4 677 217	Roll over
<b>Infrastructure - Other</b>						
<i>None</i>						
<b>Total</b>	<b>56 665</b>	<b>0</b>	<b>51 987 992.56</b>	<b>56 665</b>	<b>4 677 217</b>	<b>Roll over</b>

The conditions for MIG are that we must submit a signed activity plan in the prescribed format with detailed budgets and timeframes for the implementation of prioritised measurable outputs. Municipalities must adhere to the local government turnaround strategy and the funds may only be utilised for the implementation of capital projects.

In order to eradicate backlogs on roads that exist in the vast rural area of GTM MIG is of enormous value to bridge the gap in terms of available capital funds. GTM does not generate revenue directly from rural areas and the efforts to provide decent roads in rural areas would not be sufficient limited to the existing budget (without grant support). The MIG funding has been utilised to improve road infrastructure such as internal streets in villages and link roads with Council providing counter funding to ensure that sustainable roads are built. The backlogs in terms of electricity are however not in the service area of GTM and therefore MIG funding cannot be accessed for this. MIG was also sourced to assist in the provision of solid waste collection infrastructure in rural areas. However, it must be noted that this infrastructure needs funding to become operational, which Council currently do not have. A means of generating some income from rural areas to supplement the Equitable Share will have to be identified to ensure the sustainability of this infrastructure.



# Chapter 5

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

In the environment that Greater Tzaneen Municipality is operating, cash flow management is important to ensure that funds are available, when needed to pay for services that all money owed to the Municipality are recovered. It also provides information with regard to access fund which are invested to increase Councils revenue through interest.

### 5.9 CASH FLOW

<b>Table 159: Cash Flow Outcomes (R'000)</b>				
Description	2011/2012	2012/13		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	412 213	512 852	512 852	364 762
Government - operating	180 687	259 058	259 132	62 640
Government - capital	27 610	59 526	64 526	220 476
Interest	19 103	17 001	17 001	3 901
Dividends				
<b>Payments</b>				
Suppliers and employees	(574 435)	(784 054)	(796 228)	(551 108)
Finance charges	(12 767)	(23 884)	(23 884)	(16 331)
Transfers and Grants	(24 561)	-	-	(23 481)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>27 850</b>	<b>40 498</b>	<b>33 398</b>	<b>60 859</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE		800	800	(714)
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments	(2 995)	(1 315)	(1 315)	18 724
<b>Payments</b>				
Capital assets	(39 441)	(59 719)	(86 655)	(95 914)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-42 436</b>	<b>-60 234</b>	<b>-87 170</b>	<b>-77 905</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans				

# Chapter 5

<b>Table 159: Cash Flow Outcomes (R'000)</b>				
<b>Description</b>	<b>2011/2012</b>	<b>2012/13</b>		
	<b>Audited Outcome</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Actual</b>
Borrowing long term/refinancing	40 283	25 000	25 000	
Increase (decrease) in consumer deposits	6 979	736	736	
<b>Payments</b>				
Repayment of borrowing	-4 598	-5 000	-5 000	-22 356
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>42 664</b>	<b>20 736</b>	<b>20 736</b>	<b>-22 356</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>28 078</b>	<b>1 000</b>	<b>(33 036)</b>	<b>(39 401)</b>
Cash/cash equivalents at the year begin:	<b>22 198</b>	<b>23 000</b>	<b>50 278</b>	<b>50 278</b>
Cash/cash equivalents at the yearend:	<b>50 276</b>	<b>24 000</b>	<b>17 242</b>	<b>10 876</b>

It is evident from **Table 159** above that Councils' cash flow status has improved from R22 million at the beginning of the year under review to R50 million at the end of the year. The increase in Councils' cash position can be attributed to good financial management.

## 5.10 BORROWING AND INVESTMENTS

### Borrowings

Section 18 of the MFMA determines, inter alia, that a Municipality may make use of borrowed funds, but only to finance capital expenditure. External borrowing represents capital funding. It must, however, be emphasised that although external borrowing represent capital funding it has a negative effect on the operational budget in the form of interest and depreciation. The result of this is less funds available for maintenance and general administration costs. The current outstanding external loans of Greater Tzaneen Municipality amounts to R130 million. This amount includes R15 million loan stock and R115 million annuity loans.

### Investments

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

# Chapter 5

- Liberty

R 4 953 416

## Excelsior 1000 Investment

An investment of R855 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 R 4 953 416

<b>Table 160 Actual Borrowings 2008/09-2012/13 (R'000)</b>					
<b>Instrument</b>	<b>2008/2009</b>	<b>2009/2010</b>	<b>2010/2011</b>	<b>2011/2012</b>	<b>2012/13</b>
<b>Municipality</b>					
Long-Term Loans (annuity/reducing balance)	23 279	21 450	89 620	125 304	115 470
Long-Term Loans (non-annuity)	11 600	11 600	11 600	11 600	-
Local registered stock	10 292	15 000	15 000	15 000	15 000
Instalment Credit					
Financial Leases	1 092	4 469	3 514	3 935	2 688
PPP liabilities					
Finance Granted By Cap Equipment Supplier					
Marketable Bonds					
Non-Marketable Bonds					
Bankers Acceptances					
Financial derivatives					
Other Securities					
<b>Municipality Total</b>	<b>46 264</b>	<b>52 519</b>	<b>119 734</b>	<b>155 839</b>	<b>133 158</b>

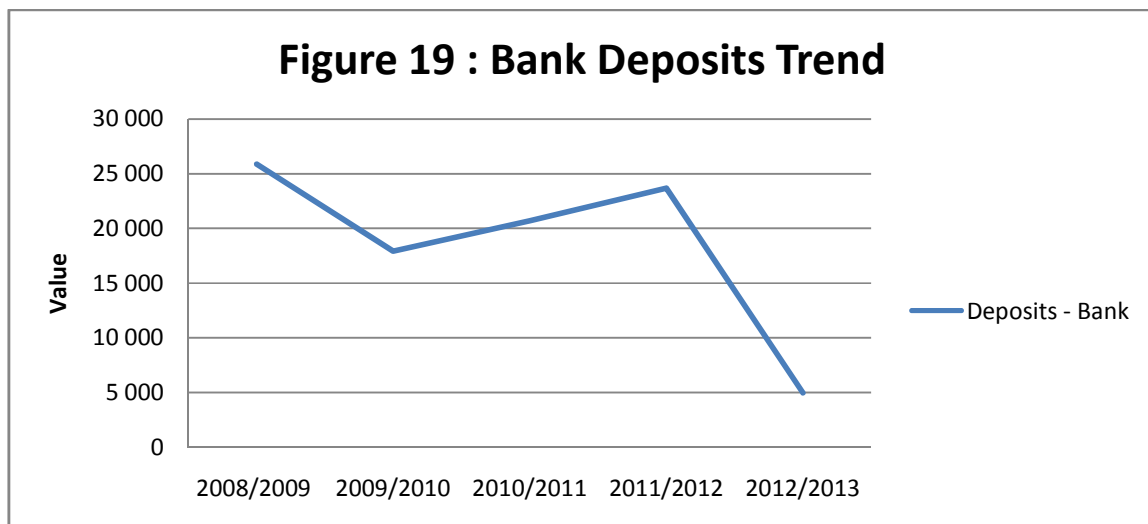
Loans were taken up only to finance capital expenditure as provided in the MFMA to ensure that all loans will be repaid on maturity date, investments have been made in the form of sinking fund which will be withdrawn on the maturity date to repay the loan.

<b>Table 161: Municipal Investments (R'000)</b>					
<b>Investment* type</b>	<b>2008/2009</b>	<b>2009/2010</b>	<b>2010/2011</b>	<b>2011/12</b>	<b>2012/13</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
<b>Municipality</b>					
Securities - National Government	-	-	-	-	
Listed Corporate Bonds	-	-	-	-	
Deposits - Bank	25 865	17 928	20 683	23 677	4 953
Deposits - Public Investment	-	-	-	-	

# Chapter 5

<b>Table 161: Municipal Investments (R'000)</b>					
Investment* type	2008/2009	2009/2010	2010/2011	2011/12	2012/13
	Actual	Actual	Actual	Actual	Actual
Commissioners					
Deposits - Corporation for Public Deposits	-	-	-	-	
Bankers Acceptance Certificates	-	-	-	-	
Negotiable Certificates of Deposit - Banks	-	-	-	-	
Guaranteed Endowment Policies (sinking)	-	-	-	-	
Repurchase Agreements - Banks	-	-	-	-	
Municipal Bonds	-	-	-	-	
Other	-	-	-	-	
<b>Municipality sub-total</b>	<b>25 865</b>	<b>17 928</b>	<b>20 683</b>	<b>23 677</b>	<b>4 953</b>
<b>Consolidated total:</b>	<b>25 865</b>	<b>17 928</b>	<b>20 683</b>	<b>23 677</b>	<b>4 953</b>

It is evident that there was a sharp decline in the bank deposits from 2011/12 to 2012/13 (see **Figure 19**), this is due to the fact that an investment of R6 982 292 was made with BOE Bank to repay a loan of R20,000,000 on maturity date. The loan bears interest at a variable rate and the value of the investment amounted to R20,000,000. The BOE investment has been ceded to ABSA and the investment was utilised to repay the Sinking Fund loan from ABSA during the current financial year.



## 5.11 PUBLIC PRIVATE PARTNERSHIPS

For the financial year concerned no PPP's have been entered into.

# Chapter 5

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.12 SUPPLY CHAIN MANAGEMENT

All the supply chain management policies were reviewed and approved by Council during the financial year and it should be noted that no Councilors formed part of Bid Committees. One official completed the minimum competency levels and five officials are enrolled for a MFMP course as required. It was resolved that there be training of Supply Chain Management and Bid Committee Members as well as other officials to capacitate them with the Supply Chain Management Policies and Procedures. This will enhance the effectiveness of the Bid Committees in evaluating and adjudicating bids. The Supply Chain Management Officials will also be able to carry out their Supply Chain Management daily operational duties effectively and comply with the Supply Chain Management Policies. The accredited training institutions have been identified and all Bid Committee Members and SCM Officials have been trained within the financial year 2012/2013.

### 5.13 GRAP COMPLIANCE

GRAP is the acronym for **Generally Recognized Accounting Practice** and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the Municipality. It will also ensure that the Municipality is more accountable to its citizens and other stakeholders. GTM has changed from fund accounting to GAMAP during the 2003/2004 financial year and since then gradually changed over to GRAP as approved by Accounting Standard Board. Currently GTM is fully GRAP compliant and there is no deviation from GRAP standard.

# Chapter 6

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

Section 131 of the Municipal Finance Management Act no.56 of 2002 determines the following:

***“A Municipality must address any issue raised by the Auditor General in an audit report. The Mayor of a Municipality must ensure compliance by the Municipality with this sub-section.”***

The report of the Auditor General for the 2012/2013 financial year, which should have been issued at the end of November 2013, has not been issued yet.

### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2011/12 & 2012/13

#### 6.1 AUDITOR GENERAL REPORTS 2011/12

The progress with correcting the findings of the Auditor General for 2011/12 is presented in **Table 162** below:

Table 162 Auditor-General Report on Financial Performance 2011/12		
Audit Report Status*:Disclaimer		
Subject	Non-Compliance Issues	Remedial Action Taken
Property, plant and equipment:	<ul style="list-style-type: none"> <li>• The municipality could not provide supporting documentation for property, plant and equipment additions amounting to R44 928 551.</li> <li>• The municipality did not review the useful lives of property, plant and equipment at each reporting date in accordance with the SA Standards of GRAP 17, Property, plant and equipment</li> <li>• The municipality did not account for land from the valuation roll amounting to R7 129 000 in property, plant and equipment.</li> <li>• Property, plant and equipment as disclosure in note 11 to the annual financial statements include an unexplained difference of R18 531 539 between the values in the valuation roll and fixed asset register.</li> <li>• Property, plant and equipment of R1 561 446 185 as disclosed in note 11 to the Annual Financial Statements, does not agree to the balance of R2 256 057 792 per general ledger.</li> </ul>	<ul style="list-style-type: none"> <li>• The short comings regarding Property plant and equipment have been addressed as follows</li> <li>• Deloitte has been appointed to manage councils asset including :               <ul style="list-style-type: none"> <li>○ Verification</li> <li>○ Impairment</li> <li>○ Asset addition</li> <li>○ Useful lives of assets</li> <li>○ Valuation of land</li> <li>○ Depreciations as well as the provision of asset information i.e. ANNEXURE notes to the financial statements to the CFO.</li> </ul> </li> </ul>

# Chapter 6

<b>Table 162 Auditor-General Report on Financial Performance 2011/12</b>		
<b>Audit Report Status*:Disclaimer</b>		
<b>Subject</b>	<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Investment property	Stands for sale amounting to R11 272 000 was incorrectly classified as investment property resulting in the overstatement of investment Property and understatement of inventory by the same amount.	The finding was found to be incorrect and the 2012/2013 Financial Statements were not adjusted to accommodate this finding.
Accumulated surplus	The municipality restated the closing balance of accumulated surplus for the 2010-11 financial year. However, no supporting evidence could be provided for the journals passed during the 211-12 financial year amounting to R38 998.035.	The fact that proper supporting documents could not be provided has been addressed. Different systems have been put in place to ensure that supported documents are available to the AG an archive has also identified where supporting documents are kept.
Bad debts	Bad debts amounting to R42 960 556 were written of directly against accumulated surplus. Consequently, the deficit for the year has been understated by R42 960 556.	This is a disclosure matter and has no effect on the net result or next years financial statements this over site will be addressed with the review of the Financial statements.
Supporting Documents could not be provided	<ul style="list-style-type: none"> <li>• The municipality could not provide supporting documents for inventory as disclosed in the note 14 to the Annual Financial Statements.</li> <li>• The municipality could not provide supporting documents for receivables and other receivables as disclosed in the note 15 and 17 respectively to the Annual Financial Statements</li> <li>• The municipality could not provide supporting documents for VAT as disclosed in the note 7 to the Annual Financial Statements.</li> <li>• The municipality could not provide supporting documents for employee cost s amounting to R16 684 070 as stated in note 24 t the annual financial statement.</li> <li>• The municipality could not provide supporting documents for other income stated at R7 166 071 in the note 23 to the annual financial statements.</li> <li>• The billing system does not agree to financial statements and there is an unexplained difference of R8 452 607.</li> <li>• Consequently. Income from agency services as disclosed in the statement of financial</li> </ul>	<p>Supporting documents could not be provided during the 2011/2012 financial year for the following:</p> <p>As mentioned previously in this report this oversight has been addressed through the implementation of different administrative system as well as an archive where these documents can be kept.</p>

# Chapter 6

<b>Table 162 Auditor-General Report on Financial Performance 2011/12</b>		
<b>Audit Report Status*:Disclaimer</b>		
<b>Subject</b>	<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
	<p>performance are overstated by R8 452 607.</p> <ul style="list-style-type: none"> <li>• The municipality could not provide supporting documents for borrowings as disclosed in note 1 to the annual financial statements.</li> <li>• The municipality could not provide supporting documents for finance lease liabilities as disclosed in the note 2 to the annual financial statements.</li> </ul>	
Commitments	The municipality has disclosed the capital budget for the 2012-13 financial year as a commitment for which they were no contractual obligations as at 30 June 2012. supporting documents	This finding resulted in a difference interpretation of what commitments entail. This issue has been addressed and does not have any impact on future financial statements.
Irregular Expenditure	No system was in place for the identification and recognition of irregular expenditure.	A system has been developed and implemented to address irregular expenditure and it is reported to council on a monthly basis.
Unauthorized expenditure	The municipality exceeded its approved budget by R91 011 607. The amount was not disclosed as unauthorised expenditure in the financial statements.	This matter has been addressed and the unauthorized expenditure has been disclosed in the 2012/2013 financial statements, it is also reported to council on a monthly basis.



# Chapter 6

## COMPONENT B: AUDITOR-GENERAL OPINION 2012/13

### 6.2 AUDITOR GENERAL REPORT 2012/13

Greater Tzaneen Municipality submitted its Annual Financial Statements to the Auditor General on 02 September 2013 as per guideline set by Auditor-General. The auditor report which according to legislation, should have been issued by the end of November 2013 has been submitted to the Mayor and Municipal Manager on the 1<sup>st</sup> of August 2014. The Final Audit Report was however only received in November 2014 (Attached as **Annexure E**).

<b>Table 163: Auditor-General Report on Financial Performance 2012/13</b>		
<b>Audit Report Status*: Qualified</b>		
	<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
1	<p><b>Property, Plant and equipment / roads infrastructure</b></p> <p>We were unable to confirm the roads infrastructure by alternative means. Consequently, we were unable to determine whether any adjustment to property, plant and equipment / roads infrastructure stated at R 406 884 876 (2012: R507 740 160) in the financial statements was necessary.</p> <p>The change in estimates was not disclosed in the annual financial statements.</p>	<p>Department of Transport and SALGA issued a gazette to address the matter</p>
2	<p><b>Investment property</b></p> <p>Investment property with a carrying amount of R188 943 792 as disclosed in note nine (9) of the financial statements are not measured at fair value. We were not able to determine the correct amount of investment property as it was impracticable to do so.</p>	<p>During 2013/14 Municipality appointed Service Provider to assist in determining the fair value on the investment property</p>
3	<p><b>Expenditure</b></p> <p>The municipality has incorrectly disclosed impairment of assets as a negative amount of R21 560 018 in the statement of financial performance. AG refused to grant municipality adjustment on these amounts.</p>	<p>The R21 million was a result of prior year corrections which have been addressed in the 2013/2014 Annual Financial Statements.</p>
4	<p><b>Budget information</b></p> <p>The municipality did not present a comparison of the budget amount for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as disclosure in the financial statements.</p>	<p>The statement of comparison of budget and actual amounts which compares budgeted and actual amount has been included in the 2013/ 2014 Annual Financial Statements to comply with the GRAP standards.</p>

# Chapter 6

<b>Table 163: Auditor-General Report on Financial Performance 2012/13</b>		
<b>Audit Report Status*: Qualified</b>		
	<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
5	<p><b>Irregular Expenditure</b></p> <p>Council condoned irregular expenditure amounting to R114 384 289 without conducting an investigation to determine recoverability of the expenditure.</p>	<p>The irregular expenditure which was condoned by council was rescinded and replaced with a new council resolution. Investigation was however done in the 2014/2015 by the internal audit and the report was submitted the Acting MM's office.</p>
6	<p><b>Aggregation of Immaterial Uncorrected Misstatements</b></p> <p>Individually immaterial uncorrected misstatements</p> <ul style="list-style-type: none"> <li>• Depreciation reflected as R105 229 808 is understated by R4 677 992</li> <li>• Movable fixed assets of R1 630 333 could not be physically verified</li> <li>• Income from agency services reflected as R14 598 636 is overstated by R5 156 025</li> <li>• Fines reflected as R5 864 717 is overstated by R3 155 644</li> <li>• Other income reflected as R9 396 590 is overstated by R2 167 180</li> <li>• Property rates reflected as R61 059 598 is overstated by R5 727 795</li> </ul>	<p>Although the management report of the Auditor- general was only received on the 27<sup>th</sup> of August 2014, Attention has been given to the findings of the Auditor-General to ensure that it is addressed in the 2013/2014 Annual Financial Statements.</p>

<b>Table 164: Auditor-General Report on Service Delivery Performance 2012/13</b>		
<b>Audit Report Status*: Qualified</b>		
	<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
	47% of targets were not specific in clearly identifying the nature and the required level of performance	IDP indicators revised & Internal Auditor appointed to audit Performance
	56% of targets were viewed as not being measurable	IDP indicators revised & Internal Auditor appointed to audit Performance
	42% of the indicators were not verifiable in that valid processes and systems that produce the information on actual performance did not exist	Training was provided for management on PMS and Performance Auditing
	Performance information could not be verified as being reliable since sufficient supporting evidence was not submitted	Training was provided for management on PMS and Performance Auditing & Internal Auditor appointed to audit Performance

# Chapter 6

<b>Table 164: Auditor-General Report on Service Delivery Performance 2012/13</b>	
<b>Audit Report Status*: Qualified</b>	
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
The PMS did not clearly outline the roles and responsibilities of each role player	None, PMS Framework & Policy to be revised
Revisions to the SDBIP was not approved by Council	13/14 Adjustment to SDBIP was approved by Council

Section 71 of the MFMA (Act 56 of 2003) requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned by GTM according to the reporting requirements, with the exception of C6 to C7 (refer to [Addendum P](#)).

# GLOSSARY

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a Municipality as audited by the Auditor General and approved by Council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a Municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.

# GLOSSARY

<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a Municipality aims to achieve within a given time period.
<b>Service Delivery</b>	Detailed plan approved by the Mayor for implementing the Municipality's

# GLOSSARY

<b>Budget Implementation Plan</b>	delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a Municipality is divided for appropriation of money for the different departments or functional areas of the Municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a “vote” as:</p> <p><i>a) one of the main segments into which a budget of a Municipality is divided for the appropriation of money for the different departments or functional areas of the Municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

# APPENDICES

## ADDENDUMS

### ADDENDUM A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

**Table 165: Councillors, Committees Allocated and Council Attendance (2012/13)**

Council Members	Full Time / Part Time (FT/PT)	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
T S Manyama	PT	MPAC And Health And Social	WARD 1 ANC	100	0
M E Ramolefo	PT	None	WARD 2 ANC	90	10
S P Masetla	PT	Health And Social	WARD 3 ANC	80	20
M M Mmola	PT	None	WARD 4 ANC	70	10
T K Nukeri	PT	Finance And Water Services	WARD 5 ANC	70	30
C Baloyi	PT	Infrastructure Development,	WARD 6 ANC	100	0
M D Mabape	PT	Finance	WARD 7 ANC	90	0
M R Makhudu	PT	Finance	WARD 8 ANC	100	0
M M Mohale	PT	Water Services	WARD 9 ANC	100	0
N M Mahasha	PT	Public Transport And Road	WARD 10 ANC	100	0
M L Hlangwane	PT	MPAC And Health And Social Development	WARD 11 ANC	80	10
G E Ntimbane	PT	Public Transport And Road	WARD 12 ANC	30	50
B M Mashava	PT	Water Services	WARD 13 ANC	80	10
A E Jansen Van Vuuren	PT	MPAC And Sports Recreation, Arts And Culture	WARD 14 DA	60	30
R E Pohl	PT	Health And Social Development	WARD 15 DA	100	0
N R Rikhotso	PT	Public Transport And Road	WARD 16 ANC	100	-
D Q Mhlari	PT	Economic Development, Housing And Spatial	WARD 17 ANC	100	-

# APPENDICES

**Table 165: Councillors, Committees Allocated and Council Attendance (2012/13)**

Council Members	Full Time / Part Time (FT/PT)	Committees Allocated	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
		Development			
R P Nghonyama	PT	Agriculture And Environmental Management	WARD 18 ANC	90	10
N H Zandemela	PT	MPAC, Corporate Governance, Economic Development, Housing And Spatial Development	WARD 19 ANC	90	10
K O Banyini	PT	Corporate Governance, Agriculture And Environmental Management	WARD 20 ANC	90	10
M S Mboweni	PT	MPAC	WARD 21 ANC	80	10
SC Makwala		Finance ,Infrastructure Development And Health And Social Development	WARD 22 ANC	50	10
N D Ndhlovu	PT	Public Transport And Road, Sports Recreation, Arts And Culture And Health And Social Development	WARD 23 ANC	100	-
TL Mhlongo resigned 4 Feb 2013 replaced on the 24 April 2013 MD Hlangwini	PT	None	WARD 24 ANC	40 10	10
G G Nghondweni	PT	MPAC And Public Transport And Road	WARD 25 ANC	60	30
S Mahori	PT	Infrastructure Development and MPAC	WARD 26 ANC	90	10
M G Mangena	PT	Public Transport & Road, Water Services	WARD 27 ANC	80	10
S T Mushwana	PT	Economic Development, Housing And Spatial Development And Sports Recreation, Arts And Culture	WARD 28 ANC	60	20
N A Masila	PT	Finance	WARD 29 ANC	100	-
M L Pudikabekwa	PT	None	WARD 30 ANC	100	-
P J Ramodipa	PT	MPAC, Corporate Governance And Economic Development, Housing And Spatial Development	WARD 31 ANC	90	10
M S Raganya	PT	Agriculture And Environmental	WARD 32	100	0



# APPENDICES

**Table 165: Councillors, Committees Allocated and Council Attendance (2012/13)**

Council Members	Full Time / Part Time (FT/PT)	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
		Management	ANC		
D T Maake	PT	None	WARD 33 ANC	100	0
M M Letsoalo	PT	Infrastructure Development	WARD 34 ANC	70	30
DJ Mmetle	FT	EXCO	PR ANC	100	-
PP Machehe	FT	Council	PR ANC	100	
NM Mboweni	FT	Council	PR ANC	90	10
C Machimana	FT	Exco, Finance, Economic Development, Housing And Spatial Development	PR ANC	80	20
R R Selomo	FT	Exco, Infrastructure Development And Corporate Governance	PR ANC	100	0
MS Maunatlala	FT	Economic Development, Housing And Spatial Development, Infrastructure, Agriculture	PR ANC	80	10
M C Nkhwashu	PT	Exco, Finance, Infrastructure Development And Water Services	PR ANC	80	20
MR Shingange	FT	Corporate Governance, Infrastructure and Water services	PR ANC	80	20
SJ Nkuna	PT	Health and Social	PR ANC	60	20
J Sekgotodi	PT	Public transport & Roads, Water Services	PR ANC	70	10
M Mokgomola	PT	Agriculture and Sports, Arts and Culture	PR ANC	50	30
L Ncha	PT	Sports, Arts and Culture	PR ANC	80	0

# APPENDICES

**Table 165: Councillors, Committees Allocated and Council Attendance (2012/13)**

Council Members	Full Time / Part Time (FT/PT)	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
D G Mushwana	PT	Sports Recreation, Arts And Culture And Public Transport And Road	PR ANC	40	20
M J Mokgoloboto	PT	MPAC, Economic Development, Housing And Spatial Development And Health And Social Development	PR ANC	100	0
L Mohale	PT	Finance	PR ANC	100	0
DL Ndove	PT	Sports, Arts and Culture, Infrastructure and Health & Social	PR ANC	100	0
MM Makwala	PT	Finance	PR ANC	100	0
SJ Mbhalati	FT	MPAC	PR ANC	60	10
NM Risaba resigned 29 Jan 2013 replaced 7 May 2013	PT	Economic Development, Housing and Spatial development plan	PR ANC	50	10
TL Mhlongo		Health and Social		20	
L Matita	PT	Agriculture	PR ANC	60	0
M Sibiya	PT	Corporate Governance, MPAC	PR ANC	100	0
G Mushwana died 5 Sept 2012, replaced on the 4 October 2012	PT PT	Corporate Governance	PR ANC	20	0
M Malebati		N/A		40	0
M Mokgobi	PT	Sports, Arts and Culture, Finance	PR ANC	70	30

# APPENDICES

**Table 165: Councillors, Committees Allocated and Council Attendance (2012/13)**

Council Members	Full Time / Part Time (FT/PT)	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
GQ Mabuza	PT	Corporate Governance, MPAC and Agriculture	PR ANC	90	10
M Valentine	PT	Agriculture	PR ANC	100	0
M Mbhalati	PT	Corporate Governance	PR ANC	100	0
H Magoro	PT	None	PR ANC	100	0
M Sabela	PT	Corporate Governance	PR DA	80	0
M McNeil	PT	Agriculture	PR DA	100	0
L Perkins resigned 31 Dec 2012 replaced 26 February 2013 by MB Mashele	PT	Public transport & roads  N/A	PR DA	40  100	10  0
C Mamogale	PT	Public transport and Roads	PR COPE	100	0
A Makwela	PT	Finance	PR COPE	60	40
PJ Shiluvane recalled 2 Oct 2012 replaced on the 22 Jan 2013	PT	MPAC	PR APC	20	10
N Nkhwashu				50	
J Mothiba	PT	Sports, Arts and Culture	PR ACDP	60	0

# APPENDICES

## ADDENDUM B – COMMITTEES AND COMMITTEE PURPOSES

<b>Table 166: Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
Finance Committee	To discuss matters concerning the Revenue and Debt Management, Procurement and Stock Management, Expenditure, Budgets and Budgetary Control, Accounting, Finance, Financial Administration, Insurance and Housing Finance and any other matter related to finance thereto.
Infrastructure Committee	To discuss matters related to Electricity and Energy including network operations, distribution, sales and customer services.
Economic Development, Housing and Spatial Development Plan	To discuss matters related to SMME, empowerment support and job creation, the support and regulation of informal trading, sector support, investment and export, trade promotion and facilitation, the facilitation of partnerships between the Council and public, private and community groups, economic co-ordination and facilitation, business area management and community skills development and Tourism. The housing and informal settlement, the spatial planning and growth management, design services, land use management, building development management, development projects, land information and planning legislation and enforcement.
Corporate Governance & Shared Services	To discuss matters related to Human Resource Administration, Labour Relations, Recruitment and Selection, Training and Development, Occupational Health and Safety, Employment Equity, Skills Development, Grading and Remuneration, Performance management and Transformation. The General Administration. Auxiliary Services, Committee Secretariat, Councillor Support, Printing and Graphic Services. The Internal Communication, Public Participation and Information Technology matters.
Agriculture & Environment Management	To discuss all Agricultural matters, The Environment Planning Policy, environmental impact assessment, coastal planning, outdoor advertising and signage, heritage resource management and nature reserve planning.
Public Transport & Roads	To discuss on Transportation planning, systems monitoring and information management, Traffic infrastructure management, public transport, passenger security. Traffic signs and robot maintenance. Decide on the permanent closure of all streets and roads.
Sports Recreation, Arts & Culture	To discuss matters concerning sports and recreation, arts and culture.
Health & Social Development	To discuss matters concerning the Libraries, the Community facilities, cemeteries and crematoria, health services, refuse removal; refuse disposal, illegal dumping and street cleansing.
Water Services	To discuss matters related to water and sanitation including bulk water, catchment-management, wastewater treatment, water and wastewater reticulation, water and sanitation technical services, storm water and river management.
Municipal Public Account Committee	To consider and evaluate the annual report, to examine the financial statements and audit reports, to promote good governance, transparency and accountability on the municipal resources, to undertake any investigation in its area of responsibility and to perform any other function assigned to it through a resolution of Council within its area of responsibility.

# APPENDICES

## ADDENDUM C –THIRD TIER ADMINISTRATIVE STRUCTURE

<b>Table 167: Third Tier Administrative Structure</b>	
<b>Directorate</b>	<b>Director/Manager (State title and name)</b>
Office of the Mayor	Manager (Office of the Mayor) Vacant
Office of the Municipal Manager	Manager (Internal Audit) Mr. MR Shingange
	Senior Officer (Disaster Management) Vacant
	Manager (Strategic Support) Vacant
	Manager (Risk Management) Ms. MM Mpyana
Corporate Services	Manager (Human Resources) Mr. MPS Visser
	Manager (Adm. Support & Records Management) Vacant
	Manager (Legal Services) Vacant
	Manager (IT) Vacant
	Manager (Community Participation and Project Support) Mr. F Malale
	Manager (Communications) Vacant
Planning and Economic Development	Manager (Social Economic Dev) Mr. DF Rammalo
	Manager (Land & Housing) Mr. NH Phakula
	Manager (Town Planning) Mr. NJ Mathye
Office of Chief Financial Officer	Manager (Supply Chain) Mr. NL Mashao
	Manager (Finance) Mr. J. Biewenga
	Manager (Asset Management) Mr. TA Ramokgano
	Manager (Income) Mrs. PM Viljoen
	Manager (Expenditure) Mrs. ME Sono
Electrical Engineering Services	Manager (Operations and Maintenance) Mr. AG Laubscher
	Manager (Operations and Maintenance) Mr. MS Lelope
	Snr Electrical Engineering Technician Mr. NG Fourie
	Manager (Protection, Testing and Metering) New Post
Engineering Services	Manager (Building Maintenance and Fleet) Mr. ML Mahayi
	Manager (Water & Sanitation) Mr JP Shilowa
	Manager (Roads and Storm Water) Mrs. H.O. Tshisevhe
	Manager (PMU) Mr. AP Killian
Community Services	Manager (Solid Waste) Mr. HL Mienie
	Manager (Library Services) Mrs. CJ Nel
	Manager (Environmental Health) Mrs. TM Machumele
	Manager (Licensing and Testing) Mr. CAJ Liversage
	Manager (Law Enforcement) Mr. MJ Malatji
	Manager (Parks, Recreation and Cemeteries) Vacant

# APPENDICES

## ADDENDUM D – FUNCTIONS OF MUNICIPALITY / ENTITY

<b>MUNICIPAL FUNCTIONS</b>	<b>Function Applicable to Municipality (Yes / No)*</b>	<b>Function Applicable to Entity (Yes / No)</b>
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	Yes	n/a
Building regulations	Yes	n/a
Child care facilities	No	n/a
Electricity and gas reticulation	Yes	n/a
Fire fighting services	No	n/a
Local tourism	Yes	n/a
Municipal airports	Yes	n/a
Municipal planning	Yes	n/a
Municipal health services	No	n/a
Municipal public transport	No	n/a
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	n/a
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	n/a
Stormwater management systems in built-up areas	Yes	n/a
Trading regulations	Yes	n/a
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	n/a
Beaches and amusement facilities	Yes	n/a
Billboards and the display of advertisements in public places	Yes	n/a
Cemeteries, funeral parlours and crematoria	Yes	n/a
Cleansing	Yes	n/a
Control of public nuisances	Yes	n/a
Control of undertakings that sell liquor to the public	Yes	n/a

# APPENDICES

<b>Table 168: Municipal Functions</b>		
<b>MUNICIPAL FUNCTIONS</b>	<b>Function Applicable to Municipality (Yes / No)*</b>	<b>Function Applicable to Entity (Yes / No)</b>
<b>Constitution Schedule 4, Part B functions:</b>		
Facilities for the accommodation, care and burial of animals	No	n/a
Fencing and fences	No	n/a
Licensing of dogs	Yes	n/a
Licensing and control of undertakings that sell food to the public	Yes	n/a
Local amenities	Yes	n/a
Local sport facilities	Yes	n/a
Markets	No	n/a
Municipal abattoirs	No	n/a
Municipal parks and recreation	Yes	n/a
Municipal roads	Yes	n/a
Noise pollution	Yes	n/a
Pounds	Yes	n/a
Public places	Yes	n/a
Refuse removal, refuse dumps and solid waste disposal	Yes	n/a
Street trading	Yes	n/a
Street lighting	Yes	n/a
Traffic and parking	Yes	n/a

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## ADDENDUM E – WARD REPORTING

Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
1	<b><u>T Manyama (ward Councillor)</u></b> 1. E. Baloyi 2. T. Mametja 3. N. Monaiwa 4. T Makhubela 5. P Malematja 6. L Mogale 7. G Rabothata 8. D Mashatola 9. S Mothomogolo 10. G Maunatlala	Yes	6	6	1
2	<b><u>E Ramolefo (Ward Councillor)</u></b> 1. M C Ramokgola 2. T Selowa 3. N Sethabe 4. L Nkuna 5. R Mohlongo 6. C Manyama 7. L Mohatli 8. C Kappa 9. S R Sebashe 10. T D Sewapa	Yes	6	6	1
3	<b><u>P Masetla (Ward Councillor)</u></b> 1. E Khosa 2. M Masinge 3. M Malapane 4. M Kheshane 5. C Moatli 6. S Ngobeni 7. V Machaba 8. D Mashale 9. A Mokgathi10. 10. T S Ngobeni	Yes	6	6	1



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Table 169: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
4	<b><u>M Mmola (Ward Councillor)</u></b> 1. M B Maswanganyi 2. T P Baloyi 3. T M Makhubele 4. J Kgatla 5. F Ndhlovu 6. S Mahlawule 7. M Kgatla 8. E F Pilusa 9. C Mongwe 10. K N Mabunda	Yes	6	6	1
5	<b><u>T K Nukeri (ward Councillor)</u></b> 1. M Motseparela 2. G M Malungana 3. F Rikhotso 4. B Shipalana 5. L Maweni 6. J R Maweni 7. J R Nkuna 8. T Makhubele 9. A J Sibula 10. T T Ngobeni	Yes	6	6	1
6	<b><u>C Baloyi (Ward Councillor)</u></b> 1. E Mohlongo 2. J Ramawila 3. J Ngobeni 4. C T Mashkeni 5. R Mathebula 6. M M Ngobeni 7. P M Kubayi 8. K Mtsenga 9. J Mathebula 10. J Mjela	Yes	6	6	1

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Table 169: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
7	<b><u>D Mabape (Ward Councillor)</u></b> 1. F Mabunda 2. H Mashala 3. E Semosa 4. C Mohale 5. M Ramalepe 6. V Modiba 7. C Ratlabala 8. B Mokwena 9. C Mailula 10. D Ramahlo	Yes	6	6	1
8	<b><u>R Makhudu (Ward Councillor)</u></b> 1. G Rakgwale 2. H Mogale 3. E Lebeya 4. D Malatji 5. L Ngobeni 6. C Makgobatlou 7. V Leshoka 8. E Mathibela 9. R Ramoshaba 10. E Malatji	Yes	6	6	1
9	<b><u>M Mohale (Ward Councillor)</u></b> 1. P Selotole 2. S Mononela 3. M Sekgobela 4. P Sekete 5. J Ramahlo 6. J Malatji 7. J Nkwana 8. M Rabothata 9. M Senyolo 10. P Sekete	Yes	6	6	1

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Table 169: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
10	<b><u>M Mahasha(Ward Councillor)</u></b> 1. M Mahowa 2. L Thamahanyana 3. S Seshoka 4. E Mahasha 5. B Ramoshaba 6. M S Baloyi 7. T V Masedi 8. J Modipa 9. S Maake 10. A Makgopa	Yes	6	6	1
11	<b><u>L Hlangwane (Ward Councillor)</u></b> 1. L N Molewa 2. K E Baloyi 3. S Nkuna 4. B Satkekge 5. E Malatji 6. T Mathebula 7. M Malatji 8. P Ramoshaba 9. S Mashayi 10. H Petal	Yes	6	6	1
12	<b><u>E Ntimbana (Ward Councillor)</u></b> 1. A S Tivana 2. T Rihlampfu 3. N Mabunda 4. E Mabunda 5. J Ngobeni 6. E J Mongwe 7. G Sambo 8. P S Ngomane 9. D Rikhotso 10. S M Ndlovu	Yes	6	6	1

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Table 169: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
13	<b><u>B M Mashala (Ward Councillor)</u></b> 1. T E Khosa 2. R C Baloyi 3. C Risiva 4. R T Nkuna 5. C Mongwe 6. O E Ndlovu 7. E Ngobeni 8. T Mboweni 9. J M Mathebula 10. C Besswick	Yes	6	6	1
14	<b><u>A Van Vureen (Ward Councillor)</u></b> 1. C Ntuli 2. E Pilusa 3. D Protter 4. J P Stoltz 5. M Nel 6. T Mclintock 7. H Van Niekeen Kuyper 8. K Van Rensburg 9. M Mkhawane 10. P Monyama	Yes	6	6	1
15	<b><u>R Pohl (Ward Councillor)</u></b> 1. B Khumalo 2. P Zaayman 3. J du Toit 4. N Ndou 5. R R Shai 6. L Cronje 7. M Sekgoaila 8. M M Malatji 9. M Jacobs 10. A Cilliers	Yes	6	6	1

# APPENDICES

Table 169: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
16	<b><u>R Rikhotso(Ward Councillor)</u></b> 1. B Nomvela 2. L Moagi 3. A Bvuma 4. T Mawasha 5. L Malatji 6. P Mawasha 7. A Shipalane 8. B Masetle 9. H Harman 10. S Mocheki	Yes	6	6	1
17	<b><u>D Mhlarhi (Ward Councillor)</u></b> 1. S Mbuza 2. F Tshuketane 3. R Bvuma 4. J Sekhobela 5. J Mokgolobotho 6. J Mokhabela 7. A Mathye 8. E Seabela 9. I Sekgobela 10. M Mbewe	Yes	6	6	1
18	<b><u>P Ngonyama (Ward Councillor)</u></b> 1. J Shilubane 2. N Mkansi 3. G Nkwhashu 4. G Nghonyama 5. L Tivane 6. J Semosa 7. F Mlangeni 8. C Mhlari 9. G Mbhalati 10. L Tshikani	Yes	6	6	1

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Table 169: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
19	<b><u>H Zandamela (Ward Councillor)</u></b> 1. P Thibeyahobe 2. S Matiane 3. M Gaisa 4. S Manyike 5. R Bulala 6. N Banda 7. N Rakgolane 8. S Bulala 9. L Khosa 10. R Mathebula	Yes	6	6	1
20	<b><u>O Banyini (Ward Councillor)</u></b> 1. L Ngobeni 2. J Mongwe 3. C Nhangwini 4. E Nhangwini 5. C Shokane 6. S Moagi 7. M Nhangwini 8. B Baloyi 9. I Mongwa 10. V Chuma	Yes	6	6	1
21	<b><u>S Mboweni(Ward Councillor)</u></b> 1. D Maakane 2. V Malungane 3. T Mpenyana 4. P Baloyi 5. N Ndala 6. B Mabunda 7. B Mthembi 8. A Mnisi 9. M Macevele 10. V Mabulane	Yes	6	6	1

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Table 169: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
22	<b><u>C Makwala (Ward Councillor)</u></b> 1. E Ramalepe 2. M Sekgobela 3. A Maphumapi 4. E Rasebotsa 5. C Makwala 6. S Mhlarhi 7. D Selane 8. I Malatji	Yes	6	6	1
23	<b><u>N Dlovu(Ward Councillor)</u></b> 1. M Banyini 2. M Khosa 3. M Mathebula 4. F Maroleng 5. S Ngobeni 6. P Rakgoropo 7. W Mohlongo 8. T Nkwinika 9. K Phiri 10. A Nkhwashu	Yes	6	6	1
24	<b><u>L Mhlongo(Ward Councillor)</u></b> 1. S Malatji 2. T Jigana 3. A Shikwambana 4. R Khosa 5. K Rikhotso 6. G Ngoveni 7. R Mhlaba 8. S Mhlarhi 9. G Mathonsi 10. D Shilubane	Yes	6	6	1

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Table 169: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
25	<b><u>Ngondzweni G (Ward Councillor)</u></b> 1. S Malatji 2. C Nkhwashu 3. B Mogale 4. P Mashele 5. I Rikhotso 6. J Maholovele 7. B Machabe 8. K Mhlanga 9. A Baloyi 10. S Rikhotso	Yes	6	6	1
26	<b><u>S Mahori (Ward Councillor)</u></b> 1. R Mhlarhi 2. P Shikwambana 3. V Mangena 4. J Mhlarhi 5. J Selane 6. B Mthembi 7. P Mabunda 8. C Mthembi 9. E Malatjie 10. N Ghana	Yes	6	6	1
27	<b><u>M Mangena(Ward Councillor)</u></b> 1. G Makhumbele 2. P Patsi 3. J Seoka 4. J Ramoshaba 5. P Sebela 6. S Malatji 7. P Mangena 8. I Mailula 9. J Maake 10. R Phasha	Yes	6	6	1



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Table 169: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
28	<b><u>T Mushwana(Ward Councillor)</u></b> 1. K Lupalana 2. T Shai 3. R Mangena 4. B Shikwambana 5. N Mathebula 6. L Mushwana 7. M Mkhabele 8. M Rathwakga 9. J Mabulana 10. J Moagi	Yes	6	6	1
29	<b><u>N Masila(Ward Councillor)</u></b> 1. E Nukeri 2. E Sethemana 3. C Mokgobi 4. J Sodi 5. A Mhlongo 6. E Ratopola 7. M Makhurupetje 8. A Mathebula 9. S Malesa 10.	Yes	6	6	1
30	<b><u>L Pudikabekwa(Ward Councillor)</u></b> 1. R Rapitsi 2. F Rantjie 3. S Malatjie 4. M Letsoalo 5. S Molepo 6. D Khunwane 7. M Shai 8. T Mboweni 9. P Malatjie 10. C Ratopola	Yes	6	6	1

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Table 169: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
31	<b><u>J Ramodipa(Ward Councillor)</u></b> 1. C Mabitsela 2. S Lefothle 3. M Nkgapele 4. M Hlokwe 5. A Rakgoale 6. G Maponya 7. S Ramokgola 8. K Monyela 9. M Seokgo 10. S Mafokwane	Yes	6	6	1
32	<b><u>S Raganya (Ward Councillor)</u></b> 1. I Malatji 2. L Mohale 3. S Semosa 4. M Mametja 5. T Nkuna 6. P Mokwena 7. J Manamela 8. S Nkuna 9. B Modiba 10. G Mathebula	Yes	6	6	1
33	<b><u>D Maake(Ward Councillor)</u></b> 1. D Peu 2. H Molewa 3. F Pilusa 4. B Maake 5. F Gaffane 6. P Monyela 7. J Semosa 8. P Maseamedi 9. K Batjie 10. O Mailula	Yes	6	6	1

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Table 169: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected Committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
34	<b><u>M Letsoalo(Ward Councillor)</u></b> 1. T Kodumela 2. M Letsoalo 3. S Ramoreti 4. S Letsie 5. R Moagi 6. J Malesa 7. A Letsoalo 8. J Ralepelle 9. T Mogoboya 10. A Ramaila	Yes	6	6	1

# APPENDICES

## ADDENDUM F – WARD INFORMATION

**Table 170: Capital Projects: Seven Largest in 2012/13 - R' 000**

Ward No.	Project Name and detail	Start Date	End Date	Total Value
21&24	Senakwe to Maropalala Tar (Phase 2)	14/01/2013	06/08/2014	R38 676 883.39
15	Electricity Capacity Building in phases	October 2009	Phase 2 completed December 2013	R67 998 311
2&3	Ramotshinyadi to Mokhwati Tar road (Phase 2) (3.5 km)	13/09/2011	01/11/2013	R56 497 380.00
15	Electricity network upgrading	n/a	n/a	Included in the above Electricity Capacity Building in phases
7&11	Thapane to Moruji Tar	Contractor not yet appointed	n/a	n/a
22&25	Mafarana to Sedan Tar (6 km)	10/05/2013	09/02/2014	R27 228 000.00
15	Claude Wheatly upgrading of tar road	20/02/2013	20/10/2013 Taxi canopies & palisade are still outstanding.	R10 091 582.94 Not final – VO not yet approved.

# APPENDICES

## ADDENDUM G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2012/13

<b>TABLE 171: Municipal Audit Committee Recommendations (2012/13)</b>			
<b>Date of Committee</b>	<b>Committee recommendations</b>	<b>Recommendations adopted (enter Yes); not adopted (provide explanation)</b>	<b>Implemented (Yes/No)</b>
12 Feb 2013	Ms. F Mudau to assist audit manager to capture resolution register. Audit manager add column for responsible person	Yes	Implemented
12 Feb 2013	The water tankers be checked and tested weekly before and after delivery	Yes	Not yet implemented
12 Feb 2013	That the 19 issues raised by the AG be taken into consideration on the SDBIP.	Yes	In Progress
12 Feb 2013	That the AG findings be addressed by management	Yes	Implemented
12 Feb 2013	That the audit charter be approved in principle after recommended changes	Yes	Implemented
12 Feb 2013	That the word deviations be corrected to deviations in the Internal Audit methodology  That pages 14 and 15 be removed and that the report be approved.	Yes	Implemented
12 Feb 2013	That the internal audit from July 2013 should execute the projects with the risk officer	Yes	In Progress
12 Feb 2013	That Mr SAB Ngobeni be mandated to assist the audit manager on the annual plan	Yes	Not yet implemented
12 Feb 2013	That the internal audit finalise the projects numbers 7, 8, 10, 12 and 13.	Yes	Implemented
12 Feb 2013	All internal audit reports should be submitted to the municipal manager before the audit Committee	Yes	Implemented
12 Feb 2013	That a progress report on the risk register and the risk register be submitted by the risk officer in the next meeting	Yes	In Progress
7 May 2013	In future the extension of contracts be presented to the audit Committee before taking decisions	Yes	In Progress
7 May 2013	That the Audit steering Committee be chaired by the Municipal manager	Yes	In Progress

# APPENDICES

<b>TABLE 171: Municipal Audit Committee Recommendations (2012/13)</b>			
<b>Date of Committee</b>	<b>Committee recommendations</b>	<b>Recommendations adopted (enter Yes); not adopted (provide explanation)</b>	<b>Implemented (Yes/No)</b>
7 May 2013	Adv. Kholong is requested to assist Adv S Monyela to develop the legal tariff rates.	Yes	In Progress
7 May 2013	That the opinion from Adv. Bosman be made available to the Audit Committee as well as the package for GTEDA.	Yes	In Progress
7 May 2013	Management should implement the resolutions of MPAC	Yes	In Progress
7 May 2013	Management should develop a plan to improve revenue collection in townships.	Yes	In Progress

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## ADDENDUM H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

<b>Table 172: Long Term Contracts (20 Largest Contracts Entered into 2012/13) - R' 000</b>					
<b>Name of Service Provider (Entity or Municipal Department)</b>	<b>Description of Services Rendered by the Service Provider</b>	<b>Start Date of Contract</b>	<b>Expiry date of Contract</b>	<b>Project manager</b>	<b>Contract Value</b>
Bukuta	Machine And Equipment Hire, SCMU 08/2013	05/06/2013	04/06/2016	Olga Tshisevhe	As Per The Approved Rates By GTM
Makgetsi Construction Enterprise	Machine And Equipment Hire, SCMU 08/2013	05/06/2013	04/06/2016	Olga Tshisevhe	As Per The Approved Rates By GTM
Mopicon Construction	Machine And Equipment Hire, SCMU 08/2013	05/06/2013	04/06/2016	Olga Tshisevhe	As Per The Approved Rates By GTM
Quality Plant Hire	Machine And Equipment Hire, SCMU 08/2013	05/06/2013	04/06/2016	Olga Tshisevhe	As Per The Approved Rates By GTM
Mashrik Social Dev	Maintenance Of Tarred Roads, SCMU 07 / 2013	05/06/2013	04/06/2016	Olga Tshisevhe	As Per The Approved Rates By GTM
BRBF Construction	Maintenance Of Tarred Roads, SCMU 07 / 2013	05/06/2013	04/06/2016	Olga Tshisevhe	As Per The Approved Rates By GTM
Expectra 388 Cc	Maintenance Of Tarred Roads, SCMU 07 / 2013	05/06/2013	04/06/2016	Olga Tshisevhe	As Per The Approved Rates By GTM
Quality Plant Hire	Maintenance Of Tarred Roads, SCMU 07 / 2013	05/06/2013	04/06/2016	Olga Tshisevhe	As Per The Approved Rates By GTM
Mopicon Construction	Maintenance Of Tarred Roads, SCMU 07 / 2013	05/06/2013	04/06/2016	Olga Tshisevhe	As Per The Approved Rates By GTM

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<b>Table 172: Long Term Contracts (20 Largest Contracts Entered into 2012/13) - R' 000</b>					
<b>Name of Service Provider (Entity or Municipal Department)</b>	<b>Description of Services Rendered by the Service Provider</b>	<b>Start Date of Contract</b>	<b>Expiry date of Contract</b>	<b>Project manager</b>	<b>Contract Value</b>
Mashrik Social Dev Consultancy	Maintenance Of Tarred Roads, SCMU 07 / 2013	05/06/2013	04/06/2016	Olga Tshisevhe	As Per The Approved Rates By GTM

No public – private partnerships entered into during 2012/13.



# APPENDICES

## ADDENDUM I: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

### ADDENDUM I (I): REVENUE COLLECTION PERFORMANCE BY VOTE

**Table 173: Revenue Collection Performance by Vote - R' 000**

Vote Description	2011/2012	Current year 2012/13			2012/13 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1: Municipal Manager	0					
Vote 2: Planning & Economic Development	5 804	5 514	10 514	10 412	47%	47%
Vote 3: Financial Services	256 629	262 598	262 598	279 036	6%	6%
Vote 4: Corporate Services	272	2	2	25	92%	92%
Vote 5: Community Services	49 337	76 073	76 147	50 996	-49%	-49%
Vote 6: Electrical Engineering Services	313 514	355 749	355 749	339 091	-5%	-5%
Vote 7: Engineering Services	25 983	57 277	57 277	69 263	17%	17%
<b>Total Revenue</b>	<b>651 535</b>	<b>757 212</b>	<b>762 286</b>	<b>748 889</b>	<b>-1%</b>	<b>-2%</b>

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## ADDENDUM I (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

**Table 174: Revenue Collection Performance by Source - R '000 (2012/13)**

Description	2011/2012	2012/2013			2012/13 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	55 728	44 020	44 020	61 060	28%	28%
Property rates - penalties & collection charges	3 107	3 200	3 200	4 217	24%	24%
Service Charges - electricity revenue	307 269	342 749	342 749	331 949	3%	3%
Service Charges - water revenue	n/a	n/a	n/a	n/a	n/a	n/a
Service Charges - sanitation revenue	n/a	n/a	n/a	n/a	n/a	n/a
Service Charges - refuse revenue	21 230	19 527	19 527	23 144	16%	16%
Service Charges - other	807	1 366	1 366	1 075	-27%	-27%
Rentals of facilities and equipment	393	259	259	1 292	80%	80%
Interest earned - external investments	5 160	1 001	1 001	3 901	74%	74%
Interest earned - outstanding debtors	13 943	16 000	16 000	8 732	-83%	-83%
Dividends received						
Fines	7 010	3 210	3 210	5 865	45%	45%
Licences and permits	499	345	345	544	37%	37%
Agency services	20 929	44 448	44 448	14 599	-204%	-204%
Transfers recognised - operational	186 165	214 058	214 132	220 476	3%	3%
Other revenue	7 166	5 203	5 203	9 397	45%	45%
Gains on disposal of PPE	-	2 300	2 300	-	-	-
Environmental Protection						
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>629 406</b>	<b>697 686</b>	<b>697 760</b>	<b>686 250</b>	<b>-2%</b>	<b>-2%</b>

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## ADDENDUM J: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

### ADDENDUM J (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Table 175: Capital Expenditure - New Assets Programme* ( R'000)							
Description	2011/2012	2012/2013			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2013/2014	2014/2015	2015/2016
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	<b>67 467</b>	<b>101,155</b>	<b>99,706</b>	<b>4,079</b>	<b>128,163</b>	<b>137,428</b>	<b>150,603</b>
<b>Infrastructure: Road transport - Total</b>	<b>27 285</b>	<b>84,155</b>	<b>85,455</b>	<b>1,292</b>	<b>73,247</b>	<b>87,151</b>	<b>94,284</b>
<i>Roads, Pavements &amp; Bridges</i>	27 285	84,155	85,455	1,292	73,247	87,151	94,284
<i>Storm water</i>				-			
<b>Infrastructure: Electricity - Total</b>	<b>39 833</b>	<b>17,000</b>	<b>14,251</b>	<b>2,589</b>	<b>34,660</b>	<b>37,250</b>	<b>52,756</b>
<i>Generation</i>							
<i>Transmission &amp; Reticulation</i>	39 736	17,000	14,251	2,589	32,160	35,020	45,536
<i>Street Lighting</i>	97			-	0	150	200
<i>Apollo Lights</i>					2,500	2,080	7,020
<b>Infrastructure: Water - Total</b>	<b>-</b>			<b>198</b>			
<i>Dams &amp; Reservoirs</i>				-			
<i>Water purification</i>				198			

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Description	2011/2012	2012/2013			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2013/2014	2014/2015	2015/2016
<i>Reticulation</i>				-			
<b>Infrastructure: Sanitation - Total</b>	-			-			
<i>Reticulation</i>				-			
<i>Sewerage purification</i>				-			
<b>Infrastructure: Other - Total</b>	<b>349</b>			-	<b>100</b>	<b>3,700</b>	<b>3,175</b>
<i>Waste Management</i>	349			-	-	1,500	1,400
<i>Transportation</i>				-			
<i>Gas</i>				-			
<i>Other</i>				-	100	2,200	1,775
<b>Community - Total</b>	-			-	<b>17,834</b>	<b>14,573</b>	<b>16,143</b>
Parks & gardens				-	1 000		
Sports fields & stadia				-	7 000	13 073	14 143
Swimming pools				-	3 792		
Community halls				-	1 000		
Libraries				-	3,792		
Recreational facilities				-			
Fire, safety & emergency				-			
Security and policing				-			
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries					1,250	1,500	2,000

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Description	2011/2012	2012/2013			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2013/2014	2014/2015	2015/2016
Social rental housing							
Other							
<b>Heritage assets - Total</b>							
Buildings							
Other							
<b>Investment properties - Total</b>							
Housing development					<b>1,000</b>	<b>3,000</b>	<b>11,000</b>
Other					1,000	3,000	11,000
<b>Other assets</b>	<b>31 507</b>	<b>9,500</b>	<b>15,885</b>	<b>10 815</b>	<b>9,225</b>	<b>8,108</b>	<b>23,344</b>
General vehicles	26 678			3 059	480		
Specialised vehicles				-			
Plant & equipment	908	5,000	10,000	199	5,000	1,820	14,150
Computers - hardware/equipment	3 346			2 003			
Furniture and other office equipment	575	3,500	3,500	239	2,605	3,000	3,000
Abattoirs				5 315			
Markets				-	100		
Civic Land and Buildings				-			
Other Buildings				-			
Other Land				-			
Surplus Assets - (Investment or Inventory)				-			
Other		1,000	2,385	-	1,040	3,288	6,194

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Table 175: Capital Expenditure - New Assets Programme* ( R'000)							
Description	2011/2012	2012/2013			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2013/2014	2014/2015	2015/2016
<b>Agricultural assets</b>	–						
<i>NONE</i>				-			
<b>Biological assets</b>	–			135			
<i>NONE</i>				135			
<b>Intangibles</b>	51			5,315			
Computers - software & programming	51			5 315			
<i>Other (list sub-class)</i>				-			
<b>Total Capital Expenditure on new assets</b>	<b>99 025</b>	<b>110,655</b>	<b>115,591</b>	<b>20,344</b>	<b>152,330</b>	<b>153,036</b>	<b>201,590</b>
<b>Specialised vehicles</b>							
Refuse							

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## ADDENDUM J (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Table 176: Capital Expenditure - Upgrade/Renewal Programme*- R '000							
Description	2011/2012	2012/2013			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2013/2014	2014/2015	2015/2016
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	<b>12 049</b>	<b>79 155</b>	<b>20 551</b>	<b>63 833</b>			
Infrastructure: Road transport -Total	–	74 155	11 300	55 500			
<i>Roads, Pavements &amp; Bridges</i>		74 155	11 300	52 727	9 500	0	0
<i>Storm water</i>		-	-	2 773			
<b>Infrastructure: Electricity - Total</b>	12 049	5 000	9 251	8 333			
<i>Transmission &amp; Reticulation</i>	12 049	5000	9 251	8 333	13,8	13,216	29,23
<i>Street Lighting</i>		-	-	-	0	0	0
<b>Infrastructure: Other - Total</b>	–						
<i>Waste Management</i>		-	-	-			
<i>Transportation</i>		-	-	-			
<b>Other assets</b>				<b>2 242</b>			
Computers - hardware/equipment				2 003			
Furniture and other office equipment				239			
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>12 049</b>	<b>79 155</b>	<b>20 551</b>	<b>66 075</b>			

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## ADDENDUM K – CAPITAL PROGRAMME BY PROJECT 2012/13

<b>Table 177: Capital Programme by Project 2012/13 (R'000)</b>					
<b>Capital Project</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance (Act - Adj) %</b>	<b>Variance (Act - OB) %</b>
<b>Water</b>	No capital projects implemented as District is Service Authority				
<b>Sanitation/Sewerage</b>	No capital projects implemented as District is Service Authority				
<b>ELECTRICITY</b>					
Electricity Capacity Building in phases	R 14 000 000	R0	R0	0%	100%
Electricity network upgrading	R 12 000 000	R 12 000 000	R 8 333 181	31%	31%
Rebuilding of Lines	R 3 000 000	R0	R0	0%	100%
Auto Reclosers	R 2 000 000	R0	R0	0%	100%
Upgrading Tzaneen Town network including cables	R 2 000 000	R 2 354 973	R 2 509 397	-7%	-25%
Capacity to Rainbow Chickens (phase 1)	R 1 000 000	R0	R0	0%	100%
Capital Tools (Outlying)	R 250 000	R 250 000	R 1 112 289	-345%	-345%
Capital Tools (Town)	R 250 000	R 250 000	R 89 654	64%	64%
<b>ROADS &amp; STORMWATER</b>					
Fleet Management	Roll over	N/A	R 3 058 969	-100%	0%
Senakwe to Maropalala Tar (Phase 2)	R 31 285 000	N/A	R 21 967 786	30%	30%
Ramotshinyadi to Mokhwati Tar road (Phase 2)(3.5km)	R 12 751 569	N/A	R 25 435 853	-99%	-99%
Thapane to Moruji Tar	R 11 144 700	N/A	R 2 283 638	80%	80%
Mafarana to Sedan Tar (6km)	R 10 500 000	N/A	R 1 563 508	85%	85%
Claude Wheatly	R 10 363 643	N/A	R 4 207 502	59%	59%
Sasekani to Nkowankowa Tar road (Phase 2)	R 8 473 559	N/A	R 9 886 764	-17%	-17%



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<b>Table 177: Capital Programme by Project 2012/13 (R'000)</b>					
<b>Capital Project</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance (Act - Adj) %</b>	<b>Variance (Act - OB) %</b>
Ramotshinyadi Bridge	R 4 564 500	R 4 564 500	R 5 084 076	-11%	-11%
Additional Office space	R 3 000 000	R 3 000 000	R 0	100%	100%
Speed humps	R 2 200 000	N/A	R 0	100%	100%
Lenyenye new cemetery tar road	R 2 000 000	R 2 000 000	R 0	100%	100%
Security Rates Hall (Roll over)	R 1 384 009	N/A	R 546 009	100%	100%
Tzaneen Airfield Fencing	R 650 000	N/A	R 0	100%	100%
Khwekhwe Low level bridge	R 500 000	N/A	R 0	100%	100%
Mawa Block 12 Low level bridge	R 500 000	N/A	R 0	100%	100%
Mokonyane low level bridge	R 500 000	N/A	R 0	100%	100%
Rikhotso low level bridge	R 500 000	N/A	R 0	100%	100%
Replacing Aircon and furniture in Engineering Department	R 500 000	N/A	R 149 464	70%	70%
Mopye low level bridge (Roll over)	R 500 000	N/A	R 256 126	49%	49%
Politsi low level bridge (Roll over)	R 500 000	N/A	R 109 768	78%	78%
Capital Equipment	R 150 000	N/A	R 0	100%	100%
<b>Parks and Cemeteries</b>	None				
<b>Library Development</b>					
Construct and establish new libraries (Shiluvani Library)	R 135 000	R 135 000	R 0	100%	100%
<b>Housing</b>	GTM is not a housing service provider -				
<b>Economic development &amp; Town Planning</b>					
Township establishment - Shiluvane Library	R 500 000	R 500 000	R 147 000	71%	71%
Acquisition of land parcels for development	R 364 300	N/A	R 40 000	89%	89%

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<b>Table 177: Capital Programme by Project 2012/13 (R'000)</b>					
<b>Capital Project</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance (Act - Adj) %</b>	<b>Variance (Act - OB) %</b>
Archiving (Filing) for PED	R 60 000	N/A	R 0	100%	100%
Furniture for PED offices	R 50 000	N/A	R 3 151.17	94%	94%
Digital Camera	R 10 000	N/A	R 4 500	55%	55%
GPS	R 9 000	N/A	R 3 000	67%	67%
Metal Detector	R 5 500	N/A	R 1 500	73%	73%
Wheel Tape measure	R 1 200	R 1 200	R 600	50%	50%
<b>Sports, Arts &amp; Culture</b>	None				
<b>Environmental Health</b>	None				
Agatha Cemetery Environmental Impact Assessment	R 100 000	N/A	R 0	100%	100%
<b>Health</b>	None				
<b>ICT and Other</b>					
Rural Broadband connectivity (PP4)	R 5 000 000	R 5 000 000	R 4 082 970	18%	18%
Revenue enhancement	R 1 000 000	R1 000 000	R820 469	18%	18%

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## ADDENDUM L – CAPITAL PROGRAMME BY PROJECT BY WARD 2012/13

<b>Table 178: Capital Programme by Project by Ward 2012/13*</b>		
<b>Capital Project</b>	<b>Ward(s) affected</b>	<b>Works completed (Yes/No)</b>
<b>ELECTRICITY</b>		
Electricity Capacity Building in phases	13/15	Phase 1 Complete
Electricity network upgrading	All	Phase 1 Complete
Rebuilding of Lines	All	No
Auto Reclosers	All	No
Upgrading Tzaneen Town network including cables	14, 15, 16	Phase 1 Complete
Capacity to Rainbow Chickens (phase 1)	12	Yes
Capital Tools (Outlying)	All	Yes
Capital Tools (Town)	All	Yes
<b>ROADS &amp; STORMWATER</b>		
Fleet Management	All	Yes
Senakwe to Maropalala Tar (Phase 2)	1	No
Ramotshinyadi to Mokhwati Tar road (Phase 2) (3.5 km)	2,3	Practical Completion
Thapane to Moruji Tar	7,11	No
Mafarana to Sedan Tar (6 km)	22,25	In progress
Claude Wheatly	15	Practical Completion
Sasekani to Nkowankowa Tar road (Phase 2)	21,24	No
Ramotshinyadi Bridge	2,3	No
Additional Office space (Feasibility study)	Civic Centre	Yes
Speed humps	All	No
Lenyenye new cemetery tar road	31	No
Security Rates Hall (Roll over)	Civic Centre	Yes
Tzaneen Airfield Fencing	15	No
Khwekhwe Low level bridge	8	No
Mawa Block 12 Low level bridge	2	No
Mokonyane low level bridge	32	No
Rikhotso low level bridge	4	No
Replacing Aircon and furniture in Engineering Department	Civic Centre	Yes
Mopye low level bridge (Roll over)	9	No
Politsi low level bridge (Roll over)	14	No
Motupa low level bridge	10	No

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<b>Table 178: Capital Programme by Project by Ward 2012/13*</b>		
<b>Capital Project</b>	<b>Ward(s) affected</b>	<b>Works completed (Yes/No)</b>
Thako to Sefolwe low level bridge	9	No
Capital Equipment	All	No
<b>TOWN PLANNING</b>		
Township establishment - Shiluvane Library	27	No
Acquisition of land parcels for development	All	No
<b>ENVIRONMENTAL HEALTH</b>		
Agatha Cemetery Environmental Impact Assessment	16	No

# APPENDICES

## ADDENDUM M – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

<b>Table 179: Service Backlogs: Schools and Clinics (2012/13)</b>				
<b>Establishments lacking basic services</b>	<b>Water</b>	<b>Sanitation</b>	<b>Electricity<sup>4</sup></b>	<b>Solid Waste Collection</b>
<b>Schools (NAMES, LOCATIONS)</b>				
N/a	No backlog	No backlog	No backlog	Backlog at all rural-areas No backlog in urban areas
<b>Clinics (NAMES, LOCATIONS)</b>				
N/A	No backlog	No backlog	No backlog	No backlog –clinics are serviced by a Provincial service provider for H.CR.W. Urban clinics serviced by GTM

All Schools and Clinics have access to water and sanitation. In some instances water are supplied through boreholes, which may run dry at time.

<sup>4</sup> Complaints regarding schools and clinics without electricity use to be submitted to GTM by Ward Councilors. No such complaints was received during 2012/13

# VOLUME II

## ADDENDUM N – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

**Table 180: Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the Municipality whether or not act on agency basis)**

Services and Locations	Scale of backlogs	Impact of backlogs
<b>Clinics:</b> Ward 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 13, 14, 16, 17, 18, 19, 21, 22, 24, 25, 26, 28, 29, 30, 31, 32 and 34	Health facilities are far from the mentioned wards and their respective constituencies	The lack of health facilities within reach of the people contribute to a increase in curable diseases
<b>Housing:</b> Ward 1, 2, 4, 5, 13, 14, 18	The mentioned wards have never received housing allocations ever since	Lack of housing impacts on the lives of people in terms of shelter and family relationship
<b>Licensing and Testing Centre:</b> Ward 31 (Lenyenye) and Bolobedu area	The Municipality has only two licensing and testing centres	Lack of extra licensing and testing centres in within the jurisdiction of the Municipality leads to overcrowding in the existing two centres
<b>Reservoirs:</b> Various wards	Most villages in various wards have a need for new reservoirs and their upgrades	Lack of reservoirs leads to shortage of piped water in villages
<b>Schools (Primary and High):</b> Ward 1, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 16, 18, 21, 22, 25, 27, 28, 29, 32, 34	There is a great need for new schools (primary and secondary) in the mentioned wards	Lack of schools in the mentioned wards leads to lack of access to education for children and overcrowding in the existing ones
<b>Sports Fields:</b> Wards 1, 4, 7, 8, 9, 11, 12, 15, 16, 17, 19, 21, 24, 25, 26 and 28	There is a need for sport and recreation facilities in the mentioned villages	Lack of sport and recreation facilities leads to young people becoming involved in criminal activities and indulging in substance abuse
<b>Safety and Security:</b> Wards 1, 2, 3, 4, 7, 8, 9, 11, 13, 14, 16, 17, 18, 21, 24, 25, 27, 28, 32 and 34	There is a need for construction of new police stations in the mentioned wards	Lack of police stations leads to escalation of crime in communities

# APPENDICES

## ADDENDUM O – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

<b>Table 181: Declaration of Loans and Grants made by the Municipality 2012/13</b>				
<b>All Organisation or Person in receipt of Loans */Grants* provided by the Municipality</b>	<b>Nature of project</b>	<b>Conditions attached to funding</b>	<b>Value 2012/13 R'</b>	<b>Total Amount committed over previous and future years</b>
Eskom EBSST	Free Basic Electricity	Submission of list of Beneficiaries	R4 823 978	R2 836 792
SPCA	Animal protection	Submission of financial statements	R90 000	R90 000
Sport Council	Finance sport Council	Submission of financial statements	R106 644	R106 644
SETA Training	Training	Funds to be ploughed back into training	R24 839	R271 697
Mayor Bursary Account	Study Bursaries	Submission of Exam Results	R331 000	R147 450
Mayor Special Account	Financial support	Support regarding funerals and transport	R38 150	R12 701

## ADDENDUM P – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

<b>Table 182: MFMA Section 71 Returns Not Made During 2012/13 According to Reporting Requirements</b>	
<b>Return</b>	<b>Reason Return has not been properly made on due date</b>
C6-Monthly Budgeted Statement - Financial Position	The Municipality has many transactions, as a result the current financial system is not able to produce the required monthly financial statements. Caseware financial system has been purchased, which will be able to produce monthly statements.
C7- Monthly Budgeted Statement - Cash Flow Statement	

# VOLUME II

## VOLUME II: ANNUAL FINANCIAL STATEMENTS

The Audited Annual Financial Statements attached as [Annexure D](#).

<the end>