

Annual Report

2009- 2010

Phumelela

Local Municipality



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Mayor's Foreword

As Mayor of the Phumelela Local Municipality, it is once again my privilege and pride to present this Annual Report to our communities as a reflection of the work that we have done on your behalf during the period 1 July 2009 to 30 June 2010. We are indeed proud of what we were able to deliver with the limited resources to our disposal. At the same time we must acknowledge to we are faced with persisting challenges in service delivery and ensuring a sustained improvement in the living conditions of our people and all communities in our municipal area.

We are proudly celebrating the progress we have made with the structuring of our municipal fiscals. We have managed to increase our revenue from R38,853,812 in 2009/10 to R94,517,982 for 2010/11. Our expenditure reduced from R69,408,837 to R62,654,737 over the same period. This reduction was necessitated by the cash flow problems facing us in the past.

We are proud to announce the following achievements during the 2010/11 financial year:

- ☐ We have managed to ensure that 100% of our communities living in formal residential areas have access to basic services according to levels foreseen in government's national performance framework.
- ☐ We have improved service delivery to indigents by updating our indigent register and ensuring that the poorest and most vulnerable members of our community are provided with free basic services.
- ☐ We have made substantial progress to solve some of the most pressing infrastructure maintenance priorities of our towns, including the repair of access roads, which is important to support our local economic development initiatives, getting approval to re-built the Warden dam, replace out-dated water meters and educating out people about issues such as water and sanitation safety.
- ☐ The filling of key vacancies on the municipality's staff establishment.

However, we also acknowledge that we are still facing daunting challenges that would require special efforts from all of us to overcome. In this regard, I am especially thinking about:

- ☐ The lack of funds to replace and repair our towns ageing infrastructure.
- ☐ Inadequate funds to fill all critical vacancies on our staff establishment.
- ☐ Persistent deficiencies that result in a disclaimer of the Auditor-General's opinion about our annual financial statements.
- ☐ The reality of persistent poverty amongst our people that we have not been able to reach, in spite of our best efforts.
- ☐ The lack of employment and job opportunities in our area.

Clr TJ Motaung

Mayor Phumelela

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Clr TJ Motaung

Mayor Phumelela

Chapter 2

Performance highlights



2. Performance Highlights

The information will be mostly based on a statistical comparison of progress made with service rendering as reflected in the results of Census 2001 and the Community Survey conducted in 2007.

The emphasis will be on the following key areas of municipal services:

- ☐ Water services
- ☐ Sanitation
- ☐ Refuse removal
- ☐ Electricity
- ☐ Streets and stormwater
- ☐ Housing and land
- ☐ Cemeteries
- ☐ Economic Development
- ☐ Social Development

2.1 Water

The bulk water situation for the various areas within the municipality is indicated in the table below:

Table / Graph 6: Provision of bulk water

VREDE	Two local dams supply raw water. The Vrede water treatment works is functioning at full capacity. Approximately 580 Ml is treated annually for potable use while an estimated 145 Ml thereof is lost annually due to unaccounted for water, non metered water, unauthorised consumption, metering inaccuracies, leakage from transmission and distribution mains, leakage on service connections up to the measurement point, leakage form plumbing within properties on non-paying consumers.
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WARDEN	Main water supply from Cornelis river taken from an inside river dam and pumped to an outside river storage dam from where it is extracted and purified. The inside river dam however requires urgent cleaning and there are no meters to the main supply line. Additional raw water might need to be extracted from the Wilge river. Two reservoir (2Ml & 1.5 Ml) exist, but will not be sufficient for future needs.
MEMEL	Main water supply from Klip River which is also pumped into an Outside river bulk water supply dam to act as catchment, especially during dry seasons. This dam has a storage capacity of 70 000 m ³ , translating into a 3 month supply at 765kl/day. The town has a 0.2 Ml reservoir which is seen as sufficient capacity.

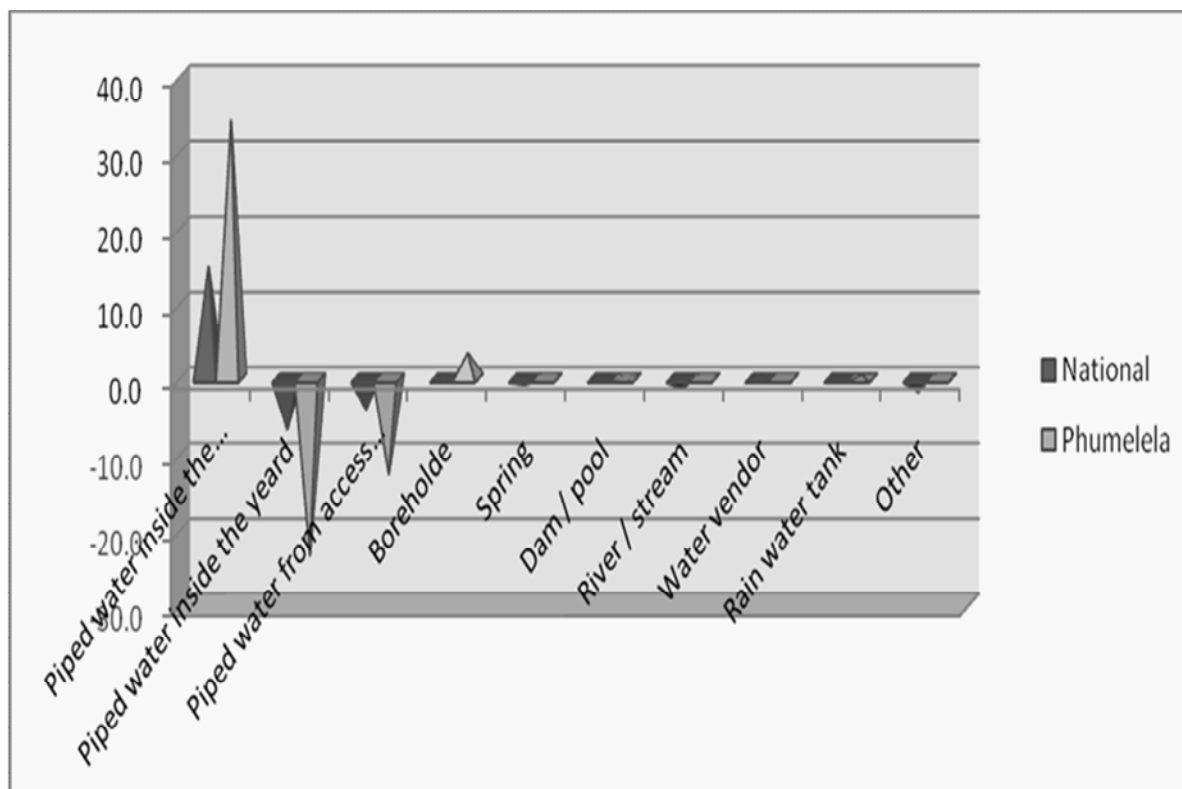
(Source: Phumelela IDP; Water Services Development Plan, 2005)

Progress in terms of the provision of water to the communities of Phumelela could be concluded from the following analysis:

Table / Graph 7:Percentage distribution of households by main source of water

Category	National		Phumelela		Analysis	
Category	Census 2001	Census 2007	Census 2001	Census 2007	National	Phumelela
Piped water inside the dwelling	32.3	47.3	13.9	48.2	15.0	34.3
Piped water inside the yard	29.0	22.2	59.4	35.9	-6.8	-23.5
Piped water from access point outside	23.2	19.1	18.3	5.6	-4.1	-12.7
Borehole	2.4	2.6	3.0	6.4	0.2	3.4
Spring	1.9	1.0	1.0	0.4	-0.9	-0.6
Dam / pool	1.0	0.5	1.1	0.8	-0.5	-0.3
River / stream	6.5	5.1	0.9	0.4	-1.4	-0.5
Water vendor	0.7	0.9	0.2	0.2	0.2	0.0
Rain water tank	0.6	0.6	1.0	1.3	0.0	0.3
Other	2.4	0.6	1.3	0.7	-1.8	-0.6

(Source: Community Survey, 2007)



The current situation in terms of water provisioning:

In 2008 water purification systems were upgraded in Zamani to provide water to individual stands.

Communal standpipes are considered to have access to water according to the RDP standards.

All formal stands have access to water.



2.2 Sanitation

The levels of sanitation services provided by the Phumelela Local Municipality as stated in the Community Survey done in 2005 are as follows:

Table / Graph 8: The level of sanitation services provided in PLM, 2005

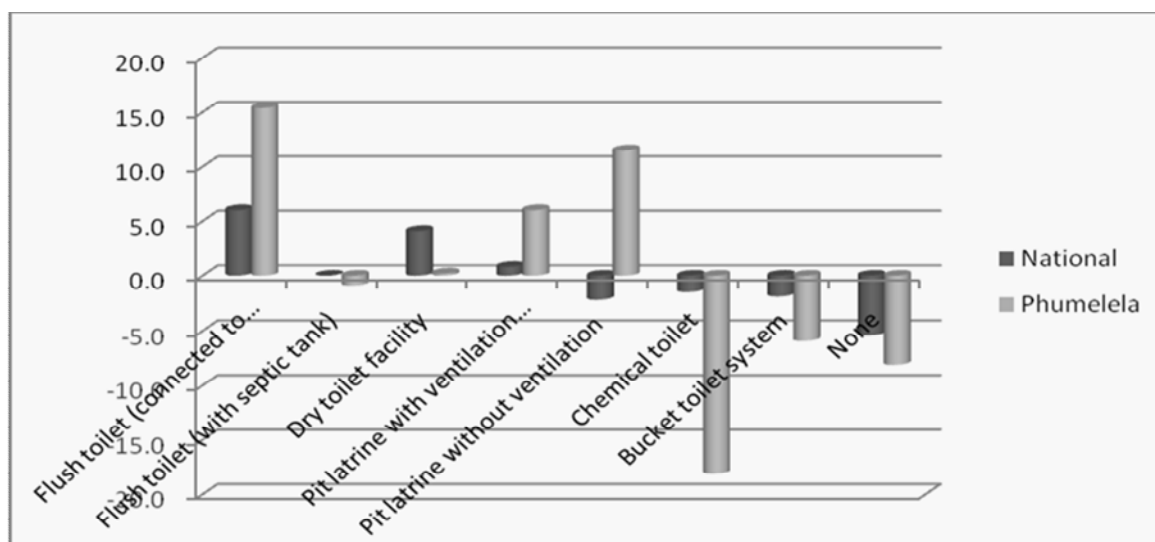
	Total Erven	SEWER							
		Water borne		Septic Tank		VIP		Bucket	
PHUMELELA									
Memel	452	n.a	0%	n.a	0%	0	0%	0	0%
Zamani	1195	n.a	0%	n.a	0%	0	0%	0	0%
Vrede	886	799	90%	0	0%	0	0%	0	0%
Thembalihle	3469	1,779	51%	0	0%	0	0%	1,680	48%
Warden	646	0	0%	646	100%	0	0%	0	0%
Ezenzeleni	1729	0	0%	0	0%	0	0%	1722	100%

** Information for Memel was not available

Figure / Table 9: Statistical Comparison: Toilet Facilities based on percentage of households (formal and informal)

Category	National		Phumelela		Analysis	
	Census 2001	Census 2007	Census 2001	Census 2007	National	Phumelela
Flush toilet (connected to sewerage system)	49.1	55.1	29.4	44.8	6.0	15.4
Flush toilet (with septic tank)	2.8	2.8	2.0	1.1	0.0	-0.9
Dry toilet facility	0.0	4.1	0.0	0.2	4.1	0.2
Pit latrine with ventilation (VIP)	5.7	6.5	1.2	7.2	0.8	6.0
Pit latrine without ventilation	22.8	20.6	2.6	14.1	-2.2	11.5
Chemical toilet	1.9	0.4	18.3	0.2	-1.5	-18.1
Bucket toilet system	4.1	2.2	27.1	21.2	-1.9	-5.9
None	13.6	8.2	19.3	11.2	-5.4	-8.1

(Source: Community Survey, 2007)



The current situation in terms of sanitation services are as follow:

- All formal stands have adequate sanitation
- Bucket eradication
- Zamani have on-sit sanitation (1325 stands)
- The bulk infrastructure and treatment are receiving attention



2.3 Refuse Removal

During the Community Survey done in 2007, statistics in terms of refuse removal were as follow:

Figure / Table10: Statistical Comparison: Refuse Removal for all households

Category	National		Phumelela		Analysis	
Category	Census 2001	Census 2007	Census 2001	Census 2007	National	Phumelela
Removed by local authority at least once a week	55.4	60.1	60.9	70.9	4.7	10.0
Removed by local authority less often	1.5	1.7	1.5	0.0	0.2	-1.5
Communal refuse dump	1.7	2.1	0.2	0.0	0.4	-0.2
Own refuse dump	32.6	28.6	26.4	14.2	-4.0	-12.2
No rubbish disposal	8.7	7.1	10.9	14.9	-1.6	4.0
Other	0.0	0.3	0.0	0.0	0.3	0.0

(Source: Community Survey, 2007)

Presently, all the urban areas are serviced, with refuse removal on a weekly basis. However, the effective and co-ordinated functioning of this service will have to be addressed. The equipment used for removal (mostly a tractor and trailer) are old and in poor condition.

Each of the urban units has one waste disposal site. However, the capacity and condition of two of these sites will need to be improved as soon as possible. The Vrede site is located near the airstrip and is not fenced in, (because of theft). Furthermore the site has insufficient capacity for even short-term use. The site within Memel is situated close to the Pampoenspruit, which is a tributary to the Seekoeivlei wetland area. This site is also unfenced as a result of theft, and will have to be expanded or relocated for future demands. Warden's site was upgraded recently with the addition of an incinerator.

2.4 Streets and Stormwater

Overall, the roads within the jurisdiction area of the municipality are in a poor condition and in dire need of upgrading. Apart from the main provincial and regional roads, most of the rural access routes are gravelled and not being maintained properly. Within the urban areas, the main roads are old and deteriorating rapidly, whilst most of the distributor roads are gravelled.

The older roads within Vrede/ Thembalihle were tarred in 1992, although now deteriorating at a notable rate. The biggest threat to road maintenance in Vrede is the absence of proper bulk stormwater drainage systems. The roads within certain areas of Thembalihle are seen as of the worst in the region.

The situation in Memel/ Zamani is slightly different; although the roads are also in a fairly poor state, there is sufficient stormwater drainage. The main problem in this area is the dilapidated and unsurfaced state of access roads, especially in Zamani.

Where both Thembalihle and Zamani have a small portion of tarred ring roads, in Ezenzeleni only a small section of roads are paved.

There are two railway lines operating in the Phumelela vicinity. The one railway line runs from Gauteng, through Standerton, to Vrede. The second railway line connects Warden with Harrismith. No railway line operates near Memel. No air transport takes place within the Phumelela area. There are no airfields or airstrips recorded in Vrede, Memel or Warden.



2.5 Electricity

With the exception of Warden, Eskom distributes electricity throughout the region. Although the distribution of electricity is seen as an additional source of income to the council, the network within Warden is old and in desperate need of repair, the proper metering of this service will also need to be attended to.

Although most of the urban areas have individual connections to erven, there is a small cluster in each area without connections. Within Vrede/ Thembalihle about 100 erven are without electricity, 350 within Memel/ Zamani and approximately 300 erven in Warden/ Ezenzeleni. Within the rural areas only an estimated 20-30 % has electricity connections to their houses.

Figure / Table11: Statistical Comparison: Percentage distribution of households by main type of energy used for lighting

Category	National		Phumelela		Analysis	
Category	Census 2001	Census 2007	Census 2001	Census 2007	National	Phumelela
Electricity	69.7	80.0	64.6	78.1	10.3	13.5
Gas	0.2	0.2	0.1	0.0	0.0	-0.1
Paraffin	6.8	5.3	0.5	0.9	-1.5	0.4
Candles	22.7	13.8	34.0	20.6	-8.9	-13.4
Solar	0.2	0.2	0.3	0.5	0.0	0.2
Other	0.3	0.5	0.5	0.0	0.2	-0.5

(Source: Community Survey, 2007)

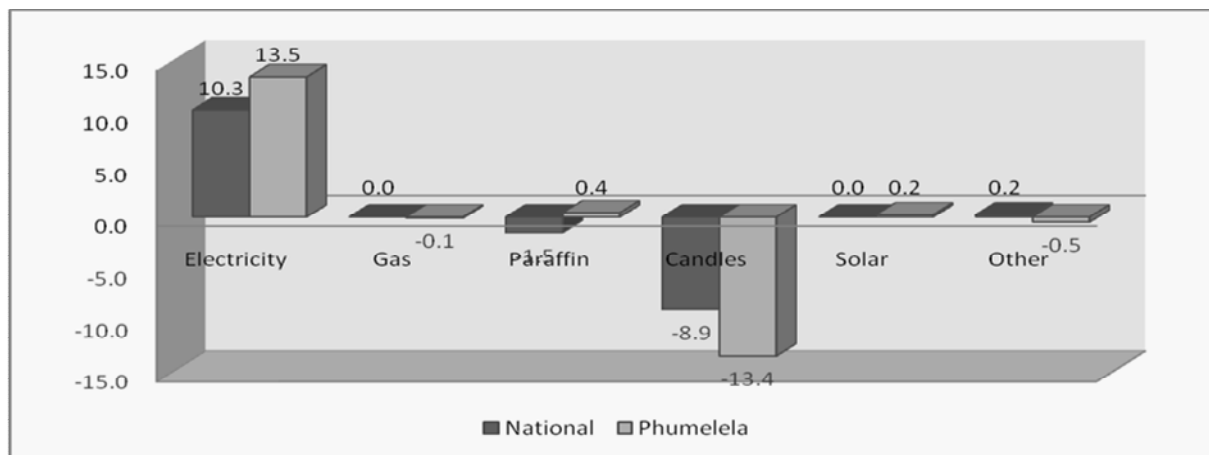


Figure / Table 12: Statistical Comparison: Percentage distribution of households by main type of energy used for cooking

Category	National		Phumelela		Analysis	
Category	Census 2001	Census 2007	Census 2001	Census 2007	National	Phumelela
Electricity	51.4	66.5	24.6	55.5	15.1	30.9
Gas	2.5	2.0	2.1	1.0	-0.5	-1.1
Paraffin	21.4	14.9	8.4	1.3	-6.5	-7.1
Wood	20.5	15.1	25.0	18.9	-5.4	-6.1
Coal	2.8	1.2	35.4	20.6	-1.6	-14.8
Animal dung	1.0	0.2	3.9	2.3	-0.8	-1.6
Solar	0.2	0.0	0.2	0.3	-0.2	0.1
Other	0.2	0.1	0.4	0.0	-0.1	-0.4

(Source: Community Survey, 2007)

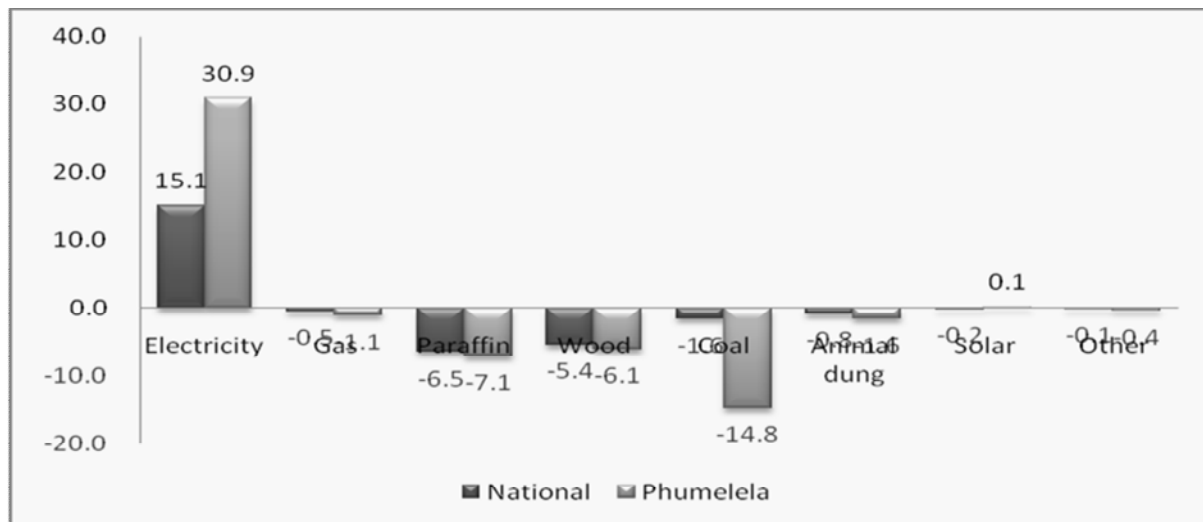
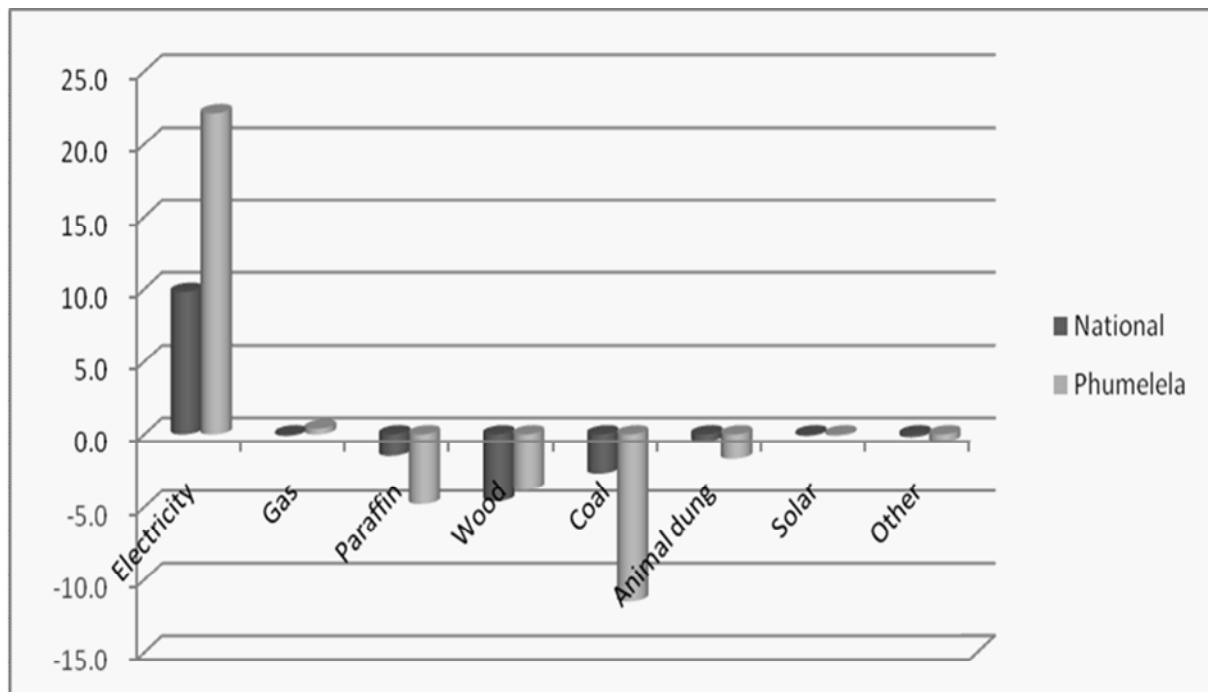


Figure / Table 13: Statistical Comparison: Percentage distribution of households by main type of energy used for heating

Category	National		Phumelela		Analysis	
Category	Census 2001	Census 2007	Census 2001	Census 2007	National	Phumelela
Electricity	49.0	58.8	23.3	45.4	9.8	22.1
Gas	1.1	1.0	0.8	1.2	-0.1	0.4
Paraffin	14.6	13.1	5.6	0.8	-1.5	-4.8
Wood	24.6	20.0	25.2	21.4	-4.6	-3.8
Coal	6.6	3.9	40.0	28.5	-2.7	-11.5
Animal dung	0.7	0.2	4.0	2.3	-0.5	-1.7
Solar	0.2	0.1	0.1	0.0	-0.1	-0.1
Other	3.1	2.9	0.9	0.4	-0.2	-0.5

(Source: Community Survey, 2007)



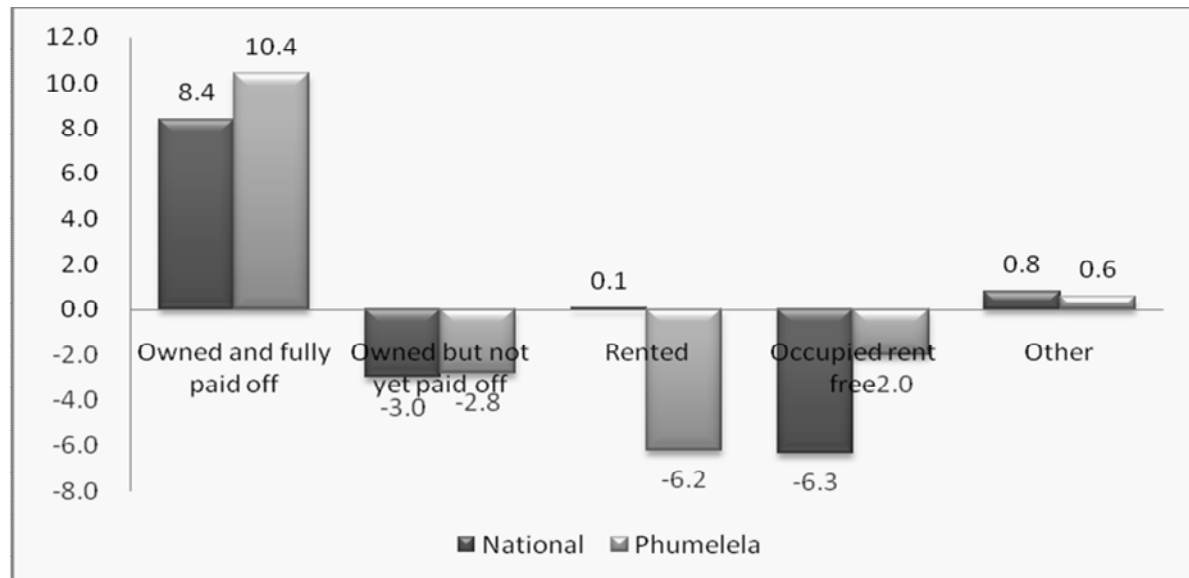
2.6 Housing

Since the provision of housing does not fall under the core competency of the local municipality, the main focus is on the promotion of housing developments through assisting in the provision of erven, submission of applications and the control of beneficiaries. For those functions, the council is mainly interested in the housing and erven backlog within each area, as briefly indicated below:

Table / Graph 14: Statistical Comparison: Profile of tenure status

Category Category	National		Phumelela		Analysis	
	Census 2001	Census 2007	Census 2001	Census 2007	National	Phumelela
Owned and fully paid off	41.3	49.7	38.8	49.2	8.4	10.4
Owned but not yet paid off	15.0	12.0	6.9	4.1	-3.0	-2.8
Rented	18.7	18.8	25.2	19.0	0.1	-6.2
Occupied rent free	25.0	18.7	29.1	27.1	-6.3	-2.0
Other	0.0	0.8	0.0	0.6	0.8	0.6

(Source: Community Survey, 2007)



2.7 Cemeteries

In general the combination of old cemeteries and the increase in the number of local deaths (caused by HIV/AIDS and burials from other areas with insufficient cemeteries) is increasing the pressure on the existing facilities. In Vrede the two cemeteries, currently in use, is completely full and not properly developed. A site of approximately 5 hectares has been provided in Extension 4 and the speedy development thereof should be sufficient for short-term future demand.

The cemeteries found in Zamani are completely occupied while the cemetery in Memel has sufficient space at the current rate of occupation. Within Ezenzeleni there are two cemeteries, of which one is already reached maximum capacity and the other is expected to be filled completely during the current financial year.

The cemetery in Warden has sufficient space available for future demand.



2.8 Community and Social Development

2.8.1 HEALTH

Emergency services associated with health care are given in the table below:

Table / Graph 15: Phumelela Health Services and Facilities

ITEM	Vrede	Memel	Warden	Rural Areas
Regional Hospital	Manapo Regional Hospital in Phuthaditjaba			
District Hospital	Vrede hospital which is equipped with 32 beds, theatre services, a mortuary (6 corpses) and laundry services.			

ITEM	Vrede	Memel	Warden	Rural Areas
Community Health Centre	None			
Fixed Clinics	12			
Mobile clinics	1 team; 20 routes 4 weekly	0	0	0
Vehicles	18 Government vehicles, 2 Subsidised vehicles (includes Harrismith)			
Emergency Medical Services	3	0	2	0
Radiographic Services	Make use of Harrismith Hospital – X-Ray machine and 1 radiographer			
Laboratory Services	Make use of SAIMR (Bethlehem)			
Rehabilitation Services	Services available in QwaQwa			
Drug Depot	None, make use of those in Bloemfontein			
Oral health services	1	0	0	0
Environmental Health Services	Sessions once a month in Warden.			
Nutrition Programmes	Only on District Level			
Pharmaceutical services	1	0	0	0
District Office Seat	QwaQwa			
District Health Services: Personnel	36			
Local Authority: Personnel	44			
Sessional Medical Officers	3	0	0	0
Community Medical Officers	None (Harrismith - 2)			

ITEM	Vrede	Memel	Warden	Rural Areas
Full time medical officer	None (Harrismith – 2)			
Administration and support centres	Yes	-	-	-
Health Forums	None			
Voluntary Care Groups	None			
Contract Services	Stationary Purchase of Equipment Service of Equipment Medical Supplies Transport			
Traditional Healer Structure	Yes – 3			

(Source: Department of Health, 2002; from the Phumelela Municipal IDP, 2006/07)



The main community needs are also summarized below:

Table / Graph 16: Health and welfare service

VREDE	WARDEN	MEMEL
<p>Sub-regional hospital, but it is under constant pressure due to a lack of resources.</p> <p>Ambulance service also serves a wide area within the region and the operating cost is escalating constantly.</p> <p>Three clinics within Thembalihle and one within Vrede.</p> <p>A notable and drastic increase in the number of TB patients as well as HIV/AIDS.</p> <p>Major transport through routes in the vicinity of Vrede is thought to contribute to this.</p>	<p>Small and insufficient clinic.</p> <p>Planning is underway to promote a new clinic for the area.</p> <p>Due to the vicinity of the N3, frequent motor accidents occur and any new health facility should include a 24-hour trauma unit.</p> <p>Nearest hospital is within Harrismith approximately 52 km away.</p> <p>Six traditional healers.</p>	<p>Three clinics serving rural areas as well.</p> <p>Shortage of personnel and medicine at clinics.</p> <p>Use ambulance services from Vrede.</p> <p>Increase in HIV/AIDS and TB.</p> <p>Malnutrition occurs, especially among young children.</p>

(Source: Phumelela IDP, 2005; from the 2006/07 Municipal IDP)

2.8.2 EDUCATION

Education is for the most part a crucial part of higher provincial structures and the role of the municipality is only seen as one of supporting SGBs, liaising with the Department of Education, assisting in the provision of land and facilities, and promoting regional policies aimed at maintaining a high quality of education of both the younger learners as well as adults and the labour market.

Vrede has a fairly low pass rate in secondary schools, and requires sufficient facilities. Memel has an alarmingly low pass rate and has very high illiteracy levels. There are also no tertiary facilities. Due to the agricultural characteristic of the area as well as the lack of education facilities in the rural areas, the development of a quality agricultural school for the region should be investigated.

The table below provides a summary of the main education indicators within the municipality.

Table / Graph 17: Education indicators

Level	Indicators	Vrede	Themba lihle	Memel	Zamani	Warden	Ezenzeleni
Pre	Crèches	1	5	1	1	1	4
PRIMARY	Schools	1	1	2	0	1	0
	Learners	1190	994	1017	NA	1147	NA
	Educators	35	29	37	NA	32	NA
	Learner/Educator ratio	34:1	34:1	28:1	NA	36:1	
SECONDARY	Schools	1 c/s	2	0	1	1 c/s	2
	Learners	428	1891	NA	903	229	1276
	Educators	15	63	NA	25	11	44
	Learner/Educator ratio	29:1	30:1	NA	36:1	21:1	29:1

(Source: Department of Education, 2004; from the 2006/07 Municipal IDP)

Apart from these urban schools there are 102 farm schools within the jurisdiction area of Phumelela with 3089 learners and 142 educators giving a learner/ educator ratio of 22:1. The Department of Education is also currently busy with the planning of an additional intermediate school in Ezenzeleni with 20 classrooms.



2.8.3 PUBLIC SAFETY AND SECURITY

As would be expected in smaller towns, the general crime rate is lower than other urban nodes in the province. However certain crimes are more prevalent and on the increase. Within urban areas these particularly include crime associated with alcohol abuse, such as vandalism, assault etc. Within the rural areas stock theft is constantly increasing and personal attacks on farms are also emerging.

Within particular areas such as Memel and Warden housebreaking is also increasing at an alarming rate. Within Warden an increase in rape cases and truck hi-jacking is also evident and these are directly associated with the high transport industry activities in the area.

The ability to combat crime is hampered through a lack of proper communication equipment on farms, a lack of information from community members and under resourced police stations. It is believed that a greater community involvement through existing structures should address most of these problems.

A law enforcement officer was appointed in 2009.

Table / Graph 18: Safety & Security

Unit	South African Police Service	Flying Squad	Neighbourhood Watch	Detective Unit
VREDE	Yes	No	Yes	Yes
THEMBALIHLE	Yes	No	No	Yes
MEMEL	Yes	No	No	Yes
ZAMANI	Yes	No	No	Yes
WARDEN	Yes	No	No	Yes
EZENZELENI	Yes	No	No	Yes

(Source: Phumelela Municipality, 2005; from the Municipal IDP, 2006/07)

2.8.4 SPORT AND RECREATION

The available sport and recreation facilities are indicated below:

Table / Graph 19: Sport facilities

Facilities	Vrede	Thembalihle	Memel	Zamani	Warden	Ezenzeleni
Sports Forum/Council	0	0	0	0	0	0
Multi function Stadiums	1	1	0	1	1	0
Soccer	0	2	0	2	0	1
Rugby	1	0	1	0	1	0
Golf	1	0	1	0	0	0
Athletics	1	0	1	1	1	0
Swimming pool	1	0	0	0	0	0
Cricket	1	0	0	0	0	0
Hockey	1	0	0	0	0	0
Tennis	1	1	1	1	1	1
Netball	1	0	0	0	0	0
Squash	1	0	0	0	1	0
Bowls	1	0	0	0	1	0
Badminton	0	0	1	0	0	0
Boxing	0	0	0	0	0	0
Karate	0	0	0	0	0	0
Basketball	0	0	0	1	0	0
Horse riding	1	0	0	0	0	0

(Source: Phumelela Municipality, 2005; from the Municipal IDP, 2006/07)

2.8.5 ENVIRONMENTAL MANAGEMENT

Cutting across the various development issues to be addressed by the municipality during the implementation of the IDP, is the physical and environment assets of the area. All the strategies and projects should take into consideration the existing environmental problems and threats as well as the environmental opportunities and strengths which require protection and controlled management.

Topography and drainage

The terrain morphology indicates that the most eastern part of Phumelela, including Memel and a stretch of ground towards the northwest, consists of low mountains. The Warden and Vrede areas are strongly undulating irregular land. The whole Phumelela local municipality grounds falls in the Vaal River catchment's drainage region.

Climate and geology

Phumelela falls in the 650mm–800mm mean annual rainfall region. Temperatures are extreme, and the area experiences hot mid-summer conditions and very cold winters.

The whole Phumelela district is Adelaide geological formation. Except for a very narrow piece of land to the far north east of Phumelela, bordering on the Mpumalanga Province, that is Ecca geological formation.

(Source: Phumelela Municipality, Municipal IDP, 2006/07)



2.9 Local Economic Development

2.9.1 AGRICULTURE DEVELOPMENT

Phumelela are a predominantly red meat producing area. Very little value adding to the primary products are taking place and this is causing an outflow of income from the area. This in turn affects the feasibility of the entire agricultural industry. Agricultural activities are more concentrated around the Vrede and Memel areas. The Table below summarizes the long-term production figures for crops.

Table / Graph 20: Crop Production (2004)

CROP	FIGURES TON	FIGURES CONTRIBUTION (%)
Maize	67 743	77.18
Wheat	3 226	3.68
Sorghum	16 129	18.37
Potatoes	0	0.00
Sunflowers	680	0.77
TOTAL	87 778	100.00

(Source: Glen Agricultural Centre. Unpublished Figures, 2005) (From the Municipal IDP, 2006/07)

As indicated in the Table below, live stock in the Vrede District consists of dairy cattle (approximately 12,100 head), beef cattle (approximately 47,876 head) and meat and wool producing sheep totalling approximately 104,010.

Table / Graph 21: Long Term Live Stock Production Figures in the Vrede District

LIVE STOCK	TOTAL NUMBER	Milk (l)	Meat (kg)	Wool (kg)
Dairy Cattle	12,100	84,700	484,000	-
Beef Cattle	47,876	-	3,830,080	-
Mutton Sheep	125	-	2,750	-
Mutton/Wool Sheep	103,985	-	2,183,685	2,079,700
TOTAL		84,700	6,500,515	2,079,700

(Source: Glen Agricultural Centre. Unpublished Figures, 2005) (From the Municipal IDP, 2006/07)

From the above figures it is evident that the entire district is mainly a sheep-producing region although cattle contributes the largest share of meat produced.



2.9.2 TOURISM DEVELOPMENT

The table below provides a brief overview of tourist attractions and facilities within the various towns.

Table / Graph 22: Tourist attractions and facilities

ATTRACTION/ FACILITIES	VREDE	MEMEL	WARDEN
Festivals	Red meat festival	None	None
Memorials / Historical / Cultural sites	Bohlokwa tribe Dutch Reform Sandstone church	Sadiba Hiking Trail	Dutch Reform Sandstone church
Game farms	Dipka Moreson	Vere en snawels (Farm ewewyd)	None
Attractions	Twin dams Rose Farm Hiking Trials Semi-gem stones (Middelpoort farm)	Seekoeivlei wetlands	“Murasie”
No of guesthouses & Hotels	9	7	2
Tourism Forum	Yes	Yes	Yes

(Source: Phumelela Municipality, 2005; from the 2006/07 Municipal IDP)

The northern boundary of the Eastern Free State forms part of the Highlands tourism route, due to its natural and scenic beauty, historical value and fairly good accessibility. The area has a tremendous potential for tourism development. The Seekoeivlei wetlands bird sanctuary forms part of the tourist attractions. A conservation area is planned between the two dams of Vrede.



2.9.3 LIGHT INDUSTRIES AND SKILLS DEVELOPMENT

No major industrial developments are taking place in Phumelela. The promotion of agri-processing plants and other value adding industries should be encouraged in order to diversify the economy of the area. Warden is thought to be an ideal area to stimulate most of these investments, because of its warehousing facilities and larger and better-managed truck stops.

One of Memel's largest industrial assets is the knitting factory situated to the north of Memel. Other industrial activities include a woodwork factory, transporters and steel works; all of which is aimed at satisfying local market needs.

Currently there are no facilities available for the development and training of skills. The promotion of skills development programmes locally are a crucial part of industrial and general employment stimulation. The utilization of existing facilities (e.g. land, buildings, and railways) for industrial promotion purposes is important.

Table / Graph 23: Industrial Businesses and Sites

Vrede/ Thembalihle	Memel/ Zamani	Warden/ Ezenzeleni
Number of sites available for industrial development		
12	4	0
Specific industries available		
Fertilizer Factory	Wool factory	Poison warehouse
Mills	Mills	Mills
Tannery	Mohair Factory	
	Brickmaking	

(Source: Phumelela Municipality, 2005; from the 2006/07 Municipal IDP)



Chapter 3

Human Resources and other Organisational Management



3.1 Organisational Structure and Staff Establishment (Administrative)

There are a total of 230 approved posts on the staff establishment of the Municipality:

Number of Posts	230
Total Filled	121
Total Vacant	18

Figure / Table 30: Employment Equity, per occupational category

Permanent Employees	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	8			2	6				17
Professionals	6			1	5				12
Technicians and associated professionals	1			3					4
Clerks	11				10			2	23
Plant and machine operators and assemblers	63				3				66
Elementary occupations	80				27				107
TOTAL	160			4	47			2	229
Non-permanent employees	9			2	4			1	16

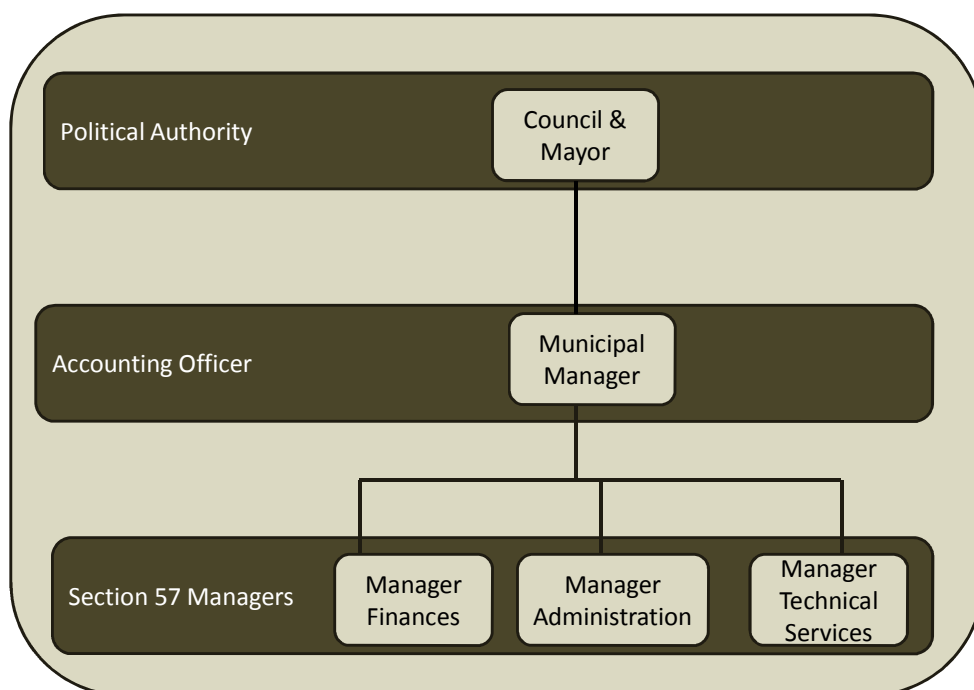
MUNICIPAL TOTAL

(Institutional Employment Equity Report to the Department of Labour, January 2011)



3.2 Top-level Organogram of the Phumelela Local Municipality

Figure / Table 31: Top-level organogram



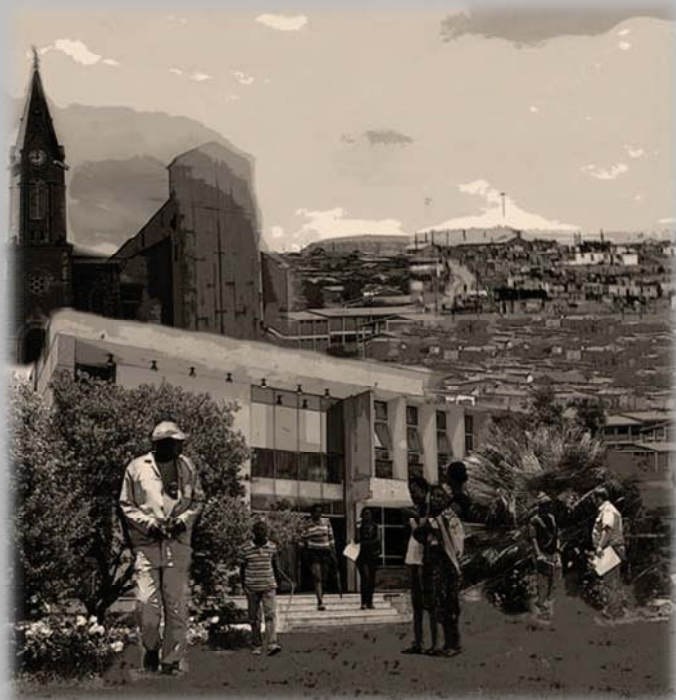
3.3 Performance Management System (PMS)

The Performance Management System was implemented after the approval and adoption of the Policy.

Job Descriptions and Performance plans as well as all relevant forms are developed, completed, approved and signed in line with the Performance Management System.

Chapter 4

Audited Statements and Related Financial Information



4. Audited Statements and Related Financial Information

4.1 Financial Statements for the year ended 30 June 2010

Phumelela Local Municipality

Financial Statements for the year ended

30 June 2010

I am responsible for the preparation of these annual financial statements, which are set out on page 4 to 51, in terms of Section 126(1) of the Municipal Finance Management Act (Act No.56 of 2003) and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 19 of the annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Municipal
Manager
Me M.J.
Mthembu

Date

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**Phumelela Local
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**General
Information**

Country of incorporation and domicile	South Africa
Nature of operations and principal activities	Providing municipal services and maintain the best interests of the local community mainly in the Tswelopele area.
Legal form	An organ of state within the local sphere of government exercising legislative and executive authority.
Jurisdiction of entity	Area FS195, as a local municipality, as demarcated by the Demarcation Board and indicated in the demarcation map published for FS195.
Grading of the Municipality	Low Capacity
Mayor/Speaker	Mr TJ Motaung
Councillors and their portfolios	Councillors of the Council: MM Kolatsoeu MI Kobeni OS Tshabalala BD Madonsela JM Mofokeng MD Nkabinde SE Tshabalala TR Zwane JH van Niekerk AC Scholtz JM Ngwenya-Sithebe DA Wessels OA Mokoena

**Phumelela Local
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**GENERAL INFORMATION
(continued)**

Registered address	Civic Centre cnr. Prinsloo and Kuhn streets Vrede 9835
Postal address	Private Bag X5 Vrede 9835
Bankers	ABSA Bank
Auditors	The Auditor-General: Free State
Municipal Manager	Me M.J. Mthembu
Chief Financial Officer	Vacant
Relevant Legislation	The Constitution of the Republic of South Africa. The Municipal Structures Act, No.117 of 1998 The Municipal Systems Act, No. 32 of 2000 The Municipal Finance Management Act, No. 56 of 2003 The Municipal Property Rates Act, No. 6 of 2004 The Basic Conditions of the Employment Act 75 of 1997 The VAT Act 89 of 1991 The Skills Development Act 9 of 1999 The Water Services Act 108 of 1997

**Phumelela Local Municipality
Report of the Auditor-General
for the year ended 30 June 2010**

The Auditor-General will issue his report upon finalisation of the audit.