

CHAPTER 1

INTRODUCTION AND OVERVIEW

1.1 EXECUTIVE MAYOR'S FOREWORD

The purpose of this report is to appraise communities on the progress in so far as our service delivery mandate is concerned.

We must admit that whilst each assignment has its own challenges, our transformation trajectory was not without impediments.

Faced with the daunting task of changing the lives of our people for the better, we placed communities at the apex and centre of our mandate. It this mandate that was designed by communities which mandate was ultimately entrusted upon us for implementation. This is premised on our conviction that the people shall govern.

The past year has been fraught with difficulties and victories. Through our monitoring and evaluation systems ours is to ensure that we put mechanisms in place in order to improve our performance. Our plan is to ensure that our budget is an effective tool to drive the agenda of a developmental state pillared upon its key priorities and guided by its strategic objectives.

Our vision as a developmental municipality that continuously improves the quality of life of its residents will not be realized without the centrality of our people in reconstruction and development. It is therefore imperative that our plans, strategies, objectives, Integrated Development Plan and budget are optionally exploited in order to create jobs, build a strong economy that is responsive to the needs of the country, eradicate poverty and reduce unemployment by 2014.

In attaining these we have developed and designed a turnaround strategy as a weapon to improve on our efficiency, effectiveness and ability to meet the millennium goals.

Ours is to ensure that our central and core legislative mandate changes the face of Emfuleni for the better. On the occasion of the 2010 Soccer World Cup, we are blessed by the presence of the Switzerland and Ivory Coast national soccer teams on the Emfuleni soil.

This is an opportunity to prove to the world that we can do it, as we have so done. We wish them a comfortable stay and let us join them in enjoying the serenity of the Vaal River.

“You Belong –We Care”

Cllr SA Mshudulu
Executive Mayor
29th January 2010

1.2 OVERVIEW OF THE MUNICIPALITY

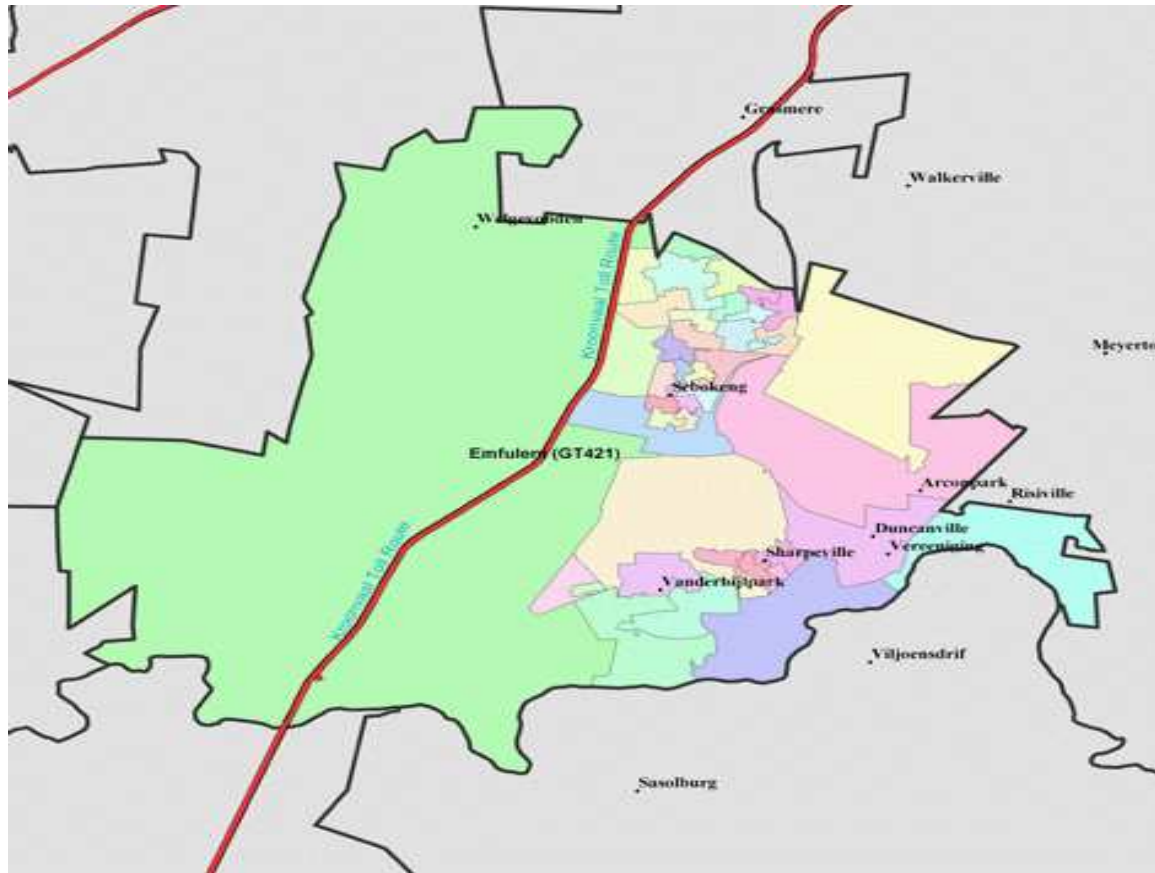
1.2.1 GEOGRAPHIC PROFILE

1.2.1.1 Area Location

Emfuleni Local Municipality is one of three local municipalities that constitute the Sedibeng District Municipality. The municipality is situated at the Western-most part of the District, which covers the entire southern area of the Gauteng province extending along a 120 kilometres axis from east to west. It covers an area of 987.45 km². The Vaal River forms the southern boundary of the Emfuleni Local Municipality and its strategic location affords it many opportunities for tourism and other forms of economic development. Emfuleni shares boundaries with Metsimaholo Local Municipality and Fezile Dabi District Municipality in the Free State to the south, Midvaal Local Municipality to the east, the City of Johannesburg metropolitan area to the north and Westonaria and Potchefstroom (in North West Province) Local Municipalities to the west.

The municipality is strategically located with access to a well-maintained road network - N1 national route linking Johannesburg and Bloemfontein, which traverses Emfuleni. Emfuleni Local Municipality has two main city/town centres, namely Vereeniging and Vanderbijlpark within the area and Sasolburg is only 10 kilometres to the south, across the provincial boundary. It forms the “heartland” of what was formerly known as the Vaal Triangle, renowned for its contribution to the iron and steel industry in South Africa. Emfuleni also contains approximately six large peri-urban townships of Evaton, Sebokeng, Sharpeville, Boipatong, Bophelong and Tshepiso. The latter six areas lack facilities associated with towns of their size however there have been a number of Shopping malls developed in the past few years. The other approximately ten small settlements tend to be suburban settlements within six kilometres of the above towns; they are Bonanne, Steel Park, Duncanville, Unitas Park, Arcon Park, Sonlandpark, Waldrift, Rust-ter-Vaal, Roshnee and Debonairpark.

Map 1: Area Location



Demarcation Board: 2001

The municipal area also comprises of a number of large residential areas, all of which require considerable investment in infrastructure and environment upgrading. The Emfuleni Local Municipality is rich in history as it encapsulates the Anglo Boer War, heritage assets such as the Sharpeville Monument and the liberation struggle epitomized by the signing of the Constitution of the Republic in 1996 in Sharpeville. Emfuleni's settlement patterns are largely dictated by the history of the area. The evidence of San rock engravings near the Vaal River verifies that the San people originally inhabited Emfuleni.

1.2.2 DEMOGRAPHIC PROFILE

1.2.2.1 Population Composition

The racial composition of Emfuleni population is indicated in the table below and geographically most of the African population is concentrated in areas such as Sebokeng, Evaton, Sharpeville, Boipatong and Bophelong. This illustrates the entrenched racial divisions within the municipality. These tend also to reflect the socio-economic geography of the municipality and the pattern of access to services.

Table 1: Population Size

Year	Population	Source
2001	658 422	Stats SA (2001)
2007	650 867	Community Survey 2007

Community Survey: 2007

The Community Survey reveal that ELM population size has slightly decrease from 658 422 in 2001 to 650 867 in 2007.

The Community Survey results do not talk to the age break down as it was the case with Census 2001.

Table 2: Demographic Composition

	African	Coloured	Indian/Asian	White	TOTAL
Male	271 011	3 416	3 010	45 254	322 691
Female	282 296	3 595	2 881	46 959	335 731
TOTAL	553 307	7 011	5 891	92 213	658 422

Source: Stats SA, 2001

NB. The recently released Community Survey results did not cover the demographic composition of the area. In this instance one had to rely on the 2001 Census results for planning purposes.

1.2.3 SOCIO-ECONOMIC AND DEVELOPMENT PROFILE

1.2.3.1 Local Economic Development

LED aims at creating favourable locational factors, that is, reducing the cost of doing business within a locality. This includes the provision of infrastructure, training of workers, business mindedness and the efficiency of local administration

It aims at promoting business. These can be existing business, start-ups or external business coming into the area. It is also about promoting and supporting spin-offs and sub-contracting, attracting investment and considering franchising as a source of new local business

It aims at making better use of locally available resources and skills and maximizing available opportunities

It aims at promoting local ownership, community involvement, leadership and joint-decision making.

Beyond this and in accordance with this policy thrust Emfuleni should actively provide support to local enterprises by linking them up with the relevant provincial and national agencies in the state tasked with this responsibility in the different economic sectors

1.2.3.2 Industrial Activities

Emfuleni has a wide range of industrial activities. The industrial activities are recorded in the next table with their share in the manufacturing sector's GGP contribution.

Industrial activities, Emfuleni

Sector	% share in Manufacturing's GDP contribution	2000-2006 growth rate
Food, beverages and tobacco	2.4%	0.1%
Textiles, clothing and leather goods	0.6%	-0.1%
Wood and paper; publishing and printing		-0.8%
Petroleum products, chemicals, rubber and plastic	8.0%	3.1%
Other non-metallic mineral products	3.2%	3.0%
Metal, metal products and machinery	75.0%	1.2%
Electrical machinery and apparatus	2.4%	0.4%
Radio, TV, instruments and clocks		0.8%
Transport equipment	2.5%	3.6%
Furniture and other manufacturing	3.2%	0.1%
Manufacturing sector (R'm)	5 386.4	1.3%

Source: Urban-Eco calculations based on Quantec data, 2006

The table above illustrate that the economy in Emfuleni is highly dependant on manufacturing.

1.2.3.3 Economic Performance

GDP and Growth Rates

Area	2006 (constant 2000 prices)		Growth Rate (%)	
	Rand Value (R'm)	% contribution	1995-2000	2000-2006
Emfuleni Local Municipality	12 784	77.0%	0.4%	1.8%

Source: Urban-Eco calculations based on Quantec data, 2006

Economic Growth of the municipality had been at a lower pace as compared to the targets set by the Gauteng Growth and Development Strategy for the district.

Projected GDP and Growth Rates

Area	2006 (constant 2000 prices)		Growth Rate (%)	
	Rand Value (R'm) 2011	Rand Value (R'm) 2016	2006-2011	2011-2016
Emfuleni Local Municipality	12 784	77.0%	1.1%	1.1%

Source: Urban-Eco calculations based on Quantec data, 2006

It is important to note that economic trends presented above do not accommodate any unpredictable scenarios. It is based on historical realistic economic trends of the municipality. The economy of Emfuleni is predicted by Urban-Econ to be stagnant for the next ten years and more.

1.3 EXECUTIVE SUMMARY

1.3.1 VISION

“A developmental Municipality that continuously improves the quality of life of its residents.”

1.3.2 MISSION

Emfuleni Local Municipality will accelerate Service Delivery and Socio Economic Development by:

- *Continuous Improvement of Quality and Quantity of Service Delivery*
- *Deepening Democracy and Strengthening Public Participation*
- *Achieve Sustainable Financial and Economic Viability*
- *Improving Institutional Capacity and Performance*
- *Capable of Achieving Efficiency and Effectiveness*
- *Create a Safe and Healthy Environment*
- *Live and Practice Batho Pele Principles*
- *Create a Conducive Environment for Local Economic Development*

1.3.3 VALUES

Respect:	Seeking and unleashing potential in all our employees and treating our customers as king
Responsiveness:	To meet and exceed delivery service standards in all aspects of our business
Honesty and Integrity:	To be honest, trustworthy, open and accountable for our actions and the resources entrusted to us
Disciplined and Responsible:	Uphold and respect the primacy of the individual, group and society in their quest to seek decent living standards
Accountability and Transparency:	At all times being vigilant as custodians of the public purse in the prudent dispel of our duties

1.3.4 STRATEGIC OBJECTIVES

- Provide Basic Services
- Achieve Sustainable Financial Viability
- Ensure Good Governance and Institutional Capacity
- Deepening Democracy
- Create the Culture of Effective Communication
- Ensure Social and Economic Development
- Promote a Safe, Secure, and Healthy Environment
- Promote Optimal Spatial Development.

1.3.5 THE MOTTO

“You **BELONG** We **CARE**”

1.3.6 FINANCIAL HEALTH

The Municipality managed its finances in terms of its approved budget. An adjustment budget was passed in January 2009 to cater for adjustments to income actually received.

The financial performance for the year can be summarized:

	Budget R'000	Actual R'000	% Achieved
Revenue	2 297 318	2 275 178	99%
Expenditure	2 297 318	2 536 549	110%
Capital Expenditure	383 895	336 605	88%

Accounts payable at year end totaled R 389 253 696 and the average payment period was 87 days. This is of priority to reduce the turnaround time and eventually achieve a situation where all suppliers and service providers are paid within 30 days.

Accounts receivable at year end totaled R 133 262 382. During the 2008/9 year incentives and resolutions were approved by Council so as to clean-up the debtors book and prevent interest being charged that will in all probability not be recoverable.

During the 08/09 financial year the Council paid all its debts as and when they fall due. The year closed with the Council having operational cash resources totaling R 246 016 556.