



• Tel: (011) 456 8579 • Fax: (011) 456 8757

**Provincial Report 2009/2010: Eastern Cape**



## **Background**

The provincial reports have been compiled in response to requests from stakeholders, in particular provincial committees, for provincial profiles, updates and summaries of WSPs. The analysis and information provided excludes utilities and traditional authorities.

Information is sourced from the WSPs and ATRs submitted on 30 June 2009, and from the Gaffney's Local Government Yearbook. Information on the actual levy income received and disbursed is drawn from the LGSETA finance system. Projected expenditure on training drawn from the WSP must be viewed as being unreliable. WSPs financial components are generally poorly compiled and inconsistent.

## **Profile**

Geographically, the Eastern Cape covers the 2<sup>nd</sup> largest land area in South Africa and is home to 13.5% of the population. The province is the 4<sup>th</sup> largest contributor to the national Gross Domestic Product at 7.8% of the total. Despite this contribution to GDP, average household incomes remain low at R76 651 per annum ( 8<sup>th</sup> place provincially). The Eastern Cape has the highest unemployment rate in the country at 28.4% ( using official definition – 2009). The province has the lowest proportion of adults ( 20 years+ ) with Grade 12 (16%) , demonstrating a relatively low qualification profile.

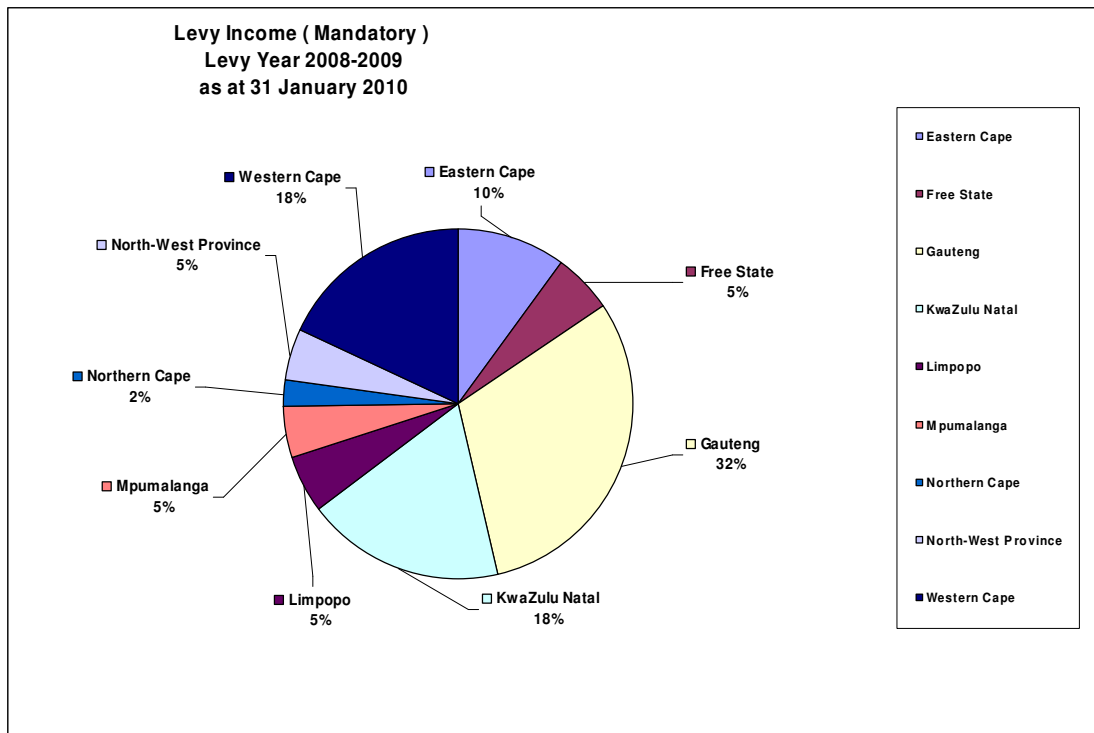
The relatively high levels of poverty lead to increased dependency on local government to provide free basic services as an essential part of the social wage. However, the provision of basic services in the province is lagging. In 2008 the province had the lowest number of people living in formal dwellings ( 54%), 57% of households were receiving free basic water, 51% free basic sanitation, 34% free electricity, and 35% free solid waste removal ( Gaffney's).

The province has the second highest number of local authorities, namely: 1 metro ( Nelson Mandela ), 38 local municipalities and 6 district municipalities. Buffalo City is scheduled to become a metro shortly. There are approximately 27 000 municipal employees in the province.

## **Financial Profile :**

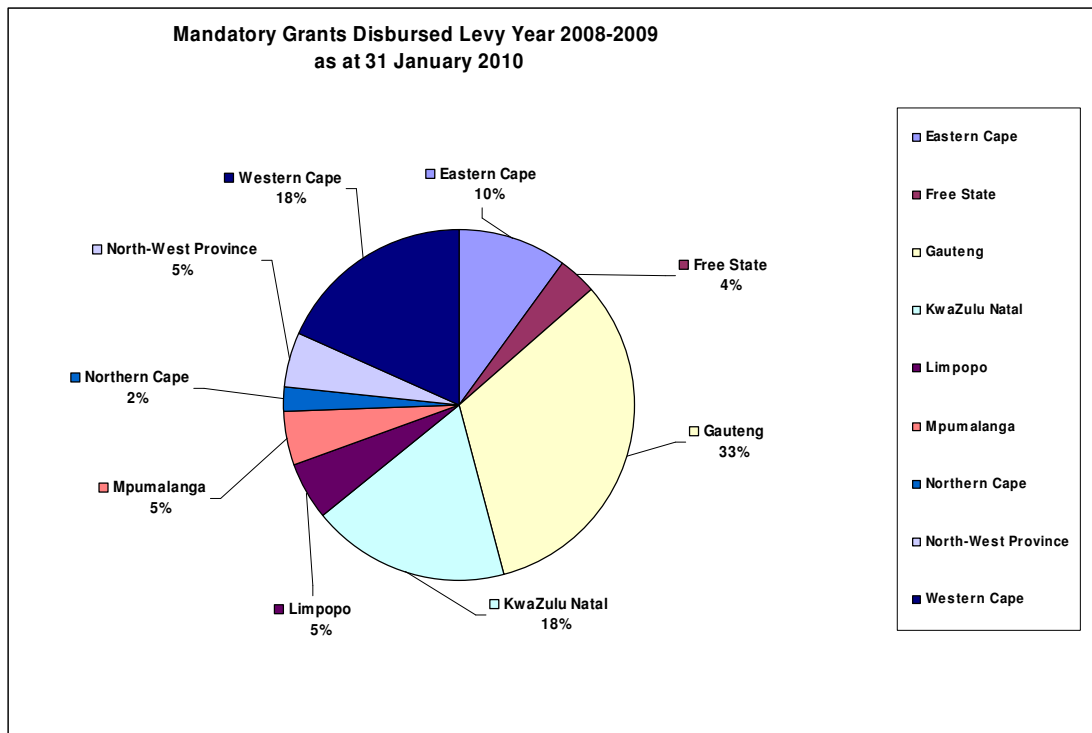
The Eastern Cape is the 4th largest provincial levy contributor to the LGSETA.

Table 1:



During the 2008/ 2009 levy year R 13,706,00 was received as mandatory grant levy income. With the exception of Port St John’s all municipalities are compliant with respect to their levy payments. To date the LGSETA has not received proof of levy payments from Port St John’s municipality, nor are they reflected on the LGSETA levy database. Despite not paying levy Port St John’s submits their WSP annually however, they do not receive any mandatory grant payments.

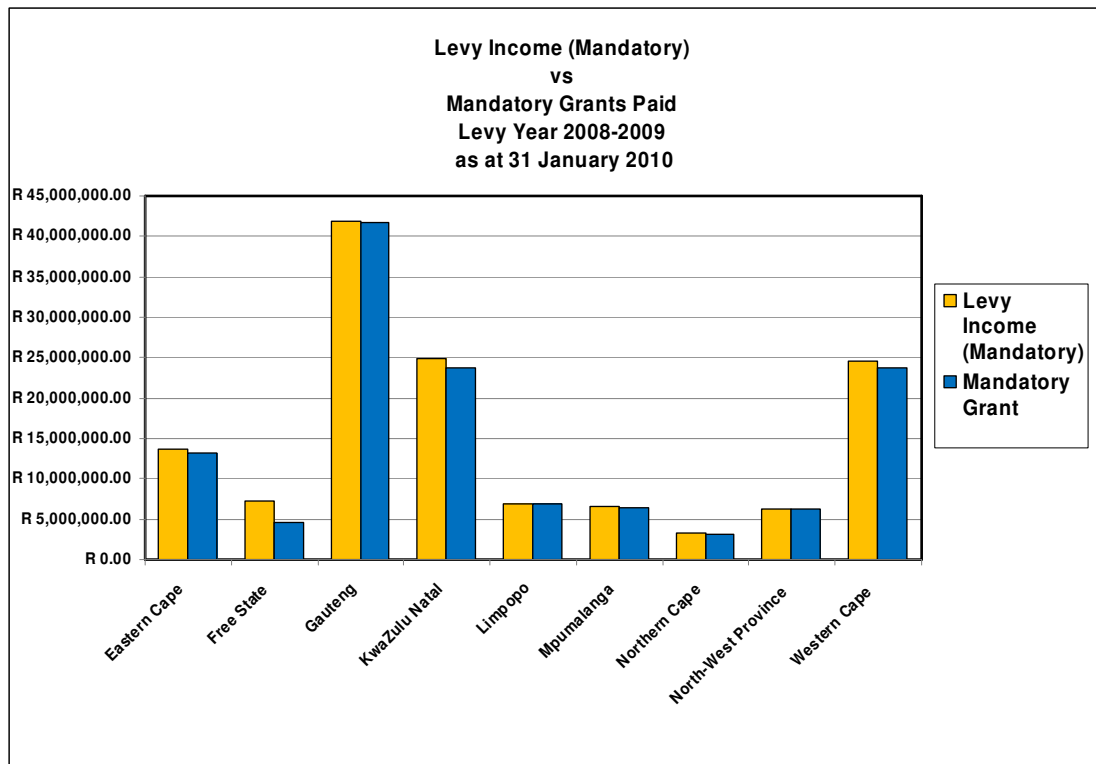
Table 2:



During the 2008/9 levy year R 13,131,409 was disbursed as mandatory grant to municipalities in the Province, being 10% of the LGSETAs total mandatory grant disbursement.

The figure below illustrates the mandatory grant income vs the mandatory grant disbursement for 2008/2009 levy year.

Table 3:



**Workplace Skills Plan submissions and compliance:**

As can be seen from the table below 43 out of 45 local authorities submitted Workplace Skills Plans (WSPs) and annual training reports by the 30 June 2009 deadline. This is a 96% submission rate. 44 out of 45 municipalities are paying skills development levy. It is clear, however, that training committees / LLF structures are not fully functional in the province, resulting in a relatively high proportion of unsigned WSPs being submitted or WSPs being submitted without adequate consultation.

Table 4:

Name of Municipality	Municipal Type	Size (DTI)	No.Of Employees	Levy Compliance	Training Committees/ Skills development committee	HRD Policies	Signed WSP	WSP/ATR Submission2009-2010
<b>EASTERN CAPE</b>								
<b>Cacadu District</b>	C	L	257	√	√	√	√	√
Camdeboo Local	B	L	307	√	√	Draft	√	√
Blue Crane Route Local	B	L	311	√	No	√	√	√
Ikwezi Local	B	M	68	√	√	√	No	√
Baviaans Local	B			√	Late	Late	Late	Late
Kouga Local	B	L	894	√	√	√	√	√
Kou-Kama Local	B	L	541	√	√	√	No	√
Ndlambe Local	B	L	445	√	√	√	√	√
Sundays River Valley Local	B	L	268	√	No	Not yet approved	√	√
<b>Amatole District</b>	C	L	1082	√	√	√	√	√
Mbashe Local	B	M	115	√	No	√	No	√
Mnquma Local	B	L	477	√	√	√	√	√
Great Kei Local	B	M	128	√	√	√	√	√
Amahlati Local	B	L	223	√	√	No	No	√
Buffalo City Local	B	L	5420	√	√	√	√	√
Ngqushwa Local	B	M	111	√	Not completed	√	No	√
Nkonkobe Local	B	L	292	√	√	√	√	√
Nxuba Local	B	M	146	√	√	√	No	√
<b>Chris Hani District</b>	C	L	409	√	√	No	√	√
Inxuba Yethemba Local	B	L	406	√	√	√	√	√
Tsolwana Local	B	M	76	√	√	Being developed	No	√
Inkwanca Local	B	M	135	?	No	No	√	√
Lukanji Local	B	L	525	√	√	√	√	√
Intsika Yethu Local	B	L	174	√	√	No	No	√
Emalahleni Local	B	M	145	√	No	√	√	√
Engcobo Local	B	L	176	√	No	√	No	√
Sakhisizwe Local	B	L	160	√	√	√	√	√
<b>Ukhahlamba District</b>	C	L	287	√	No	√	√	√
Elundini Local	B	L	238	√	√	√	No	√
Senqu Local	B	L	256	√	√	√	√	√
Maletswai Local	B	L	305	√	√	√	No	√
Gariep Local	B	L	239	√	√	√	√	√
<b>OR Tambo District</b>	C	L	850	√	√	√	√	√
Mbizana Local	B	M	107	√	√	√	√	√
Ntabankulu Local	B	M	109	√	Not completed	√	√	√
Inguza Hill Local	B	L	314	√	√	No	√	√

Name of Municipality	Municipal Type	Size (DTI)	No.Of Employees	Levy Compliance	Training Committees/ Skills development committee	HRD Policies	Signed WSP	WSP/ATR Submission2009-2010
Port St Johns Local	B	L	200	?	√	√	√	√
Nyandeni Local	B	L	222	√	√	√	√	√
Mhlonto Local	B	M	119	√	√	No	√	√
King Sabata Dalindyebo Local	B	L	1121	√	√	No	√	√
<b>Alfred Nzo District</b>	C	L	288	√	√	√	√	√
Umzimvubu Local	B	L	202	√	√	√	√	√
Nelson Mandela Metro	A	L	6580	√	√	No	√	√
Makana Local	B			√	Late	Late	Late	Late
Matatiele Local	B	L	846	√	√	√	√	√

A substantial number of municipalities do not have human resource development policies or their policies are in draft form. A lack of human resource policies inhibits effective skills planning and the proper utilisation of skills development funding.

**Proposed training by strategic focus area (municipal employees):**

The distribution of training by strategic focus area ( table 5 on pages 6 & 7 ) reflects significant weaknesses in the planning of training within municipalities in the province.

Table 4 above illustrates that training committees and consultative structures within the Provinces are not fully functional, yet training planned ( Table 5) for workplace training systems ( which includes SDFs, training committees, moderators, assessors etc) records the lowest number of proposed training interventions. Infrastructure and service delivery ( a government priority area) has the second lowest number of proposed training interventions, followed by ABET.

Non- priority training interventions at 8 938 (more than half of all training interventions) shows a lack of alignment between training and skills development, and between municipal key performance areas. KPAs where municipalities perform poorly are not being addressed by appropriate training interventions. This would indicate that the effectiveness of training and skills development within the municipalities of the Eastern Cape is limited.

Amahlathi, Ngqushwa and Engcobo failed to complete any detailed skills planning in their WSPs, and Baviaans and Makana submitted late.

Name of Municipality	Infrastructure and Service Delivery	Financial & Administrative Viability	Community based participation & municipal planning	Management & Leadership	Abet	Workplace training systems	Non priority training
<b>EASTERN CAPE</b>							
<b>Cacadu District</b>	0	111	60	200	0	5	479
Camdeboo Local	0	0	0	0	0	1	0
Blue Crane Route Local	50	22	24	20	43	0	179
Ikwezi Local	0	3	0	0	0	0	5
Baviaans Local	Late	Late	Late	Late	Late	Late	Late
Kouga Local	0	21	48	60	80	0	230
Kou-Kama Local	0	0	0	0	0	0	10
Ndlambe Local	42	11	21	11	50	0	97
Sundays River Valley Local	0	43	0	20	15	2	113
<b>Amatole District</b>	0	64	56	46	141	5	684
Mbashe Local	5	30	12	11	15	12	43
Mnquma Local	0	43	250	30	20	0	442
Great Kei Local	22	28	41	10	20	0	136
Amahlati Local	Not completed						
Buffalo City Local	104	145	236	143	5	50	1048
Ngqushwa Local	Not completed						
Nkonkobe Local	0	62	0	41	30	0	345
Nxuba Local	0	0	0	0	40	0	0
<b>Chris Hani District</b>	51	16	4	11	56	0	138
Inxuba Yethemba Local	0	10	6	9	0	0	130
Tsolwana Local	5	20	28	38	0	0	25
Inkwanca Local	8	0	2	0	40	0	50
Lukanji Local	0	4	14	30	0	0	14
Intsika Yethu Local	22	22	46	30	40	0	252
Emalahleni Local	57	10	4	7	30	3	89
Engcobo Local	Not completed						
Sakhisizwe Local	0	2	0	0	0	0	11



Name of Municipality	Infrastructure and Service Delivery	Financial & Administrative Viability	Community based participation & municipal planning	Management & Leadership	Abet	Workplace training systems	Non priority training
<b>Ukhahlamba District</b>	36	34	30	33	20	10	177
Elundini Local	6	65	25	11	15	0	176
Senqu Local	5	104	69	19	30	0	207
Maletswai Local	21	20	26	0	0	0	36
Gariep Local	72	36	10	6	0	0	47
<b>OR Tambo District</b>	130	10	15	107	0	0	381
Mbizana Local	2	2	0	5	0	0	23
Ntabankulu Local	0	23	0	19	0	0	228
Ingquza Hill Local	5	8	4	315	35	34	242
Port St Johns Local	0	75	0	91	0	0	324
Nyandeni Local	0	161	11	0	40	0	192
Mhlonto Local	1	103	5	63	0	0	272
King Sebata Dalindyebo Local	22	55	175	72	35	2	383
<b>Alfred Nzo District</b>	184	17	5	9	62	0	144
Umzimvubu Local	0	18	37	21	2	0	52
Nelson Mandela Metro	0	446	0	1095	0	0	1431
Makana Local	Late	Late	Late	Late	Late	Late	Late
Matatiele Local	20	53	6	60	30	0	103