



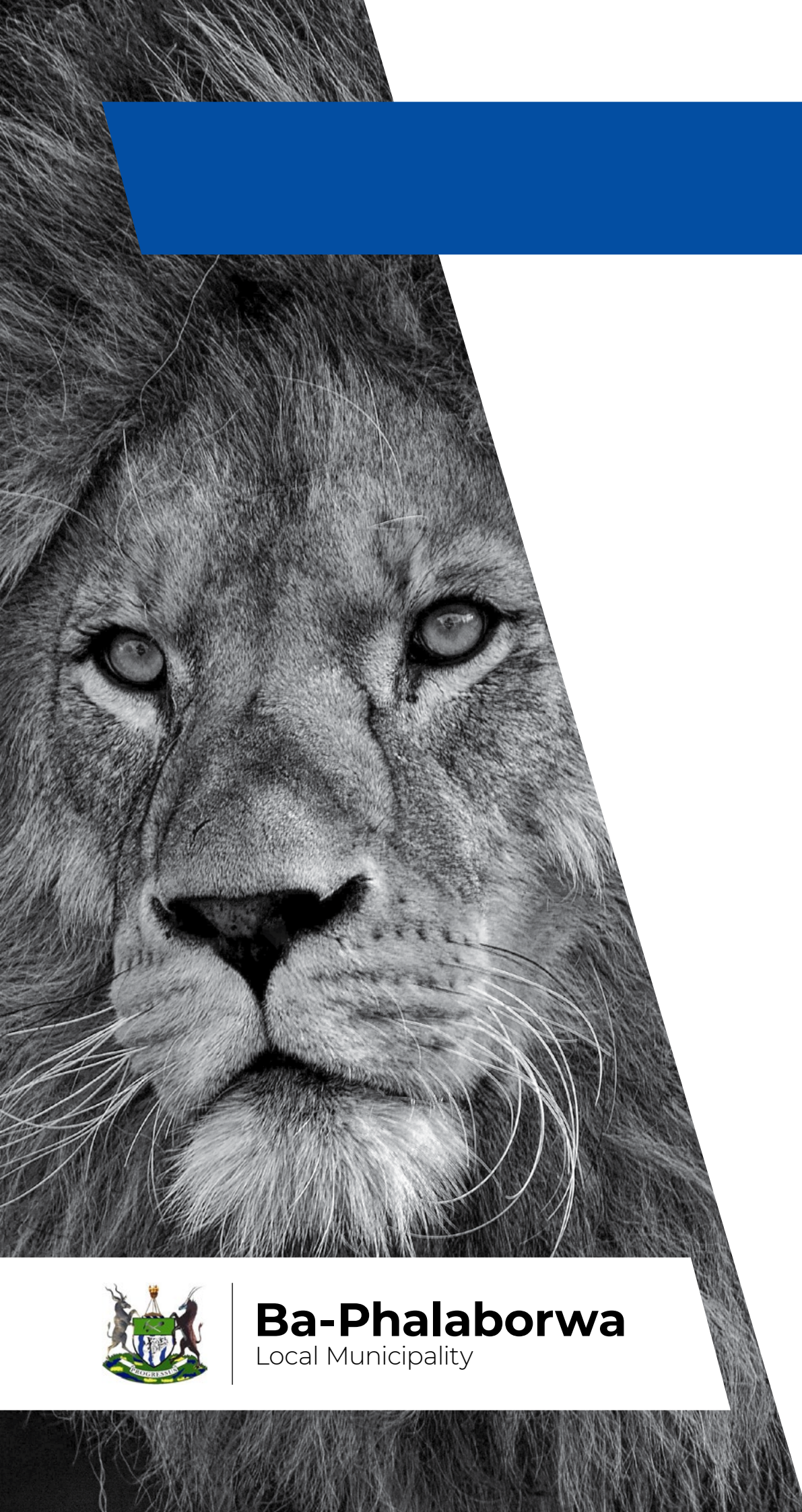
The EU-LA Mining Programme
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Enhancing Local Authorities
Capacity for Development

EU-LA Mining Programme



Ba-Phalaborwa
Local Municipality



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Local Municipality

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MUNICIPAL PORTFOLIO

In South Africa mining companies are mandated through legislation to contribute to the Integrated Development Plans (IDP) of the municipalities in which they operate. Mining towns are faced with declining economies and various socio-economic ills, whilst mining companies continue to make profits. Distressed mining towns give an indication that the engagement nexus between mining companies and Local Authorities (LA) is not effective enough to promote socio-economic upliftment in these localities.

It is against this backdrop that the Centre for Local Capacity Development (CLCB) together with its partners, VNG International and Ba - Phalaborwa Local Municipality have been awarded the opportunity and funding through the European Union to contribute to the long term objective of increasing economic development and growth in the selected mining towns by providing institutional (LA) and official (IDP, LED and Spatial Planning) capacity support; for effective engagement with mining companies operating within the respective jurisdictions.

This portfolio document serves the purpose of introducing you to the **Ba-Phalaborwa Local Municipality** (EU-LA Mining Programme participant).

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1. EXECUTIVE SUMMARY

VISION:

“Provision of quality services for community well-being and tourism development.”

MISSION:

“To provide quality infrastructure and affordable services, promote sustainable economic growth, financial viability, sound administration and, accountable governance.”

Ba-Phalaborwa Municipality is situated in the north-eastern part of South Africa in the Limpopo Province. It is one of five local municipalities in the Mopani District where unemployment and poverty are rife. The Municipality has a geographical area of 7461.6 km². The land size of the municipality has doubled from 3001 Km² with the inclusion of the Kruger National Park in the 2011 demarcation. The Municipality serves as a convenient gateway to the Kruger National Park and the Transfrontier Park through to the Mozambique coast.

2. INTRODUCTION

The name “Ba-Phalaborwa” was given by the Sotho tribe, which means better than the south. Originally established as a mining town, it is home to an enormous open-pit mine, which is Africa’s widest man-made hole at almost 2,000 meters wide. Ba-Phalaborwa Municipality is a predominantly rural medium capacity local municipality and consists of villages and towns (namely: Gravelotte, Namakgale, Lulekani and Phalaborwa). The area has vast tourism and manufacturing investment opportunities.



3. MUNICIPAL PORTFOLIO

MUNICIPAL BACKGROUND

Municipal Demarcation Board code:
LIM334

Description:

It is the largest of five municipalities in the district, making up over a third of its geographical area. It is 220km from Polokwane (previously Pietersburg) and Mbombela (previously Nelspruit), and serves as a central gateway to the Greater Limpopo Transfrontier Park through the Giriyondo Border.

Area:

7 489km²

Cities/Towns:

Phalaborwa, Gravelotte and Leydsdorp

Main Economic Sectors:

Mining, agriculture, manufacturing and tourism

The organogram provides for a staff compliment of 684 with 430 of the positions filled, 254 positions vacant and 38 councillors.

There are five traditional authorities within the Ba-Phalaborwa Local Municipality.

Ba-Phalaborwa has the highest concentration of minerals in the Mopani District therefore mining is the largest economic sector and is also the largest employer.

CURRENT MUNICIPAL STATUS

Ba-Phalaborwa Local Municipality represents an excellent model of population densification, with 94% of the municipal population staying in or around the 15km radius of the Ba-Phalaborwa urban complex. Ba-Phalaborwa

town accounts for 20% of the population, 31% is made up of rural population, and 6% of the population of the Gravelotte, Grietjie and Selwane areas.

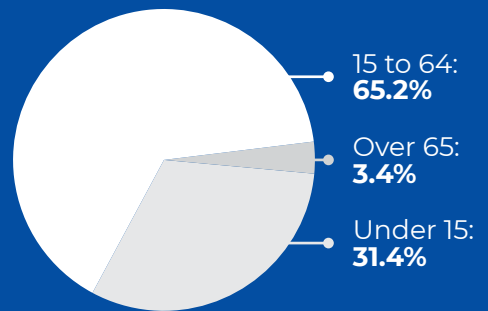
STATISTICS



POPULATION

A community survey conducted by Statistics South Africa in 2016 indicates:

Population: 168 937
Households: 49 100
Age Structure:



NATURAL ENVIRONMENT

The analysis provided below is contained in the environmental analysis of the municipality's spatial development framework (SDF).

1. Geology & Geo-Hazards, in the Ba-Phalaborwa Municipality are predominantly underlain by the gneisses of the Goudplaats gneiss and granites of the Lekkersmaak Granites. The combined quartzite, dioritic, sedimentary and pyroxenitic intrusions are known as the Phalaborwa Complex.

2. The landscape is of a sandy nature and can be prone to soil erosion. Collapsible and clayey soil are found in certain parts of the district, which requires special foundation preparation/measures for infrastructure development.

3. Minerals and Mining: the larger Mopani region is predominantly agricultural based but mining forms an important driver of the economy within the region.

4. Global warming and climate change, has played a role in creating a sub-tropical climate in Ba-Phalaborwa, which today is known as the "Town of Two Summers". Ba-Phalaborwa is situated at 405 metres above sea level. Temperatures range between 23°C and 35 °C and higher with an average annual rainfall of 550 mm. This climate requires that proper attention be paid to land development planning in terms of orientation as well as the use of appropriate construction materials.

VEGETATION / AGRICULTURAL ACTIVITY

A wide variety of agricultural products are currently grown in the area. Fruit and vegetables are mostly destined for fresh consumption by the local and export markets.

Approximately 31 declared weed or invader species have been recorded in the municipal area, the majority are either category 1 or category 3 species. These species are

predominantly associated with gardens and/or sites which have undergone transformation in land use. Currently there is no municipal policy on alien eradication in place. Alien eradication is conducted by the mines, private game reserves and South African National Parks (SANParks). No alien eradication awareness programmes have been instituted by the municipality.

BUSINESS ACTIVITIES WITHIN THE MUNICIPALITY

The Ba-Phalaborwa Local Municipality's Local Economic Development strategy identifies the following key economic sectors: mining, agriculture; farming and private companies as the main economic drivers in the municipal district.

Value adding industries includes: manufacturing (fruit juices), drying of fruit

and vegetables, manufacturing of archaar (salad made from mango fruit).

Mining: Ba-Phalaborwa has the highest concentration of minerals in the Mopani District, hence mining is the largest economic sector in the municipality and is also the largest employer.



4. MINING HOUSES



TYPES OF MINING WITHIN THE MUNICIPALITY

Phalaborwa Mining Company:

Copper Mining: together with by-products, which include magnetite, nickel sulphate, anode slimes, sulphuric acid and vermiculite. A major exporting country of the Ba-Phalaborwa copper is Switzerland.

Foskor:

It is the world's largest producer of phosphate and phosphoric acid. Foskor produces phosphate rock, copper concentrate,

magnetite and fused zirconia's through a smelting furnace process. The Foskor group has two mining operations, namely; a phosphate rock mine and beneficiation plant situated in Ba-Phalaborwa and a phosphoric acid plant situated in Richards Bay. The major exporting countries for Foskor are India, Japan and Brazil.

Stibium Mopani Mine:

Stibnite ore mining.

STRENGTH AND WEAKNESS ANALYSIS

Strengths:

Annual Marula festival, political stability, good stakeholder relations and sustainable provision of services.

Weakness:

Ageing basic services infrastructure, low revenue collection and a lack of LED Strategy.



5. ALTERNATIVE ECONOMIES

The Ba-Phalaborwa Local Authority has identified tourism, manufacturing and agro-

processing as alternative economies.

6. PARTNERSHIPS AND INVESTMENT

Ba-Phalaborwa Local Municipality currently does not have a Partnership Policy - no investment portfolios and partnerships.

FUTURE PARTNERSHIPS:

Ba-Phalaborwa Local Municipality is currently in talks with the Office of the Premier to finalise a partnership with the Government of Mozambique (District of Massingir), for the establishment of trade and investment, tourism and manufacturing industries.

POTENTIAL FUTURE PARTNERSHIPS:

Manufacturing industry:

Minerals beneficiation (steel plant), agro-processing plant (marula, moringa, mopani worms, citrus fruits drying).

Tourism:

Tourism establishment possibilities (resort, casino, tour operations, Marula Cultural Festival).



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