

# ANNUAL PERFORMANCE REPORT

2004 / 2005

MUNICIPAL YEAR



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## **CHAPTER 1: INTRODUCTION AND OVERVIEW**

### **1.1. FOREWORD**

#### **1.1.1. Review by the Mayor**

The next municipal elections, scheduled to take place between December 2005 and March 2006, will mark the end of the first term of office of the first ever uMhlathuze City Council.

For the past five years this Council, with the support and assistance of the City officials, has been dedicated to extending our municipal services and infrastructure into our rural areas and planning ahead for future development. The five year term has afforded us the opportunity to not only get a clear understanding of this complex business, but to also see many of our projects through to their finalisation.

uMhlathuze Municipality has a record budget of R1-billion for 2004/2005. Sound financial management has always been a cornerstone of our success and that we can maintain this, while simultaneously achieving an annual growth rate of 12% year on year, is an achievement of which we are immensely proud.

Importantly our budget is multi-faceted and focuses on projects to uplift our rural areas as well as projects to maintain our urban infrastructure. This Council has invested R5-million during this financial year towards crime prevention, job creation, Eskom supply, road infrastructure and a resource centre.

I am pleased to report that after years of negotiation with national and provincial government construction has finally started on the John Ross Highway. This Council has funded R30-million towards the upgrade to prevent the tolling of this vital road – a move that we believe would have impacted negatively on our residents and our local economy as well as impeded our City's growth.

Due to environmental sensitivities we have not yet realised any of our three major investment projects, but we are confident that these will be on track by the end of 2005. In the meanwhile several new investors have shown strong interest in establishing industries in our City and we hope that these come to fruition.

Such large-scale investment is needed to broaden our tax base to keep the City's coffers sustainable in the long term, as well as provide downstream opportunities for small and medium enterprises that will create much-needed employment.

Regarding environmental matters, our goal to achieve the ISO 14001 quality standard is on track. Importantly we are in the process of aligning several of our initiatives such as the Land Use Management System (LUMS) and the biodiversity study so our policies and programmes can enhance each other.

Housing remains a priority and the Municipality has completed a Housing Needs Assessment. Tied to this we have several exciting projects including the Richards Bay Golf Course Estate, a town house complex on a portion of the Empangeni Golf Course and the Tennis Club. However, the largest need is for low to middle income housing and we have uMhlathuze Village Phase 4 and a greenfields project in Ngwelezane on the cards.

Our staff is our most valued asset and once again our Chief Executive, Dr Tonie Heyneke, his Heads of Department and municipal officials, have shown the utmost dedication and commitment to this organisation and the communities we serve.

The composition of the Council will undoubtedly change after the elections and I would like to thank my fellow councilors for their constructive debate and responsible decision-making over the past five years. To those that will continue with their political career my wish is that they continue to build upon the solid foundation we have laid.

I would like to acknowledge the close working relationship with Dr Syd Kelly and his team at the Richards Bay Industrial Development Zone Company that has been instrumental in our efforts to attract new investment. Likewise we value the amicable way in which the captains of industry work with our Municipality for the benefit of our broader community.

Lastly, I extend my sincere gratitude and thanks to those peers who have generously offered their support and advice for the greater good of the City and the Council.

Alderman Denny Moffatt

### **1.1.2. Message from the Chief Executive Officer (Municipal Manager)**

With the Local Government elections becoming a reality in the next six months, the first five years of fully democratically elected local government is coming to a close. The constitutional imperatives placing new responsibilities on local authorities receive priority and constant attention from the uMhlathuze Municipality.

Both the organisational structure as well as the political structure of the organisation were established soon after the elections of December 2000 and have run smoother than most other municipalities in the country. The level of cooperation, shared values and singularity of purpose can be rated as extremely high. The extension of hard services like water and sanitation as well as electricity certainly received the kind of attention that is required from local government where such services are severely lacking in many areas. At the same time support services like human resources, corporate services and finances were given constant attention to ensure the highest level of efficiency for this Municipality. The result is that uMhlathuze Municipality is presently regarded as one of the leading municipalities in South Africa with an extremely healthy financial position being achieved.

The Council has become aware of the demand of our communities to become more socio economic orientated. On the one hand emphasis was placed on the development of the economy to ensure continued creation of job opportunities in the area and in this regard a high level of success was achieved. On the other hand the Council instituted the most basic of free municipal services to assist the poor. Infrastructure in those areas, where it did not exist before, provides communities with access to the economy where previously such opportunities did not exist.

It is, however, acknowledged that substantial work is required to continue the trend to look at the poverty existing in many communities in our area. The extension of free basic services, the provision of further infrastructure and a greater amount of sensitivity for the needs of disadvantaged communities is called for. Although not a Constitutional mandate of municipalities, issues like the development of the youth, gender issues, HIV/AIDS, crime prevention, the development of arts and culture and social housing

will require a greater amount of attention. As the City develops economically it is hoped that the resources will be unlocked which will enable this Municipality to increase its commitments in these areas.

The content of this report is a good indication of the efforts of the uMhlathuze Municipality to attend to all issues in a holistic fashion within the resources at its disposal.

DR A W HEYNEKE  
CEO/CITY MANAGER

## 1.2. OVERVIEW OF THE MUNICIPALITY

### 1.2.1 Municipal Profile

The City of uMhlathuze was formed by amalgamating the Richards Bay and Empangeni municipalities, including Esikhawini, Ngwelezane, Nseleni, Vulindlela and the surrounding rural areas, giving home to some 350,000 people. Being combined into one Municipality and catering for a much larger region, there are obvious historic imbalances that require redressing.

#### Key statistics on the uMhlathuze municipal area

##### Municipal Land area

Area	Km <sup>2</sup>	%	Area	Km <sup>2</sup>	%
<i>Richards Bay</i>	<i>289,9966</i>	<i>36,5</i>	<i>Nseleni</i>	<i>1,3325</i>	<i>0,2</i>
<i>Empangeni</i>	<i>28,9386</i>	<i>3,6</i>	<i>Felixton</i>	<i>2,7835</i>	<i>0,3</i>
<i>Esikhawini</i>	<i>6,2304</i>	<i>0,8</i>	<i>Vulindlela</i>	<i>0,8464</i>	<i>0,1</i>
<i>Ngwelezane</i>	<i>3,7001</i>	<i>0,5</i>			
<i>5 Tribal Authority areas, 21 rural settlements and 61 farms</i>				<i>462,1426</i>	<i>58,0</i>
<i>Total municipal land area:</i>				<i>795,9707</i>	<i>100,0</i>

##### Population groups

	<i>Richards Bay</i>	<i>Empangeni</i>	<i>Esikhawini</i>	<i>Nseleni</i>	<i>Other areas</i>	<i>Total</i>
<i>Black African</i>	<i>17204</i>	<i>11583</i>	<i>62916</i>	<i>12475</i>	<i>152066</i>	<i>256244</i>
<i>Coloured</i>	<i>1811</i>	<i>409</i>	<i>62</i>	<i>25</i>	<i>259</i>	<i>2566</i>
<i>Indian / Asian</i>	<i>9081</i>	<i>919</i>	<i>16</i>	<i>0</i>	<i>62</i>	<i>10078</i>
<i>White</i>	<i>18944</i>	<i>8376</i>	<i>6</i>	<i>0</i>	<i>125</i>	<i>27451</i>

The population distribution of the municipal area is a reflection of the national population distribution in South Africa.

## Population density

<i>Suburb / area</i>	<i>Persons per km<sup>2</sup></i>
<i>Felixton, farmland and forestry areas</i>	<i>2 - 525</i>
<i>Empangeni, Richards Bay (excluding Aquadene and Brackenham)</i>	<i>526 - 1192</i>
<i>Vulindlela, Brackenham and Aquadene</i>	<i>1193 - 2084</i>
<i>Ngwelezane</i>	<i>2085 - 3989</i>
<i>Nseleni urban, Nseleni rural and Esikhawini urban</i>	<i>3899 - 6421</i>
<i>Total average for entire municipal area</i>	<i>372</i>

## Population growth

	<i>1996</i>	<i>2003</i>	<i>2008</i>	<i>2013</i>	<i>2018</i>	<i>2023</i>
<i>Population growth rate</i>		<i>2,14%</i>	<i>1,44%</i>	<i>0,96%</i>	<i>0,58%</i>	<i>0,08%</i>
<i>Municipal population</i>	<i>196183</i>	<i>296339</i>	<i>318299</i>	<i>332617</i>	<i>346271</i>	<i>347658</i>

Based on the severe impact of HIV/AIDS, a steady decline in the average annual compound population growth rate is expected over the next 20 years.

## Dominant home language

<i>Home language</i>	<i>% of population</i>	<i>Home language</i>	<i>% of population</i>
<i>iSizulu</i>	<i>85%</i>	<i>Afrikaans</i>	<i>5,4%</i>
<i>English</i>	<i>8,4%</i>	<i>Other</i>	<i>1,3%</i>

## Population distribution by age and gender

<i>Age</i>	<i>Female</i>	<i>Male</i>	<i>Population (N)</i>	<i>Population (%)</i>
<i>0 – 4 years</i>	<i>16002</i>	<i>16002</i>	<i>32004</i>	<i>10,8</i>
<i>5 – 14 years</i>	<i>33190</i>	<i>32597</i>	<i>65787</i>	<i>22,2</i>
<i>15 – 34 years</i>	<i>62824</i>	<i>57786</i>	<i>120610</i>	<i>40,7</i>
<i>35 – 64 years</i>	<i>35560</i>	<i>34079</i>	<i>69639</i>	<i>23,5</i>
<i>Over 65 years</i>	<i>5334</i>	<i>2963</i>	<i>8297</i>	<i>2,8</i>
<i>Total (N)</i>	<i>152910</i>	<i>143427</i>	<i>296337</i>	
<i>Total (%)</i>	<i>51,6%</i>	<i>48,4%</i>		

The population is also relatively young, with 33% being under the age of 15 years. The young population is indicative of future population growth and a high demand on social services. 64% of the population is between 15 years and 65 years of age – approximately 65% of the total population has to provide for the remaining 35%.

The population distribution by gender is fairly equal, although there are slightly more females than males. This could be attributed to migrant workers, who leave their wives and families behind in townships while they work at mines or farms outside the municipal area.

POPULATION OF THE CITY OF UMHLATHUZE (2003)

<i>Area</i>	<i>Suburb</i>	<i>Population (N)</i>	<i>Households (N)</i>
Richards Bay Sub-total		47400	12200
	<i>Meerensee</i>	7255	2973
	<i>Mzingazi Village</i>	3580	668
	<i>Brackenhams and Aquadene</i>	9726	2469
	<i>Arboretum, Veldenvlei, Wildenweide and Birdswood</i>	22384	5337
	<i>Mandlazini</i>	4455	753
<i>Empangeni</i>		21408	5605
<i>Felixton</i>		1200	210
<i>Ngwelezane urban</i>		18000	unknown
<i>Esikhawini urban</i>		63000	5605
<i>Nseleni urban</i>		12500	1728
<i>Vulindlela</i>		5500	
<i>Total urban areas</i>		169008	
<i>Esikhawini rural nodes</i>		36497	9047
<i>Nseleni rural node</i>		18786	6065
<i>Ngwelezane rural nodes</i>		15895	3452
<i>Port Durnford</i>		3520	608
<i>Balance of rural and tribal areas</i>		51849	unknown
<i>Scattered farmland</i>		784	unknown
<i>Total rural areas, tribal areas and farmland</i>		127331*	unknown
<i>Total City of uMhlathuze</i>		296339	estimated 70031
<i>Total number of registered voters in municipal area</i>		119931	
<i>Total District Council</i>		924921	
<i>Total Province of KwaZulu-Natal</i>		9833767	

*Census 2001 estimates the rural population at 127331. Based on voting statistics this figure should be closer to 170 000 persons.*

More than 40% of the residents in the municipal area reside in the non-urban (rural and tribal authority) areas outside Empangeni and Richards Bay, and is indicative of a densely populated rural area. More people reside in Richards Bay than Empangeni, although Richards Bay is a younger town, indicating that this town grew at a faster rate than Empangeni.

### Level of education

<i>Highest Level of Education attained by over 20 year olds</i>	<i>Persons</i>	<i>%</i>
<i>No Schooling</i>	<i>30966</i>	<i>18,5</i>
<i>Some Schooling</i>	<i>22697</i>	<i>13,5</i>
<i>Complete primary</i>	<i>8171</i>	<i>4,9</i>
<i>Some Secondary</i>	<i>45147</i>	<i>26,9</i>
<i>Grade 12 / Standard 10</i>	<i>42261</i>	<i>25,2</i>
<i>Higher / Tertiary education</i>	<i>18208</i>	<i>10,9</i>
<i>Total (N)</i>	<i>167720</i>	

Close to 18% of the population over 20 years old has no form of formal education, which would make it difficult for these people to find employment in the secondary and tertiary sectors of the economy. Only 11% of over 20 year olds has a tertiary education and 25% has completed secondary school, indicating that education levels in the area are quite low

### Type of dwelling

<i>Type of dwelling</i>	<i>% of total households</i>
<i>Formal</i>	<i>77</i>
<i>Informal</i>	<i>8</i>
<i>Zulu traditional</i>	<i>15</i>

### Household size

<i>Suburb / area</i>	<i>Persons / household</i>
<i>Farmland</i>	<i>0,86 – 2,28</i>
<i>Felixton, Empangeni, Meerensee, Birdswood, Veldenvlei, and Vulindlela</i>	<i>2,29 – 3,71</i>
<i>Arboretum, Brackenham, Aquadene, Wildenweide, and Ngwelezane</i>	<i>3,72 – 4,79</i>
<i>Mzingazi Village, Mandlazini, Nseleni urban and Esikhawini urban</i>	<i>4,80 – 5,98</i>
<i>Nseleni rural, Esikhawini rural and tribal areas</i>	<i>5,99 – 7,47</i>

### LABOUR MARKET STATUS (2001)

	<i>Richards Bay</i>	<i>Empangeni</i>	<i>Esikhawini</i>	<i>Other areas</i>	<i>Total</i>
<i>Economically active</i>					
<i>Employed</i>	<i>18666</i>	<i>9252</i>	<i>11082</i>	<i>28391</i>	<i>67391</i>
<i>Unemployed</i>	<i>3711</i>	<i>1218</i>	<i>6894</i>	<i>34242</i>	<i>46065</i>
<i>Unemployment rate</i>	<i>17%</i>	<i>12%</i>	<i>38%</i>	<i>55%</i>	<i>41%</i>
<i>Total Labour Force</i>	<i>22377</i>	<i>10470</i>	<i>17976</i>	<i>62633</i>	<i>113456</i>
<i>Not economically active*</i>	<i>9666</i>	<i>4587</i>	<i>10359</i>	<i>48251</i>	<i>72863</i>
<i>Total Labour Market</i>	<i>32043</i>	<i>15057</i>	<i>28335</i>	<i>110884</i>	<i>186319</i>

\* Includes students, homemakers, the disabled, those too ill to work and anyone not seeking work.



Unemployment levels in the area are high in comparison to world standards. However, the unemployment levels relate to employment in the formal sector and does not reflect the true situation. For instance, economic activity in tribal areas such as production for own use, arts and crafts, and informal sales are generally disregarded and creates the impression that tribal folk are without a source of income and the means to survive from day to day. This is not the case as the quality of life experienced in tribal areas are preferred by many people provided that the amenities associated with urban areas such as water, electricity, schools and clinics, are available. There are still very few economic opportunities and formal employment in the former township areas.

## FORMAL EMPLOYMENT BY ECONOMIC ACTIVITY (2001)

<i>Economic Activity</i>	<i>% of formal employment</i>	<i>Economic Activity</i>	<i>% of formal employment</i>
Manufacturing	24	Construction	8
Community Services	16	Transport	7
Trade	13	Households	6
Finance	10	Mining	5
Agriculture	9	Other	2

## ECONOMIC PERFORMANCE

The local economy does not exist in isolation but forms an integral part of the international and national economies. The presence of a number of huge exporting and importing industries, notably Billiton's aluminium smelters, Richards Bay Minerals, Mondi Kraft, Foskor, Bell Equipment, Ticom, Richards Bay Coal Terminal, agricultural activity (sugar cane and timber) and the port of Richards Bay, means that the welfare of the region is influenced by international and national market movements.

88,6% of economic activity is vested in Richards Bay, Empangeni and Felixton.

The area is 3<sup>rd</sup> most important in the province of KwaZulu Natal in terms of economic production, contributes 7,6% of the total Gross Geographic Product and 5,5 % of total formal employment.

The provincial economy makes up 15% of the national economy.

GGP per capita in 2001 was R24 618. GGP per capita in urban areas forms 98,7% of the overall GGP for the area.

Between 1986 and 1995 the average annual economic growth rate for the Uthungulu region was 3,77% and was substantially higher than the province at 1,45% per annum and the national rate of 1,19% per annum.

In 2002, the growth rate was 3,0%.

## Business

The population is served by 5 business districts with 20 shopping centres and a combined total of 195 227m<sup>2</sup> commercial floor space.

There are 4 847 businesses in the municipal area.

The area has 8 post offices, 27 bank branches, 35 government organisations and offices, 5 cinemas, 11 hotels and 64 registered bed and breakfast establishments / guesthouses.

Industrial floor space totals 476 131m<sup>2</sup>.

## Industrial output

<i>Industry</i>	<i>Products</i>	<i>Annual output (tonnes)</i>
<i>Bayside Aluminium</i>	<i>Primary Aluminium</i>	<i>180 000</i>
<i>Hillside Aluminium</i>	<i>Primary Aluminium</i>	<i>534 205</i>
<i>Mondi Kraft</i>	<i>Eucalyptus pulp and whitetop kraftliner</i>	<i>575 000</i>
<i>RBCT</i>	<i>Coal</i>	<i>68 310 000</i>
<i>Foskor</i>	<i>Phosphoric acid based products</i>	<i>3 000 000</i>
<i>Felixton Sugar Mill</i>	<i>Crushed sugar cane</i>	<i>2 175 081</i>
<i>Ticor</i>	<i>Titanium slag</i>	<i>250 000</i>

## Sectoral Contribution to GGP in 2002

<i>Economic Activity</i>	<i>% contribution GGP</i>	<i>Economic Activity</i>	<i>% contribution GGP</i>
<i>Manufacturing</i>	<i>55</i>	<i>Construction</i>	<i>3</i>
<i>Community Services</i>	<i>10</i>	<i>Transport</i>	<i>9</i>
<i>Trade</i>	<i>9</i>	<i>Households</i>	<i>3</i>
<i>Finance</i>	<i>7</i>	<i>Mining</i>	<i>3</i>
<i>Agriculture</i>	<i>3</i>	<i>Electricity</i>	<i>1</i>

## Traditional agriculture

Traditional farming and cultivation of crops are characterised by communal land ownership in predominantly tribal areas.

Food security crops are cultivated on approximately 20% of the arable tribal land. During winter vegetables are produced and during summer maize, beans, pumpkins and sweet potatoes, mainly under dry land conditions.

Approximately 80% of the arable tribal land is used for cattle and goat grazing. The major reason for keeping livestock is for cultural reasons and not for a profit motive. Farming activities are left in the hands of women, older men and in some cases children. Remittances sent home by migrant workers (mainly men) act as an economic cushion and militate against farming productivity and efficiency.

According to estimates provided by the Department of Agriculture's regional offices, 60% of rural households have access to rainfed arable land holdings. The majority (53%) have less than 1 hectare, 11% have between 1 and 2 hectares, 5,5% have between 2 and 3 hectares whilst only 3% have more than 3 hectares.

### Formal agriculture

<i>Agricultural activity</i>	<i>Area in hectares</i>	<i>% of Total Agricultural Land</i>
<i>Grazing and mixed farming</i>	<i>496,3</i>	<i>0,12</i>
<i>Bananas</i>	<i>130,5</i>	<i>0,03</i>
<i>Fruit orchards</i>	<i>68,4</i>	<i>0,02</i>
<i>Sugarcane</i>	<i>340336,7</i>	<i>85,41</i>
<i>Other crops</i>	<i>693,2</i>	<i>0,17</i>
<i>Forestry</i>	<i>56749,5</i>	<i>14,24</i>
<i>Total agricultural land in municipal area</i>		<i>398474,6</i>
		<i>100,0</i>

Sugar cane is by far the single most important field crop being produced, as it represents 85,41% of the cropped land of formal agricultural land. It is also the largest single agricultural activity in terms of land area used.

Banana growing covers an insignificant extent of the total agricultural land at 0,03%, but indications are that it is on the increase. Most of it is also under irrigation.

### Man-made features

<i>Dams and Canals</i>	<i>189,1 ha</i>
<i>Harbour</i>	<i>2353,0 ha</i>

### Natural features

<i>Lakes and Pans</i>	<i>28147,0 ha</i>	<i>Estuary</i>	<i>3912,5 ha</i>
<i>Rivers</i>	<i>771,7 ha</i>	<i>Foredune</i>	<i>142,8 ha</i>
<i>Shore</i>	<i>8,8 ha</i>		

### Developed land

<i>Farm estates</i>	<i>477,3 ha</i>	<i>Rural and peri-urban settlements</i>	<i>1072782,6 ha</i>
<i>Infrastructure</i>	<i>43105,4 ha</i>	<i>Urban development</i>	<i>49944,2 ha</i>

## Broad vegetation types

<i>Vegetation type</i>	<i>Area</i> <i>in</i> <i>hectares</i>	<i>Vegetation type</i>	<i>Area</i> <i>in</i> <i>hectares</i>
<i>Acacia Karroo vegetation</i>	<i>1424,4</i>	<i>Mangroves</i>	<i>3795,1</i>
<i>Alien vegetation</i>	<i>2102,1</i>	<i>Marsh vegetation</i>	<i>7755,2</i>
<i>Aquatic vegetation</i>	<i>87,4</i>	<i>Mudflats</i>	<i>807,2</i>
<i>Coastal Forest</i>	<i>1627,3</i>	<i>Riverine vegetation</i>	<i>1516,6</i>
<i>Cropland and sugarcane</i>	<i>341228,8</i>	<i>Savanna</i>	<i>713,9</i>
<i>Dry Forest</i>	<i>131,3</i>	<i>Shrubland</i>	<i>287,0</i>
<i>Dune Forest</i>	<i>7511,4</i>	<i>Swamp Forest</i>	<i>1489,9</i>
<i>Forestry</i>	<i>56749,5</i>	<i>Valley Bushveld</i>	<i>3112,8</i>
<i>Grassland</i>	<i>4674,2</i>	<i>Mangroves</i>	<i>3795,1</i>
<i>Hygrophilous Grassland</i>	<i>267,4</i>		

## Energy sources

70,3% of all households use electricity as energy source for cooking and 86,0% use it as a lighting source. 18,9% of households uses gas or paraffin for cooking. Solar power is used by 0,3% of all households for cooking and lighting.

115 households have access to free basic electricity services.

An average of 31 903 498 kilowatt electricity is used per day within the municipal area.

92,6% of the municipality's 28 231 electricity customers has prepaid meters.

## Telecommunication

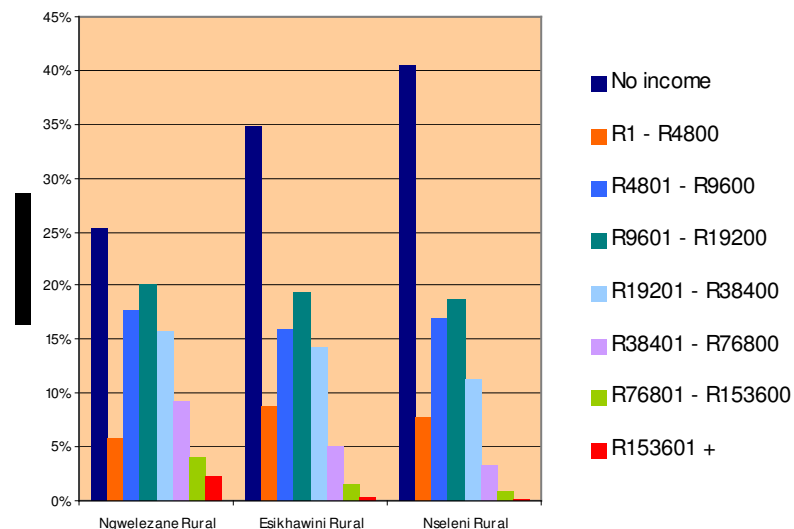
42,5% of all households has a normal telephone or cellular telephone in the dwelling.

Only 4,4% of all households do not have access to a telephone near the dwelling.

## HOUSEHOLD income

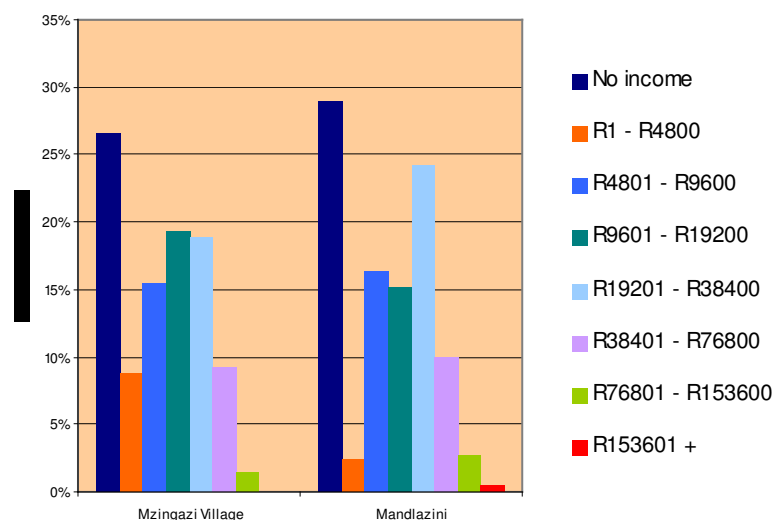
The comparison between annual household income is done according to typical rural, peri-urban and urban areas. Analysis of the overall average annual household income will be misleading as it is directly related to the geographical position and developmental level of a particular area.

**Annual Household Income in Rural Areas**



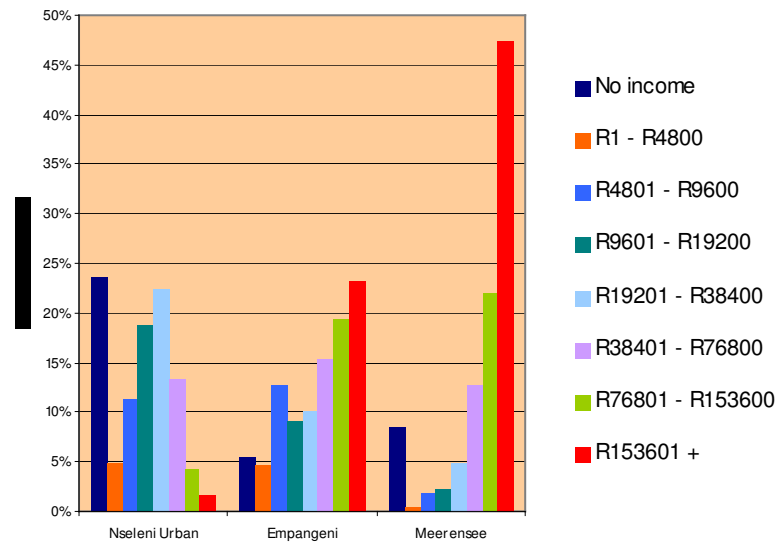
The above chart indicates that the annual household income in the Nseleni rural area is the lowest as over 40% of all households have no income. Close to 20% of households in the Ngwelezane, Esikhawini and Nseleni rural areas earn between R9601 and R19200 per annum.

**Annual Household Income in Peri-urban Areas**



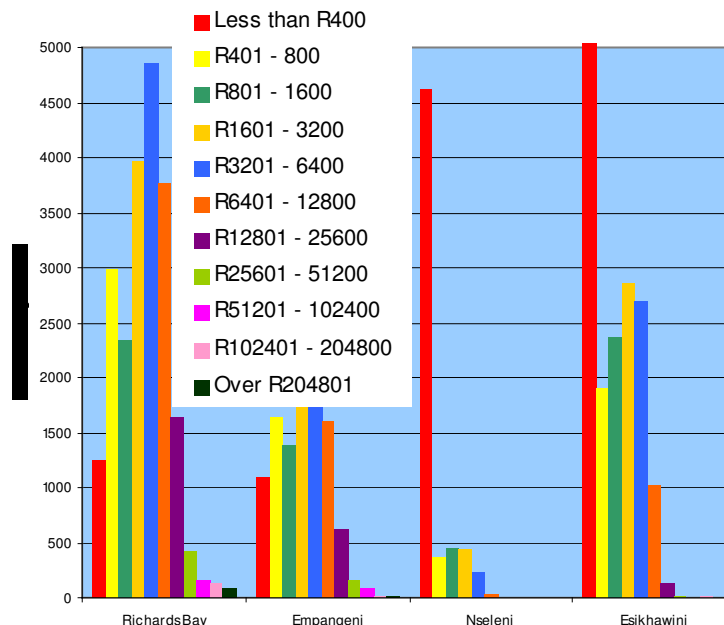
- 27% of households in Mzingazi Village and 29% of those in Mandlazini earn no income. A large portion of the households in these areas earn between R4801 and R38400 per annum.
- On average, the income distribution between households in Mzingazi Village and Mandlazini is similar between the R4801 and R76800 income brackets.

### Annual Household Income in Urban Areas



- The comparison of annual household income between typical urban areas reveals that whereas 47% of households in Meerensee and 23% of households in Empangeni earn more than R153601 per annum, only 2% of households in Nseleni Urban earn this annual income.
- 23% of households in Nseleni Urban do not earn any income.
- Overall, annual household income is the highest in Meerensee, although some 8% of households in this area earn no annual income.

### Individual Monthly Income in Typical Urban Areas



- The above chart indicates that individual monthly income is, on average, higher in Richards Bay than in Empangeni, Nseleni or Esikhawini.
- A large number of individuals in Nseleni and Esikhawini earn less than R400 per month.

## **Water and sewage**

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- 88,5% of households has access to running water; and 68,0% of households has piped water to the dwelling or inside the yard.
- The length of water pipes in the municipality adds up to 630 km in urban areas and 1295 km in rural areas. The reservoir capacities add up to 211,5 mega-litres.
- 13 724 mega-litres sewerage were purified in 2003; the length of sewer pipes in the municipal area adds up to 643 km.
- 46 054 of all households have access to free basic water services.
- 53.2% of all households have a flush or chemical toilet on the premises.
- There are 21 504 water meters for households, and 2 500 for businesses.

## **Waste removal**

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- There are 30 517 waste collection points for households and 1000 for businesses. The municipality collected 8384 loads of waste in 2003.
- 58% of the population has access to waste removal services; approximately 2 500 tons of waste is collected on a weekly basis. 47,6% of waste collected is domestic waste and 12,3% is garden waste.

## **Transport**

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- It is estimated that some 250 000 persons commute daily within the municipal area; close to 40 000 of these commuters are from outside the municipal boundary.
- The number of minibus taxis is estimated at 3900 and the number of buses at 130. During 2003, 23802 light passenger vehicles, 1527 motorcycles and 1805 minibuses were registered within the municipal area.
- There are 733 bus routes and 142 800 bus commuters.
- On average 400 freight trucks enter and exit the municipal area on a weekly basis.
- Spoornet provides a freight service of close to 750 trains per week, linking the city to Durban and Gauteng; there are 320 km of railway track.
- There are 128 km of tarred national roads and 850 km of tarred secondary roads in the municipal area. 529 km of tarred roads and streets are maintained by the municipality.
- The Port of Richards Bay consists of 2 157 hectares of land and 1 495 hectares of water area.
- Distance to closest international airports: Maputo (Mozambique) – 465 km and Durban (South Africa) – 180 km.

## **ALTITUDE AND COORIDINATES**

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- Richards Bay is situated at latitude 28°48' OS and longitude 32°06' OE
- Average altitude above sea level: Richards Bay – 20m, Empangeni – 69m, Felixton – 92m, Esikhawini – 39m and Nseleni – 29m.

## Tourism statistics for the province

- 45,8% of land arrival tourists visited the province for holiday purposes, 21,9% for shopping and 6,5% for business.
- The air arrival market primarily visited the following destinations: Durban 72%, Drakensberg 43%, Zululand/Maputaland 31%, Pietermaritzburg/Midlands 37%, North Coast 23%, and Battlefields 8%.
- 70,4% of the air arrival market engaged in game viewing in a nature reserve whilst in the province, and 75,8% of this market engaged in beach activities such as surfing, sunbathing and swimming.

## Sport and community facilities

	Cricket	Hockey	Basketball	Netball	Volleyball	Tennis	Softball	Athletics	Soccer	Rugby	Korfball	Squash	Jukskei	Swimming	Bowls	golf	skate
<b>Richards Bay:</b>														1 o			
Central Sports Complex	1 f	2 f	1 f	8 f	4 f		2	1 f	5 f	2							
Veldenvlei Sports Complex						4 f					4 f	3 f	5 f				
Richards Bay Country Club						4 f								1	2	1	
Fabricius Park	1 f									2 f							
Brackenham			1						1								
Aquadene			1 f			1 f											
<b>Esikhawini J1-Section:</b>			1	1	2				1 f								
<b>Esikhawini H2-Section:</b>			1	1 f	2				1 f								
<b>Vulindlela:</b>			1 f		1				1								
<b>Nseleni:</b>			2						2 f								
<b>Ngwelezane:</b>	1		2	1		2			3	1							
<b>Empangeni:</b>														1 o			
Erico Park									2								1
Addison Park	1	2															
Mick Kelly Park										2 f		2					
Empangeni Country Club												3			2	1	
<b>Port Durnford:</b>									1 f								

Key: 1 = number of fields or courts, f = floodlights, o = Olympic size

- There are 809 sport clubs in the municipal area, with amongst others specific facilities for equestrian sport, polocrosse, aerolites, angling, yachting, paddling, and radio flyers.
- Within the municipal area there are 4 hospitals and 23 health clinics, 4 cemeteries, 6 public libraries, 15 community halls, 102 schools, and 3 tertiary educational institutions including a university.
- There are 1,7 police officers per 1000 persons of the population, 5 police stations and 4 law courts.



## Climate

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- An idyllic subtropical, maritime climate prevails almost throughout the year at the coast, seldom lower than 12° or 14°C in winter and reaching 32 - 35°C during summer months. Summers are hot and humid, and experience majority of annual rainfall, while winters are warm and dry with occasional frost in interior.
- Average daily temperature in summer is 28°C and 22°C in winter.
- Winter sunshine averages almost 7 hours a day, some of the highest in the country. Humidity levels can be high in certain parts. Bathers can enjoy sunshine and beaches throughout year.
- The long term average annual rainfall for the Richards Bay area is approximately 1 200mm decreasing to approximately 1 000mm inland towards Empangeni with most of the rainfall occurring between January and May.
- The area has experienced two periods of prolonged drought (1981-1983) and (1992-1994) in the last 30 years, and has been subjected to the destruction of extreme floods generated by the cyclones Demoina and Mboa in 1984 followed by flood disasters in 1987 and 2000.
- Prevailing winds are north-easterly and south-westerly.

## Port of Richards Bay

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- Richards Bay has the country's largest exporting port, handling more than half of all cargo passing through South African ports. The port occupies 2157 ha of land area and 1495 ha of water area at present making it the largest port in the country in terms of area, with the potential of increasing both as required making it potentially one of the largest ports worldwide.
- There are currently 21 berths in service including those at the privately operated Richards Bay Coal Terminal, but excluding the dredger and tug berths.
- The largest ship handled in the port so far was the 372,201DWT Brazilian Pride, which had a length of 363.7m, a beam of 63.4m and a maximum draught of 21.8m. The largest shipment of coal was lifted onto the 206,258DWT bulk carrier Ocean Vanguard.
- In 2002 the Port handled a total of 1673 ships, consisting of 1570 ocean going, 102 coasters and one miscellaneous. The port handled a total of 90675995 tonnes of cargo, of which 85697436 tonnes were exports.
- The Dry Bulk Terminal handles some 12 million tonnes of cargo annually. Current range of commodities handled include:

### **Exports:**

*Andalusite, Chrome, Copper  
Concentrate, Ferro Fines, Fertiliser,  
Rock Phosphate, Rutile, Titanium Slag,  
Vanadium Slag, Vermiculite,  
Woodchips, and Zircon*

### **Imports :**

*Alumina, Coking Coal, Fertiliser  
products, Metallurgical Coke,  
Petcoke, Rock Phosphate, Salt,  
and Sulphur*

- The Multi-Purpose Terminal has an annual cargo throughput of 5,6 million tonnes. Commodities handled include Ferro alloys, Granite, Pig Iron, Containers, Steel, Pitch Coke, Aluminium, Loose Bulk, Scrap Steel, Forest Products, Project Cargo and General.

### 1.2.2 Service Delivery Challenges

The key challenges faced by the City of uMhlathuze are:

- Community upliftment and empowerment of rural areas.
- Economic development and attraction of investment – focused in specific nodes to benefit the entire area.
- Maintenance of development standards in urban areas.

### 1.2.3 Summary of Development Objectives

The following is a summary of objectives captured in the original IDP:

- **Spatial Development Objective:**  
To improve physical and functional integration within the City of uMhlathuze and improve access to opportunities at local and citywide level.
- **Poverty Alleviation and Gender Equality Objective:**  
To empower communities and specifically disadvantaged groups in communities by providing access to social and engineering infrastructure.
- **Economic Development Objective:**  
To promote a vibrant local economy, create employment opportunities and attract investment.
- **Environmental Management Objective:**  
To protect natural resources and assets, while promoting sustainable social and economic development.
- **Institutional Development Objective:**  
To build institutional capacity and ensure effective and efficient service delivery.

### Programmes linked to the IDP Objectives

The following programmes are linked to each IDP objective:

- **Spatial development**
  - Rural Service Centres
  - Formalisation and upgrading of emerging settlements
  - Basic Infrastructure Provision
  - Uniform Land Use Management System
  - Stimulate and Attract Investment
  - Promote a hierarchy of nodes
  - Land Reform and Security of Tenure
  - Cemetery Management

- **Poverty Alleviation & Gender Equality**
  - Social development
  - Public Transport
  - Improved access to institutional services
- **Environmental Management**
  - Extend the Metropolitan Open Space System
  - Coastal Management Plan and Programme
  - Solid Waste Management
  - Air Quality Monitoring
  - Environmental monitoring
  - Monitor freshwater resources
  - Promote biodiversity
- **Economic Development**
  - Tourism Promotion
  - Local Economic Development
  - Promote informal trade
  - Safety and Security
  - Increase the revenue base
  - Market the City of uMhlathuze
- **Institutional development**
  - Establish communication networks & promote cooperative governance
  - Performance Management
  - Augment institutional capacity & ensure ongoing service delivery

#### **1.2.4 Vision and Mission**

The vision for the City of uMhlathuze is as follows:

*“The City of uMhlathuze metropolitan area, as a port city, will offer improved quality of life for all its citizens through sustainable development. It will be a renowned centre for:*

- *Trade;*
- *Tourism and nature-lovers;*
- *Coastal recreation;*
- *Commerce;*
- *Industry;*
- *Forestry; and*
- *Agriculture.*

The uMhlathuze Municipality has set the following mission for itself:

*“We aspire to develop uMhlathuze as the industrial, commercial and administrative center within the natural beauty of the region, providing a range of efficient municipal services thereby ensuring economic development, dynamic investment growth and the improvement of the quality of life for all.”*

### **1.2.5 Goals and Priorities**

The following can be classified as Key Priorities:

- Addressing poverty, particularly in the rural areas as well as Ngwelezane, Esikhawini, Nseleni and Vulindlela.
- Service backlogs in rural areas.
- Support of all stakeholders, particularly the Tribal Authorities.
- Pressure on social and community services resulting from backlogs in rural areas. These backlogs specifically affect vulnerable groups – women, children and the elderly.
- Increasing population densities in rural areas around urban settlements.
- Demand for affordable housing.
- Distorted spatial structure.
- Need to create a balance between growth, development, expansion and new infrastructure vs. upgrading and maintenance of existing infrastructure.
- Balance between development and conservation of the environment.
- Optimising the tourism potential of the area, to the benefit of urban and rural communities.
- Safety and security are essential to attract tourism and investment.
- Improving public transport and making optimal use of the transport network.
- Extension of the Metropolitan Open Space System to the entire municipal area to protect sensitive areas.
- Land reform.
- Creating and maintaining institutional capacity to ensure effective and efficient service delivery.

### **1.2.6 Planned Strategic Outcomes**

The following is a list of the planned strategic outcomes as a result of the IDP:

- Promote sub-regional and district nodes
- Prepare development framework plans for the emerging urban settlements
- Extend the metropolitan open space system
- Formulate and implement a coastal management plan and programme
- Formulate and implement a tourism plan
- Provide basic infrastructure
- Formulation of a uniform land use management system for the City of uMhlathuze
- Formulation of a social development plan
- Implementation of an HIV/AIDS awareness and prevention campaign
- Formulate and implement a local economic development strategy
- Stimulate and attract investment
- Land reform and security of tenure
- Formulate a housing strategy for the City of uMhlathuze
- Management of cemeteries
- Solid waste management
- Improve public transport
- Improve safety and security in the City of uMhlathuze
- Implement measures to monitor and improve air quality and monitor land and freshwater resources
- Promotion of biodiversity

- Locate satellite offices in sub-regional and district nodes
- Increase the revenue base
- Establish communication networks to promote the metropolitan status
- Market the City of uMhlathuze and promote the metropolitan status
- Augment the institutional capacity of the municipality
- Implement performance management measures
- Promotion of a hierarchy of nodes
- Promotion of a strong movement network
- Protection of the metropolitan space system and coastal management zone
- Promotion of compact urban form
- Promotion of a diversity of land uses
- Areas of intervention and projects
- Revision of the spatial development framework

### **1.2.7 Financial Health**

The City of uMhlathuze is currently not experiencing financial distress. The City has had no imbalances between revenue and expenditure over a number of fiscal years. The City of uMhlathuze reflects a good current cash and investment position and has been meeting its debt obligations.

The City of uMhlathuze has a fully-fledged Credit Control Section. Its responsibility is to effect proper debt management for the whole City. The Credit Control Section is proud to report that a payment percentage of **99.59%** was achieved during 2005.

The financial statements and annual report information deals with the detailed financial viability.

### **1.2.8 External and Internal Challenges**

The following is a statement of external and internal challenges and strategies to address these challenges:

#### **Economic Development**

“To promote a vibrant local economy, create employment opportunities and attract investment”

##### **Strategies/Interventions:**

- Enhance the tourism potential of the City of uMhlathuze
- Support existing local economic development initiatives
- Promote primary industrial development
- Create an entry level into the market system for emerging businesses, the informal sector and SMME's
- Promote a diversity of economic activities throughout the city
- Maintain and improve development standards
- Create a safe and secure environment

#### **Spatial Development**

“To improve physical and functional integration within the City of uMhlathuze and improve access to opportunities at local and city-wide level”

##### **Strategies/Interventions:**

Establish a hierarchy of nodes throughout the City of uMhlathuze

- Formalize emerging urban settlements
- Provide and upgrade basic infrastructure to address backlogs
- Maintain infrastructure to enhance service levels
- Provide new social and engineering infrastructure
- Promote a diversity of land uses, activities and opportunities
- Enable access to land and security of tenure
- Promote a variety of housing typologies and densities to provide for all demand categories

### **Poverty Alleviation and Gender Equity**

“To empower communities and specific disadvantaged groups in communities by providing access to social and engineering infrastructure”

#### **Strategies/Interventions:**

- Improve access to social facilities and infrastructure for rural communities and disadvantaged groups, particularly women, children and the elderly
- Provide basic engineering services to existing social facilities; upgrade and maintain existing social facilities
- Raise development levels of disadvantaged and vulnerable groups in society
- Improve public transport

### **Environmental Management**

“To protect natural resources and assets, while promoting sustainable social and economic development”

#### **Strategies/Interventions:**

- Implement the outcomes of the strategic environmental assessment
- Extend the Metropolitan Open Space System
- Ensure that mitigation measures are considered in development proposals

### **Institutional Development**

“To build institutional capacity and ensure effective and efficient service delivery”

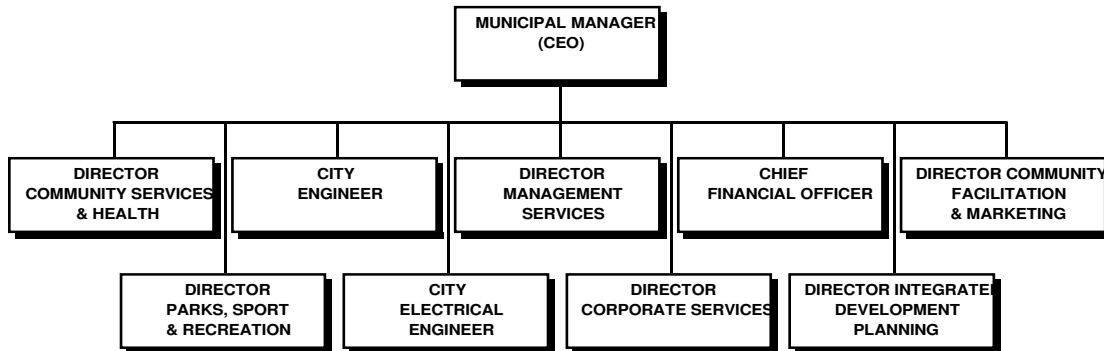
#### **Strategies/Interventions:**

- Augment the institutional capacity of the City of uMhlathuze Municipality
- Improve the community’s access to municipal services and improve service delivery
- Promote the status of the City of uMhlathuze as an aspiring Metro
- Develop a performance driven culture by implementing performance management measures

## CHAPTER 2: HUMAN RESOURCES

### 2.1 Municipal Structure

The following diagram indicates the existing nine department functional structure.



The following table contains the core functions and key performance areas for the nine different departments:

DEPARTMENT	CORE FUNCTION	KEY PERFORMANCE AREAS
Director: Community Facilitation & Marketing	To Ensure The Rendering Of Effective And Efficient Community Facilitation And Marketing Services	Render marketing services
		Manage public relation matters
		Manage housing
		Ensure public participation
Director: Community Services And Health	To Ensure The Rendering Of Effective And Efficient Community and Health Services	Render health services
		Render cleansing services
		Render environmental health services
		Render traffic and licensing services
		Render fire and emergency services
		Render security and community policing services
Director: Integrated Development Planning	To Ensure The Rendering Of Effective And Efficient Integrated Development Planning	Ensure and maintain regular strategic planning
		Ensure the execution of integrated development planning
		Coordinate corporate business planning
		Manage effective town planning
		Ensure appropriate building control
Director: Management Services	To Ensure Effective And Efficient Management Advisory Services	Render human resource management services
		Render management information systems
		Render corporate database system
Director: Parks, Sport And Recreation	To Ensure Effective And Efficient Horticultural And Recreational Services	Render horticultural services
		Render recreational services
City Electrical Engineer	To Ensure Effective And Efficient Rendering Of Electrical Services	Provide affordable electricity
		Develop and maintain services related to the supply of electricity
		Render an internal fleet management service
City Engineer	To Ensure Effective And Efficient Rendering Of Civil Engineering Services	Build and maintain civil engineering support services related to water, sewerage, roads, storm water and municipal buildings and structures
		Develop and manage civil engineering support services
Director Corporate Services	To Ensure an Effective And Efficient Administrative Support Service	Administer matters related to estates
		Render services related to trade licensing
		Render diverse administrative services
		Render legal support services
Chief Financial Officer	To Ensure An Effective And Efficient Management Of Financial Matters	Manage the revenue collection process
		Manage municipal expenditure
		Ensure effective financial planning
		Coordinate internal audit

## **2.2 Employment Equity**

The Employment Equity Plan for the City of uMhlathuze was reviewed and approved on 26 August 2003 by Council Resolution 1875. The progress report on the Employment Equity as at 30 June 2005 is attached as Appendix C.

## **2.3 Skills Development**

The Skills Development Plan was submitted to the Local Government and Water SETA on 1 Jul 2002. The progress on Skills Development as at 30 June 2005 is also reported on in the Employment Equity Report to the Director-General: Department of Labour. (Appendix C).

## **CHAPTER 3: MUNICIPAL PERFORMANCE**

### **3.1 Transformation and Institutional Development**

The City of uMhlathuze was constituted from the former entities (refer to the Former Entities Plan for the jurisdictional area of these entities):

- Empangeni Transitional Local Council;
- Richards Bay Transitional Local Council;
- Sections of the uThungulu Regional Council.

These entities were constituted in 1995, after the first democratic national elections in 1994 and local government elections in 1995. Prior to the 2000 local government elections, it was decided to reduce the number of local authorities in South Africa and a new municipal demarcation was undertaken. This resulted in the amalgamation of the former Empangeni and Richards Bay local authorities as well as sections of the former uThungulu Regional Council area that surrounded these towns.

The uMhlathuze Municipality was established at the end of 2000 and consists of 30 wards with 60 Councillors. The Executive Committee of the uMhlathuze Municipality resolved on 21 August 2001 to adopt city status for the area of jurisdiction, by changing the name to the City of uMhlathuze.

The uMhlathuze Municipality has its main office in Richards Bay. It was however decided to retain some services at Empangeni to ensure that such services are available close to the people. The smaller service units in decentralised locations have also been kept, for the same reason.

There are offices in the following locations:

- Richards Bay (Main office)
- Empangeni (Office)
- Ngwelezane
- Vulindlela
- Nseleni
- Esikhawini

The organisational structure of the uMhlathuze Municipality is depicted on the organisational chart (see paragraph 2.1). The current administration was created through the merging of the former Empangeni and Richards Bay Local Council's. The organisational chart reflects the main entities and their functions within the administration, rather than specific hierarchies.



### **3.1.1 Framework, Systems and Policies**

#### **Delegations**

The Council approved the bulk of the municipality's delegations on 28 August 2001. Since then the document has been augmented by further delegations as and when required but all delegations are consolidated into a single document ready for inspection. Substantial delegation by the Council to the Executive Committee and further to officials of the Council ensures that all decisions are taken expeditiously with the minimum of delays.

A very wide range of policy decisions guides the various delegates in the exercise of the powers delegated to them. In many instances report backs are required in order to control consistency and transparency for those affected by decision making.

#### **Rationalisation of By-Laws**

The rationalisation of by-laws has been completed. A list of by-laws is available for inspection. Two topics remain outstanding for the acceptance of by-laws namely electricity and finances, but national legislation is being awaited before these are finalised.

As new by-laws were developed the previously existing by-laws of Richards Bay and Empangeni were consolidated into the new by-laws. The old by-laws were repealed at the same time.

#### **Performance Management System**

The performance management framework was adopted by the uMhlathuze Municipality on 28 May 2002. A copy of the framework and the supporting documentation is available for inspection. The annual performance measurement on the third year of the plan (2004/2005) is completed and the external auditing is done.

The Performance Audit Committee members are:

Mr. R Botha – Chairperson from Botha and Associates

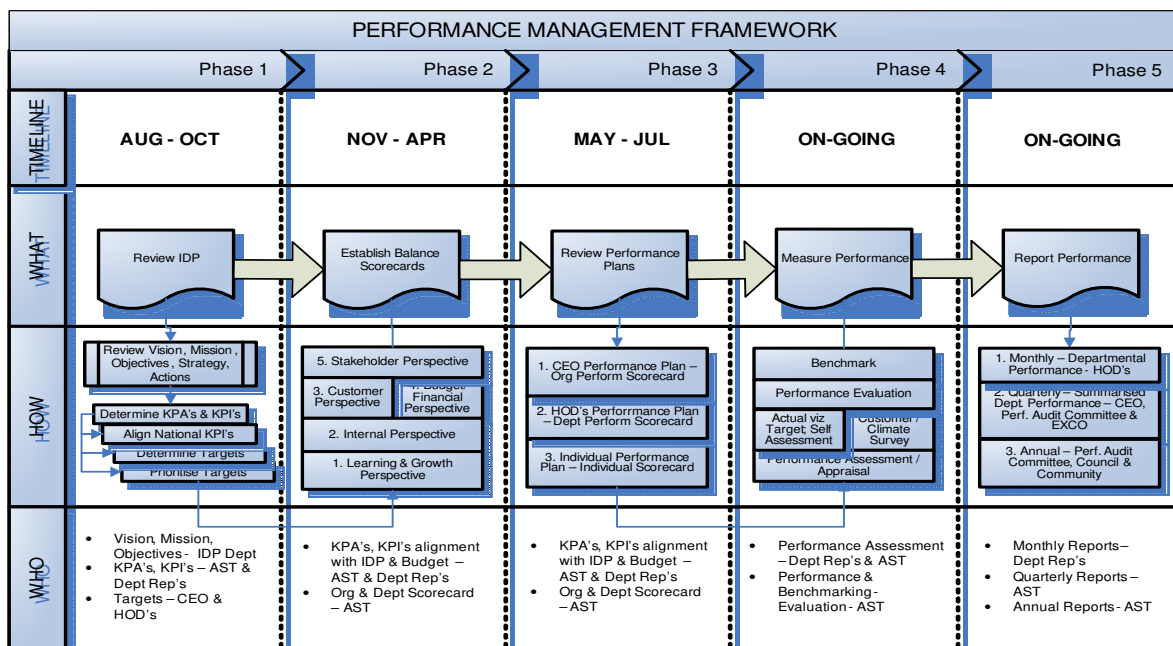
Vacant – (previous member Mr JS Mbatha from Unizul relocated)

Clr.AZ Mnqayi.

A Customer Satisfaction Survey for 2004/2005 was conducted during March 2005 and the results were communicated to the Performance Audit Committee on 22 June 2005. The comprehensive analysis report is attached as Appendix B

Key performance indicators have been developed in support of the municipality's development priorities and objectives set out in the IDP. Measurable performance targets with regard to each of these development priorities and objectives were established. A process to ensure regular reporting is in place and is fed back to the council via the Performance Audit Committee. Individual performance agreements were signed with the City Manager and Heads of Departments. These agreements are fully implemented with evaluations followed by new performance targets.

The following diagram illustrates the performance management framework developed for the City of uMhlathuze for performance measurement and reporting, adhering to the procedures suggested by the Best Practice Guide for Municipal Organizational Performance Management in KwaZulu Natal Province:



Performance Management Framework

The manual process to measure, monitor/ track and report performance has become to complex and time consuming for completion within the required timeframes. The Director Management Services has decided to computerize the performance management system, which will be implemented during 2005/2006 financial year.

### Local Economic Development

A LED strategy was developed by a partnership consisting of the municipality, civil society and the private sector. The LED objective is sustainable employment with a target of 750 jobs to be created per annum over the next five years

The LED has six key focus areas:

- Clustering of Growth**  
 The municipality is currently calling for proposals for a SMME clustering process for the agriculture, tourism and industrial sectors of the local economy.
- Critical Infrastructure and Services**  
 With financial assistance from the Development Bank of Southern Africa, a Housing Needs Assessment is underway to determine the current and future demand and supply of housing for all income sectors.  
 The establishment of commercial nodes / Central Business Districts in Ngelezane, eSikawini, Vulindlela and Nseleni is currently being pursued.
- Creating jobs through Tourism Development**  
 The Strategic Tourism Development Plan is being formulated that will result in individual tourism projects for the City of uMhlathuze. A feasibility study for a Biosphere Reserve is underway in order to promote ecotourism and avi-tourism in the City of uMhlathuze.
- Soft Infrastructure for Competitive Advantage**  
 The municipality is working in close partnership with other key role players locally to promote the LED.

- **Creating jobs through Agriculture and Forestry**

An Agricultural Development Plan is currently being formulated that will result in agri-business projects within uMhlathuze that will create jobs.

- **Retaining and growing Existing Business**

The Empangeni Business Retention and Expansion Programme is being implemented in partnership with Business Zululand and the Empangeni business community. Progress by the various action teams is extremely positive and includes:

- Crime prevention
- Growing the market
- Infrastructure, Roads and Traffic
- Business Support, Skills and Information

A total of **1 110** permanent jobs and **200** temporary jobs were created during 2005.

### **Credit Control Policy**

A credit control policy for the uMhlathuze Municipality was accepted on 12 June 2001 and implemented on 1 July 2001. A copy of the policy is available for inspection. Subsequently the Municipality also adopted Credit Management By-laws on 11 July 2002, which are also available for inspection.

### **Integration of Plans and Budgets**

The municipal financial plan or budget was reconciled with its Integrated Development Plan for the financial year starting on 1 July 2004, resulting in an outcomes based budget for the present financial year.

### **Participative Corporate Governance**

There are a multitude of forums where individuals or organisations can convey their needs and their opinions to the municipality. Without attempting to deal with all the opportunities the following are given as examples:

- The IDP forum
- Public meetings
- Council and Committee meetings
- Community talking boxes
- Ward committee meetings
- Consultative sessions with traditional authorities
- Consultative sessions with community organisations

### **Policy Directives, By-Laws and Regulations**

Extensive policy determination has taken place since the inception of the uMhlathuze Municipality. A list of all policy directives is available for inspection. This has resulted in what can be called a highly orderly institutional environment. Policymaking and by-law creation continue as the need therefore arises.

### **Internal and External Audit Systems**

The Municipality's external auditors are Deloitte & Touche and the internal auditor functions are performed by PriceWaterhouseCoopers. Monthly meetings with the internal auditors deal with deviations and planning of further internal auditing functions. An Audit Committee consisting of Councillors and the auditors is operational since January 2001.

## **Information Systems**

uMhlathuze has at its disposal a highly evolved and sophisticated computerised information system. Its software programmes fully capacitate the municipality's employees and political leaders to deal with the demands of a modern developing community, yet is also user friendly, presenting the information drawn from the system in a manner that the less literate members of the community can easily understand. Regular training sessions ensure that staff are kept abreast of new developments in the field and use the expensive equipment to the municipality's best advantage.

## **Disclosure Practices**

The bulk of actions requiring public participation are subject to notices in the press inviting contributions. These notices are well known in the local press and residents are aware of the opportunities created in this way. The Council complies in full with the requirements of the Access to Information Act. The Council's manual in compliance with the Act is available for inspection.

### **3.1.2 Effectiveness of Municipal Transformation**

The municipal transformation history since adoption of the amalgamation plan for the former Empangeni and Richards Bay local authorities in 2001 is depicted in Appendix A, Table 1.

### **3.1.3 Leadership provided by Administrators and Politicians**

The interaction between employees, management and council is good, judging from the following:

#### **Labour harmony**

The municipality has not lost any man-hours due to work stoppages.

#### **Formal interaction between Council and its employees**

Council allows time off for its union shop stewards to –

- meet with fellow shop stewards
- union members mass meetings
- attendance of union activities

This is in terms of a collective agreement reached with the trade unions. Regular discussion meetings also take place between management and union representatives regarding matters of mutual concern. The City Manager follows an open door policy and regularly meets with union representatives to deal with labour issues.

#### **Staff morale is at a high level**

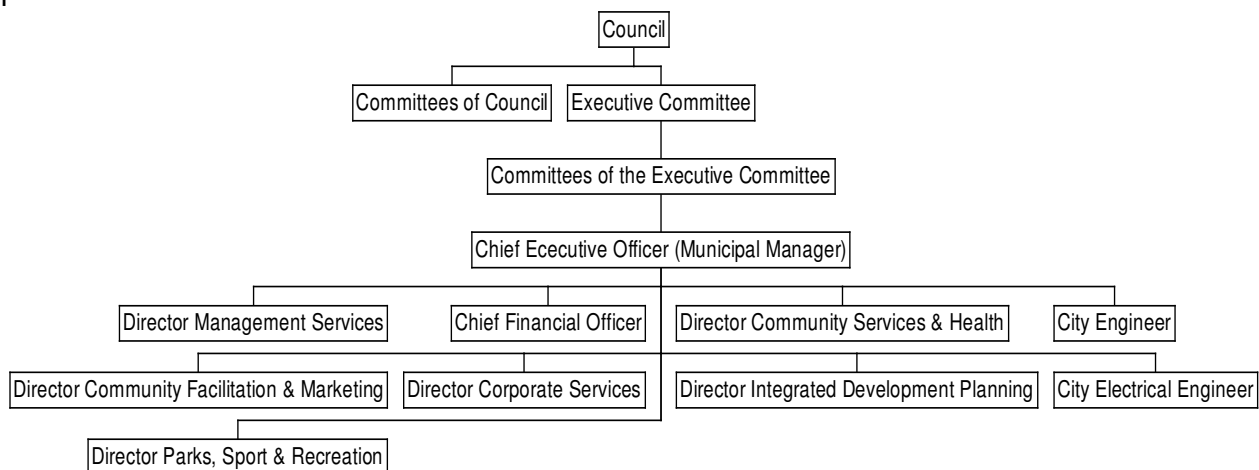
The committee system of the municipality ensures that all Councillors participate in the affairs of several committees. These arrangements compel Councillors to become informed about the problems experienced by management on different issues. Regular discussions take place to clarify uncertainties on reports, prior to meetings leading to further interaction with the management.

Invitations to Councillors serving on the Local Labour Forum to attend personnel interviews are extended on a regular basis and experience has shown that Councillors make use of this opportunity.

Interference in the administration by Councillors is non-existent. Councillors are clear on what their rights are and use their experience and knowledge of local government to deal with the issues that require their attention. Officials respect Councillors and accept that they make the final decisions, as democracy requires.

Councillors agree on the best course of action in 99% of all issues. The members of the Executive Committee are highly capacitated and skilled and they support the policies of the council without fail. Our success rate in collecting such a high percentage of our debts is ample proof of the support and consistency of the uMhlathuze Councillors.

The following diagram represents the leadership provided by administrators and politicians:



Progress on Transformation and Institutional Development - Refer to (Appendix A, table 1)

## 3.2 Performance and Developmental Priorities

### 3.2.1 Review of Past Performance by Directorates

#### OFFICE OF THE DIRECTOR CORPORATE SERVICES

Main responsibilities are:

- Diverse Administration
- Legal Services
- Property Management

Council resolved during the year to rename the City Secretary's Department to bring the Municipality in line with modern organisations. The new name of Corporate Services better describes the diverse nature of the functions carried out by the department.

#### Diverse Administration

- Committee Section (Secretariat)
- Central Registry
- Management of Security, Cleaning and outsourced services
- Libraries (6 in total)
- Community Halls (13 in total)
- Typing Pool

## **Staff**

Major strides have been made towards achieving employment equity – 70% of the workforce is black; 27% is white and 3% Indian with the top and senior management structure being comprised of three black males, one white male, three white females and one black female. The department lends itself to the employment of females and has a ratio of two females to every male in service.

Restructuring of the staff component has been made possible to better allocate staff resources. It became possible to combine the duties of some employees, which resulted in the downsizing of some sections. These employees were then transferred to areas where bottlenecks existed. Some posts were abolished and the savings used to upgrade posts within the libraries. Half-day posts were converted to full-time posts and the cleaners, who were also doing mundane library duties, were upgraded, thus enriching the posts of these staff members.

## **Libraries**

The City is proud of its six libraries that accommodate a combined million visits per year and circulate 480 000 items. Librarians working in the previously disadvantaged areas are kept especially busy. These communities are becoming more aware of the importance of libraries and most people need assistance when looking for something to read or researching information on a specific topic.

To promote the use of libraries, librarians visit local schools to emphasise the importance of reading as in some of the previously disadvantaged communities libraries are often only used for educational and study purposes.

Libraries are especially popular in the afternoons as study venues for scholars and university students. In this regard, the Municipality identified the need for a resource library at Empangeni two years ago and awarded the contract to build this facility in June 2005. The project is valued at R740 000 and has the support of the KwaZulu-Natal Provincial Library Services, which will fund R465 000 of the amount.

The KwaZulu Natal Provincial Library Service has likewise been very supportive and has provided funding for the computerisation of all the libraries. Only Ngwelezane Library is not yet computerised. Computers have been purchased for this library and it will become part of Council's network system when Council's WAN (Wide Area Network) system is in place.

## **Security**

Special priority was given during the past year to ensure the protection of Council's assets.

Four security contracts are in place to attend to various aspects of security and an official in the Department of Corporate Services is assigned to manage these contracts and conduct frequent inspections.

Over 40 sites are protected in terms of these contracts, which also cater for other security functions such as cash guarding, ad hoc protection of areas (e.g. temporarily vacant premises, sites where cables are being laid, etc.) and the removal of illegal squatters.

Council also identified the need to improve security at the Richards Bay Civic Centre and several security measures have been adopted.

### **Halls**

Several projects were completed to enhance the appearance of the halls and make them more acceptable to the communities they serve:

- The installation of fans at Nseleni Hall
- Curtains for Brackenham, Ngwelezane and Esikhawini Halls
- A new stove and refrigerator at Hlanganani Hall in Esikhawini
- The flooring at the Supper Room in the Empangeni Hall was replaced
- Additional trestle tables to accommodate the large groups of people who book the Empangeni Hall were purchased

### **Council and Secretariat Services**

Council re-established its committees during September 2004 in line with the changes in political representation. The portfolio committee system is now in its second year and the speed and accuracy with which well-debated reports are submitted to Exco and Council is proof that the system works and sufficient participation and transparency are ensured.

### **Interesting statistics**

- A total of 270 Council and committee meetings were held
- 1,8 million pages were copied during the period under review
- 9 000kg of paper were distributed to councillors, staff and the community all bearing evidence of the lengths that Council goes to disseminate information to the community
- Assistance was also given to numerous external and government organisations, including the IEC, in their continued efforts to distribute pamphlets to the community at large.

### **Gender issues**

Great strides have been made with the establishment of the Gender Task Team. The formation of this committee was based on various government initiatives and Council acceptance of the establishment of a Gender Task Team. Their terms of reference include ensuring that all aspects affecting governance and equity in this organisation are adequately representative of and sensitive to gender issues with the result that the committee is currently perusing policies and procedures relating to inter alia procurement of services and goods, employment equity, access to facilities, women empowerment and the like.

### **Good co-operative governance**

Council's boardroom and committee facilities are assets of which the Municipality is immensely proud. Frequent requests are received from local municipalities, the district municipality as well as provincial and national departments for the utilisation of the facilities. The policy adopted relating to the free utilisation of, for instance the Auditorium, has resulted in good relations with our municipal and government partners and creates a positive sense of goodwill as well.

It bears mentioning that the uMhlathuze Council was also the selected venue for the National Council of Provinces' "Taking Parliament to the People" during November 2004 in Empangeni as well as the KZN Legislative Assembly's Constitutional Court at Richards Bay during May 2005.

During April the Council also supported and hosted the World Day of Safety at Work 2005. Many dignitaries including Ministerial representatives and representing numerous national and provincial departments were present at these functions, once again highlighting the suitability and ability of the Department of Corporate Services in providing superb venues, services and facilities under any circumstances.

### **Legal Services**

- Legal Support Services
- Trade Licensing
- Tenders

During the past year Council concluded contracts amounting to millions of Rand. All of these were drafted and/or vetted by the Legal Department to ensure Council's interests are legally safeguarded. A formal Contract Monitoring Procedure has been adopted for this purpose.

The Legal Advisor oversees the opening of tenders to further contribute towards the legitimacy of the process.

Numerous pieces of legislation affecting local government, as well as amendments to current legislation, were introduced. The Legal Department does constant research to advise the Council on the latest developments and to ensure that Council's operations are conducted within the parameters of the law.

All Council's by-laws have been reviewed during this year to ensure that they are in line with legislation and standard by-laws issued by government.

### **Property Management**

- Alienation (sale, lease, purchase)
- Township establishment
- Management of personnel housing
- Management of all Council owned properties (portfolio totalling R45 million)

The Property Section dealt with wide ranging issues pertaining to the unlocking of development potential and opportunities. Statistics of sales and subsequent building projects also reflect the continued confidence of developers to invest in the local property market.

Statistics regarding the land sales for the past year are as follows:

Council owned dwellings	R 6 710 300,00
Birdswood residential	R 2 331 100,00
Flat sites	R17 597 900,00
Industrial	R10 974 200,00
Commercial	R 706 800,00
Professional	R 730 000,00
Devotional	R 42 000,00
Brackenham	R 1 267 500,00
Service Industrial	R 370 000,00
<b>TOTAL</b>	<b>R40 729 800,00</b>



Development proposals were requested and exciting submissions were received in respect of the area surrounding the Empangeni Country Club. The old Empangeni Tennis Club, Erf 309, and adjacent Council owned Erf 292 are the focus of this upmarket residential development. Nearby Erf 4709 will in due course also be available for similar development.

Interest in the development of garage sites resulted in the preparation of guidelines for the alienation of two undeveloped erven to developers who would undertake the township establishment procedures with a view to acquiring the erven at market related prices. A linked requirement is the acceptance of responsibilities to upgrade two taxi ranks to an acceptable standard, to maintain the ranks and to be granted specific advertising rights in the ranks in return.

Preparatory work for the proposed sale of Pionierhof Flat complex in Empangeni is at an advanced stage. The 60 unit complex will be offered by means of public tender in due course.

Proposals for the development and upgrading of Empangeni Airfield were requested. A proposal for the extensive upgrading of the airfield to serve the social flying fraternity will serve before the Executive Committee in due course.

The development of some 30 general residential erven in the Richards Bay CBD is progressing well with purchasers showing unprecedented interest. The various complexes are being erected to provide in the growing housing market that are stimulated by the continued industrial commercial and harbour related development projects.

Similar growth is also reflected in the approved market related sale of an additional portion of land to Hillside Aluminium. Portion 44 of Erf 5333 (disbanded railway reserve) was approved for sale and a 3,5 ha adjacent portion was approved on a long lease basis at market rental to enable the expansion of the Hillside 3 + Smelter Project.

The proposed upgrading of Palm Plaza, the enclosed car park area behind Checkers Centre, was approved and legal procedures to close the park and allow the development by the owner are currently underway.

The proposed lease and purchase of  $\pm 2,7$  ha of harbour related industrial land to Seamunye Port Holdings was approved. The existing import / export company identified the land between Foskor and the harbour as ideal for their company's expansion purposes. In a recent submission to Council the transfer of the lease from Seamunye to Kusasa Bulk Terminal was approved.

The social / recreation needs of the members of the Zululand Triathlon Club have been recognised and Council approved the lease of a 2,974 m<sup>2</sup> portion of land next to the Richards Bay Ski Boat Club. The Triathlon Club has already established a club house for their growing membership and are now in a position to host national and international competitions.

A total of 81 residential erven located in Brackenham were also offered for sale and have been allocated to lower income earners according to approved criteria. The conclusion of sale agreements are progressing steadily and some

80% of the sale agreements have been concluded and required payments made to enable the transfer and development of the erven.

It was also encouraging to see the development of the new shopping centre at Esikhawini. The property section was involved in the negotiations and conclusion of the sale agreement in respect of Erf 2923 to enable the development of modern retail and banking facilities as Esikhawini.

## **OFFICE OF THE CITY TREASURY (Chief Financial Officer)**

Main responsibilities comprise:

- Financial Planning and Budgeting
- Expenditure and related Liabilities
- Income and related Credit Management
- Financial Reporting

### **Financial and Budget Review**

The City of uMhlathuze has continued as a pilot municipality for the implementation of the new budgeting system advocated by National Treasury with a medium term expenditure framework of three years. This framework is entirely linked to the Municipality's IDP.

The completion of the Annual Financial Statements for the 2004/5 financial year, and the completion of the 2005/6 budget was done in accordance with the timeframes as laid down by the new Municipal Financial Management ACT. Accounting standards adopted are still those prescribed by IMFO (Institute of Municipal Finance Officers) and not in terms of GRAP (Generally Recognised Accounting Practice) as these standards have not yet been approved by the ASB (Accounting Standards Board). The change over is now envisaged for 2005/06.

The programme of capacity building within the Department through the process of staff rotation, skills development and internships has continued during the year. The internship process has proved very successful, with the respective candidates sufficiently capable of taking up a number of positions in the Finance Department when the opportunity avails.

This Municipality is very proud of its financial management record, which is the only recipe for financial sustainability into the future as reflected in the various figures and statistics below.

Council's 2005/ 2006 multi-year budget reflects the following key elements:

OPERATING BUDGET	2004/ 2005 Budget (R'000)	2004/ 2005 Actual (R'000)	2005/ 2006 Budget (R'000)	% Increase Budget/ Budget	% Increase Budget/ Actual
Operating Expenditure:					
Salaries & Allowances	205 897	200 595	239 670	16,4%	19,5%
General expenses:					
Bulk supplies	200 865	204 806	226 393	12,7%	10,5%
Other	236 543	237 604	282 218	19,3%	18,8%
Repairs & Maintenance	106 249	106 771	119 804	12,8%	12,2%
Capital charges	31 080	68 290	44 222	42,3%	-35,2%
Contribution to capital outlay	6 009	5 071	6 805	13,2%	34,2%
Contributions	40 042	32 189	32 953	-17,7%	2,4%
	826 685	855 326	952 065		
Less: Amount recharged	(196 650)	(198 980)	(217 705)	10,7%	9,4%
Less: Transfer from provisions	(1 000)	(1 896)	(3 692)	269,2%	94,7%
Total	629 035	654 450	730 668		
Operating Income:					
Income for rates, service charges etc.	581 207	597 197	659 564	13,5%	10,4%
Grants and subsidies	39 164	46 410	64 107	63,7%	38,1%
Contribution from accumulated reserves	8 664	0	6 997	-19,2%	0%
Total	629 035	643 607	730 668		
Capital Budget:	212 605	146 645	270 137	27,1%	84,2%

\* BALANCE SHEET AT 30 JUNE 2005

	2005 R	2004 R
<b>CAPITAL EMPLOYED</b>		
Funds And Reserves	339 943 742	304 048 233
Statutory funds	339 246 405	302 051 714
Reserves	697 337	1 996 519
Accumulated surplus	8 307 041	19 859 594
	348 250 783	323 907 827
Long term liabilities	62 267 659	71 656 493
Consumer deposits: Services	18 512 590	27 182 540
Total Capital Employed	429 031 032	422 746 860
<b>EMPLOYMENT OF CAPITAL</b>		
Fixed Assets	436 469 619	378 632 583
Investments	0	5 857 300
Long-term Debtors	8 051 207	11 216 103
	444 520 826	395 705 986
Net Current Assets	(15 489 794)	27 040 874
Current Assets	133 440 274	152 583 591
Inventory	9 004 110	7 120 776
Bank	31 894 244	19 881 078
Short-term investments	5 857 300	35 000 000
Debtors	85 187 687	88 821 401
Current portion of long term debtors	1 496 933	1 760 336
Current Liabilities	(148 930 068)	(125 542 717)
Provisions	11 635 951	13 365 670
Creditors	132 433 235	107 853 102
Current portion of long-term liabilities	4 860 882	4 323 945
Total Employment Of Capital	429 031 032	422 746 860

\* (Unaudited Financials)

## General Overview and Key Accomplishments

Strong credit control policies have resulted in an effective collection of rates and service charges that are unparalleled in South Africa. During the last financial year the average collection rate was close to 100%. With unemployment and poverty at such high levels in Council's area of jurisdiction, this is indeed a proud achievement. All possible bad debts accumulated over a number of years were written off during the year totalling 1,04% of its billed income of R535 million. Concessions to the poor were also not compromised; and basic free water and electricity are provided.

The Department of the Chief Financial Officer remains proud of the fact that services are being rendered to the public from eight offices in all the major suburbs within the City. These offices which are managed by a Branch Manager or an Accountant allows for good communication with the ratepayers, easy access for the payment of accounts and for the purchase of prepayment electricity tokens.

The sale of prepayment electricity was also extended to third party agents during this year. Customers can now purchase prepayment electricity over the Internet and at certain businesses. Details of the vendors and Internet purchase procedures are also published the Council's official website.

## Statistics

	2005 (R- million)	2004 (R- million)	2003 (R- million)
Debtors turnover rate (representing the outstanding debtors amount as a percentage of the billed income on all services)	15.1%	15,6%	16,5%
Outstanding debtors as at 30 June 2005	80,5	81,7	76,1
Long-term debtors	8,0	11,2	12,1
Provision doubtful debts	23,4	25,3	24,9
Operational results 2004/ 2005:			
Total capital expenditure	146,7	91,3	83,9
Total operating expenditure	654,4	599,0	514,0
Total operating income	643,6	607,1	528,0
Total Billed Income	535.1	523,1	461,6
Statutory funds:			
Capital development fund	339,2	302,0	282,6
Reserves	0,7	2,0	2,8
Investments and cash on hand	37,8	60,6	68,3
Accumulated surplus	8,3	19,9	30,5

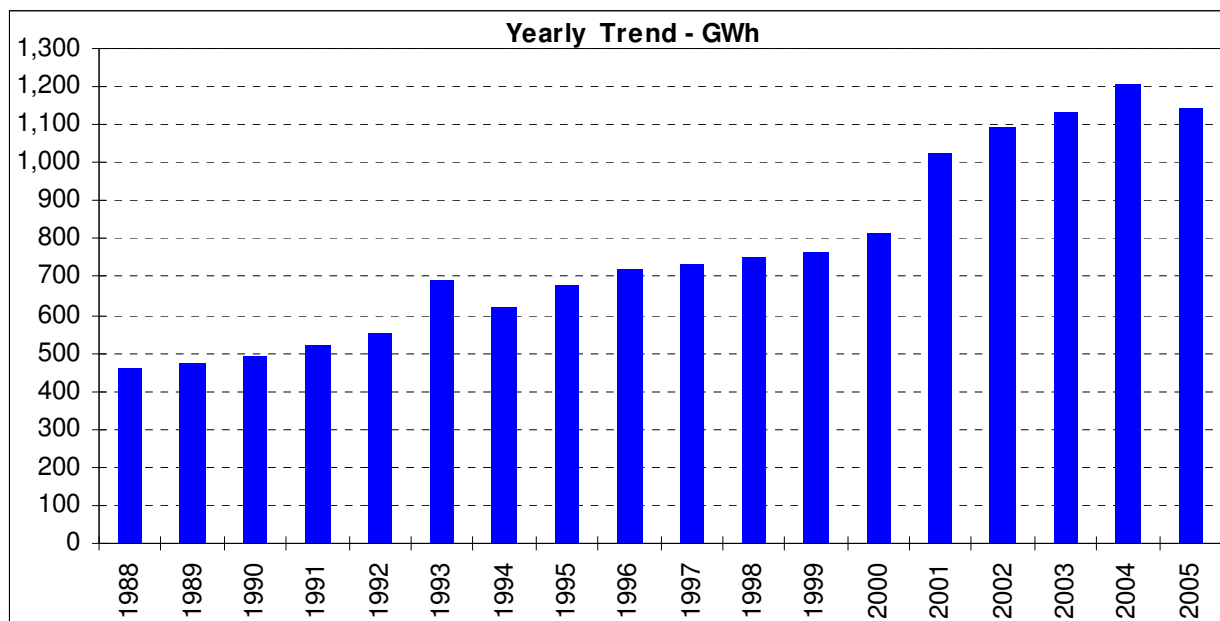
## OFFICE OF THE CITY ELECTRICAL ENGINEER

### Core responsibilities

- Operations and maintenance of the electrical distribution system
- Planning and development of electrical distribution system
- Customer services, marketing and electricity trading
- Transport services
- Public lighting
- Electrical support services for:
  - Installation work
  - Pump stations

### Managerial overview

Electricity energy purchases from ESKOM increased by 2,92% with a simultaneous demand increase of 3,44%. This indicates an ongoing growing trend of growth for the City which will result in more competitive tariff structures in future for all our customers taking into consideration the economy of scale. The graph below is the total energy purchased from ESKOM and illustrates the growth in energy consumption since 1988.



### Operations and Maintenance

Quality of supply to our customers continues to improve in terms of National standards. Likewise plant performance continues satisfactorily and there is a constant drive to improve the previous performance.

This department completed the refurbishment of the 132 kV lines under the control of the City that supply Esikhawini.

## **Development and Customer Services, Marketing and Electricity Trading**

The 2004/2005 financial year has seen the start of major electricity capital projects. The installation of a third power transformer at Hercules substation with its associated equipment and new 11 kV switchroom has strengthened the supply capacity to the Richards Bay CBD and surrounding residential suburbs. A total of R7,5 million has been budgeted over the 2004/05 and 2005/06 financial years for this project. Once the project has been completed, an additional 30 MVA capacity can be made available for the rapidly growing residential and commercial sectors of Richards Bay. (photograph will be sent shortly).

The residential load of Meerensee has also grown and with the advent of the new Golf Course Estate and further expansion of Meerensee, the new Gemini switch station has been constructed to accommodate a new 11 kV switchboard to re-enforce the medium voltage network in Meerensee. This new switch station will cater for the load requirements of this suburb for the next 5 to 10 years. The switch station will incorporate new modern switchgear never before seen in South Africa, making use of modular, compact type switchgear that is safer and easier to operate and maintain. In addition to the substation, long lengths of medium voltage cable feeders have been laid throughout the area to further interconnect the complex network in and around Meerensee.

As part of a long-term refurbishment plan, all old and obsolete and unserviceable 132 kV isolators is in the process to be replaced on a priority basis. Leo substation, being one of the older substations, has been earmarked as the first isolator refurbishment project where old pantograph style isolators will be replaced with modern high voltage isolators that will provide a further 20 years service to the substation. It is anticipated that this replacement project will extend over a seven-year period.

### **The following additional major projects/initiatives have commenced or have been completed:**

- The retro-fitment of pre-payment metering in Empangeni has been completed. The project started in 2003 and the pre-payment customer base increased by 16,8% with the addition of 4 164 customers (new & retrofitted).
- As customers were changed to pre-payment, their "old conventional meters" were retained in service to be utilised as a check meters, thus adding 3 800 check meters to the existing system.
- Arboretum/Meerensee LV reticulation upgrade – R350 000 funded from Capital Development Fund. The project will ensure reliable neutral and earth connections to customers where obsolete aluminium cables disintegrate.
- LV reticulation networks were replaced after being stolen to supply the developments taking place in Birdswood and Alton North. The cost of this project was R500 000.
- The upgrading of streetlights for main routes in Esikhawini.
- Extension of new street lights in the IDT area of Ngwelezane.
- Reticulation upgrade in all areas where new developments took place.

**Operational statistics:**

- The customer base of uMhlathuze Electricity increased by 9,8% to a combined total of 29 330 customers.
- Conventional credit type meters decreased drastically to 1 460 while the Municipality encourages customers to convert to prepayment metering.
- Under the EBSST campaign, which is a national drive to assist the poorest of the poor with free electricity, 136 customers have converted to the self-targeting EBSST tariff. The free basic electricity roll-out to ESKOM customers was approved by Council and was initiated.
- Council has seen the good results to actively curb electricity losses with check meters. Firm action is taken against transgressors throughout the area and the weighted average electricity losses have been reduced to below 4%.

**Support Services**

- The high costs of public lighting led to the numbering of poles to positively identify and monitor performance.
- Streetlight complaints within the uMhlathuze City area are generally attended to on a same week basis. Where cable faults and pole replacements are concerned, the times may occasionally be exceeded. However where there is cable theft, this will take longer or where appropriate, alternative measures are introduced.
- Many customers have commented on the use of “yellow” lights, or high pressure sodium lamps, as opposed to the “blue” mercury vapour lamps. This is part of an international campaign aimed at reducing the volume of mercury, a highly poisonous substance, in circulation. Most gaseous discharge lamps make use of mercury to heat the sodium or other gas until it starts burning. Sodium discharge lamps, which eliminate the use of mercury, altogether, have been devised. They are in the initial stages of development and their use is still uneconomical. In the mean time crushed lamps are disposed at a special site at Shongweni where the subterranean structure prevents the egress of mercury into the ground water.
- The vehicle and plant fleet consists of 263 vehicles and 132 plant. Based on economical viability merits, an additional 25 new and vehicle replacements were done in the past year.
- All equipment assets were maintained and expenditure limited to within the operational budget. The maintenance team still managed to deliver an excellent level of service under severe pressure of limited resources.

**Restructuring of the Electricity Industry in South Africa into 6 Regional Electricity Distributors (REDS)**

This is a national driven process by Government to uplift the quality and standard of the electricity industry throughout South Africa by forming the six REDS to cover all areas within the country.

Government has established Electricity Distribution Industry (EDI) Holdings, under the guidance of the Department of Minerals and Energy, to oversee the process getting the REDS up and running as municipal entities.

Eskom has already restructured from seven to six regions to align themselves with the newly accepted boundaries of the six REDS. KwaZulu-Natal has been defined as RED 5, expanding its boundaries to the North and the South  $\pm$  2%. This includes 29 municipalities – regional as well as local.



[illegible]

**OFFICE OF THE CITY ENGINEER**

Roads and Storm water  
Buildings and structures  
Water and Wastewater  
Support Services

- **Upgrading of Mandlazini Village roads**

A total of R350 000 was spent on finalising the last remaining portion of the bus routes in the suburb, which had not been completed due to budget constraints at the time of the original developing of the Village. Existing roads were also re-gravelled and reshaped.

A total of R 431 000 was spent on upgrading undeveloped bus routes to full gravelled standards and improving roadside and other storm water drainage.

- **Upgrading of IDT Village (Ngwelezane) roads**

A total of R406 000 was spent on upgrading the undeveloped extension of Madlebe Road (which is the main route to the Madlebe Tribal Area) to full black top standards. Roadside and other storm water drainage was improved as well as access to lots where roads had not yet been developed.

- **Kraft Link Road**

A new road (Kraft Link extension) linking the Mondi area to the western end of the Alton industrial suburb was started. The total project value will be R23 527 000 and the project is scheduled for completion by August 2006.

- **Resealing of streets**

A total of R7 415 000 was spent on resealing work at various localities throughout the City and a further R916 000 at the Taxi Rank in Nseleni. An annual consultant, following a detailed annual assessment of all roads and prioritization of work in terms of a Pavement Management System run by the Roads and Storm water Division, does resealing of streets.

- **Nseleni Taxi Rank**

The first phase of the upgrading of the Nseleni taxi rank, which includes full standard parking and loading areas for about 30 taxis plus a new public toilet block and surrounding paving, was completed at a total value of R929 200.

- **Bus and taxi lay byes**

A total of R930 000 was spent on building seven new bus and taxi lay byes at various localities throughout the City.

- **Upgrading storm water drainage at Manzamyama Canal**

Major drainage works to the value of R7 129 000 were carried out finalising the main storm water drainage system serving the IDZ 1B (The located south of the John Ross Highway between Billiton's Hillside and Bayside Smelters).

- **Mzingazi Dam Wall safety requirements**

A project to upgrade the earth dam wall at the Mzingazi Lake to acceptable safety standards has started. To date R 2 014 000 of the total project value of R10 215 000 has been spent.

## **Buildings and structures**

- R450 000 provided by Council, supplemented by a R 2 768 000 government grant, was spent on building a further 34 pedestrian foot bridges in rural areas.
- A total of 3,414km of pedestrian paving (sidewalks) with a value of R1 360 000 was built at various localities throughout the City.
- New public toilet blocks were built at the Vulindlela bus rank and at the Post Office in Tanner Road to a total value of R385 000.
- A new wash bay, to the value of R757 000, for refuse collection vehicles was started and is nearing completion at the Western Services Centre.
- A new public swimming pool is being built in Nseleni to the total value of R2 863 000. It will be commissioned early in December 2005.
- A new extension (study hall) to the value of R750 000 has been built in Empangeni with the assistance of grant funding from the Provincial Library Services.
- Upgrading and rehabilitation work to the value of R221 000 was carried out at the Empangeni and Richards Bay fire stations.
- The erection of a new roof, to the value of R119 000, for the Arts and Crafts Centre has been started and is nearing completion.
- Internal alterations to accommodate movement of various functional sections were carried out to the value of R684 000.

### **Other projects**

- Remedial work on Pelican Island to the value of R794 000 was carried out on the eastern and western groynes, which had settled due to natural erosion.
- A leachate removal and monitoring borehole system was installed at the Alton Landfill (now closed) to the value of R1 451 000 and material to the value of R434 000 purchased for fencing the entire landfill site.

### **Roads and storm water statistics**

Length of storm water pipes 356,6km

Length of streets 525km

Length of railway sidings 17km

Number of buildings 344 (valued at R515 774 947)

### **Water and Wastewater**

- **Review of feasibility study on service delivery for water and sanitation services (Section 78 assessment)**

Section 77 of the Municipal Systems Act (Act No 32 of 2000) obliges municipalities to periodically review their service delivery mechanisms to ensure communities are best served. The criteria and process for deciding on mechanisms to provide municipal services are laid down in Section 78 of the same Act.

Grant funding received from the Department of Traditional and Local Government Affairs and the Municipal Infrastructure Investment Unit of the Development Bank of Southern Africa, in the amount of R385 000 and R250 000 respectively, made the study possible.

- **On target**

The Municipality is confident that it will be able to meet national government's target of supplying potable water to its communities by 2008 by making use of the Municipal Infrastructure Grant (MIG).

This is largely due to the Municipality's above average performance in meeting the expenditure targets set by national treasury. The City expended the total grant of R21,388 million, plus R2,767 million from the Special Municipal Infrastructure Fund (SMIF) for construction of Pedestrian Bridges in Rural Areas (reported on under the Roads and Stormwater Branch) by the end of the government financial year on 31 March 2005. Therefore, the grants for the next three years have been increased to R25,533 million for 2005/2006, R32,360 million in 2006/2007 and R35,331 million in 2007/2008.

- **Upgrading of Esikhawini Water Treatment Works**

The capacity of Esikhawini Water Treatment Works was increased from 18MI to 27MI per day due to water shortages that could be contributed to various factors including growth of the consumer base and the continuous extension of the water supply systems into the tribal areas. Construction on this R9 574 000 project started in October 2003 and was completed in September.

- **Meerensee Reservoir Structural Repairs**

Meerensee Reservoir was constructed in the 1970s to enhance the water supply in Meerensee. This 10ML steel reservoir required periodic maintenance, especially corrosion protection to enhance the life span of the reservoir. The project was implemented in the 2004/2005 financial year and completed in July 2005 at a total cost of R1 154 000. The project entailed the sandblasting and re-coating of the inside and portions of the external surface of the reservoir and extended the expected lifespan of the reservoir by approximately eight years.

- **New Nseleni Reservoir**

A new 10 ML reservoir is being constructed on the Nseleni waterworks/reservoir site to compliment the storage capacity available at Nseleni. This R6 840 000 project started in July 2005 and will be completed in January 2006 and will provide relief to the uMhlathuze areas of Nseleni town and the Khosa Tribal area as well as several areas in the neighbouring municipalities.

- **Nseleni Bulk Water Supply**

Nseleni Bulk Water Supply project was completed in two phases. Phase 1 was the construction of a bulk pipeline from Richards Bay to the Nseleni Reservoir site was completed in December 2003. Phase 2 was the bulk supply from the Nseleni reservoirs to the Khoza reservoirs and was completed in November 2004. The scope of this R5 442 000 project included 32,3km bulk and reticulation pipes between 25mm diameter and 200mm diameter, a pump station at the Nseleni Reservoir Complex and a second reservoir at the Khoza Reservoir Complex. This project released capacity in the Hlaza Rising Main for uThungulu to pump more water to communities in need in their area of jurisdiction.

- **Replacement of old water meters**

Proper metering is a pre-requisite for the management of any water supply system and therefore the Water Services Section planned and embarked on a meter replacement programme, which will extend over a number of years, until all old meters have been replaced. An amount of R500 000 has already been spent this year and this amount will need to be increased substantially over the next number of years in order to replace all old meters.

- **Water Management Programme**

The development of a water services layout, management programme, assessment and advanced pressure management for the City of uMhlathuze was initiated. This investigation comprised of the following main phases:

- Phase 1: Data Verification & Compilation of the Water Network Model
- Phase 2: Network Hydraulic Analysis, Calibration, Water Loss Control Measures and Meter Audit and Risk Management
- Phase 3: Water Master Plan and Water Loss Control
- Phase 4: Automation of Reporting
- Phase 5: Contract Implementation

To date all phases are complete and the process of taking “ownership” of the programme is currently underway.

- **Empangeni Water Networks Improvements: Phase 2**

A phased replacement of the old reticulation pipes in Empangeni is underway. Phase 1 was completed in January 2004 and Phase 2 started in January 2005 and will be completed in November 2005 at a project cost of about R6,5 million. A total of 11 673m of pipeline will be replaced in Phase 2.

- **Madlebe water improvements**

Water reticulation in the Madlebe Traditional Area was installed as a cholera relief project in the late 1990s but the volumes were not sufficient to supply consumers with the 6kl per household per month free basic water allocation. Phase 1 of the Madlebe water improvements consists of 16km of pipelines and a pump station at the Ngwelezana Reservoirs to upgrade the bulk supply to the southern areas of Madlebe. The project cost R9,6 million and was funded by MIG (R6,4 million) and counter funded by the Municipality (R3,2 million). The project started in May 2005 and will be completed in December 2005. This project was nominated as one of the best Expanded Public Works Programme (EPWP) projects in Kwazulu-Natal and was visited by the National Minister of Public Works, Minister Stella Sigcau and the National Council of Provinces (NCOP) on two different occasions.

- **Rural network extensions – Mkhwanazi North Tribal Area**

Water reticulation in the Mkhwanazi North Traditional Area is being extended with 13,3km of reticulation and the building of a 500kl reservoir built as part of Phase 3. The project cost is R5,16 million, which is funded through MIG. The project started in February 2005 and will be completed in November 2005.

Rural network extensions – Khoza Tribal Area

Water reticulation in the Khoza Traditional Area was extended with a total 15km of main pipelines and 35km of reticulation installed in Phase 3A. The project cost is R5,38 million, which is funded through MIG. The project started in February 2005 and will be completed in October 2005.

- **Mkhwanazi South Traditional Area and Mtunzini bulk water supply**

Work started in May 2005 on a bulk supply line to address water supply problems in the Mkhwanazi South area. The line is being installed from the supply main to Esikhawini to the reservoirs at Port Durnford. The water works at Port Durnford, which relies on three boreholes, will be decommissioned on completion of the bulk supply line.

During design of this system, uThungulu District Municipality requested the inclusion of bulk water supply to Mtunzini in the capacity of the line to Port Durnford. The project cost is R20,44 million, which is funded through MIG (R11,09 Million) uMhlathuze Municipality (R5,5Million) and uThungulu DM (R3,85million). The project will be completed in March 2006.

- **Upgrading of Arboretum Macerator**

The Macerator station was built in 1983 and with increased capacities and aging equipment, mechanical upgrading was required. Phase 1 of the upgrade started in June 2004 was completed in April 2005 at a project cost of R2 564 000. The upgrading consisted of new, larger capacity effluent pumps with the relevant electrical upgrades and a new diversion chamber to pump effluent into the existing lined storage pond in case of Mhlathuze Water being unable to accept effluent into their sea outfall line.

Phase 2 of the project started in May 2005 and will be completed in November 2005. This phase will cost R6 468 000 and includes the upgrading of the intake works with the associated pipe work, the replacement of the fine screens in the macerator and the lining of the existing unlined pond at the macerator station.

- **Outfall sewer: Ticor South Africa**

Ticor SA in Empangeni generates industrial effluent that cannot be handled by the Empangeni Wastewater Treatment Works.

Therefore, a R21,2 million project to construct an outfall sewer from Ticor SA to the Mondi site, where the effluent is pumped into the Mhlathuze Sea Outfall line, was implemented through Mhlathuze Water. uMhlathuze Municipality requested spare capacity in the outfall sewer to service future industry, which will establish around Ticor SA. The project started in September 2004 and will be completed in August 2005.

### **Statistics**

Potable water purchased and purified 36356 MI per annum

Wastewater and trade effluent purified 16 594 MI per annum

Combined reservoir capacities 213,8 MI

Length of water pipelines (Urban infrastructure) 687 km

Length of water pipelines (Rural infrastructure) 807 km

Length of sewer pipelines (Urban infrastructure) 575 km

Length of sewer pipelines (Rural infrastructure) 32 km

### **Support Services**

- **GIS upgrade and expansion project**

Following the completion of the organisational Information Technology Strategy investigation, the GIS User Work Group (GISUWG) was tasked with implementing of those recommendations pertaining to GIS.

Phase 1a of the project, to capture GIS related data, and Phase 1b, to evaluate whether to replace or upgrade the existing GIS, have been completed. Phase 2 is currently subject to review and approval for implementation.

## **OFFICE OF THE DIRECTOR INTEGRATED DEVELOPMENT PLANNING**

### **Main responsibilities**

- Land Use Management
- Development Planning
- Environmental Planning
- Local Economic Development

### **Land Use Management**

Detailed land use management maps and a combined scheme document, which covers the formal areas of the town, have been prepared. The consultation process involving various sectors and groups, ranging from the business environment to traditional leaders will now be embarked on.

## **Environmental Planning**

In terms of the Strategic Environmental Assessment (SEA), approved by Council as part of the Integrated Development Plan (IDP) process in 2002, various actions have to be undertaken in order to work towards building a sustainable City. In this regard the Environmental Planning Section has initiated the following projects:

- **Environmental Policy for the City**

Council adopted the Draft Environmental Policy on 5 April 2005. This document aims to inform the public and other stakeholders what the Municipality's environmental objectives are and how it intends to achieve these objectives. The Policy will remain in draft format for a period of two years in order to allow the Municipality an opportunity to implement measures that would ensure compliance with its Policy. It will also be implemented as part of the IDP and will be reviewed on an annual basis.

- **Environmental Management System**

The development of an Environmental Management System (EMS) for Council, based on ISO14001 principles, continued in this financial year. The project aims to identify Council's impacts on the environment.

Council took a bold step in deciding to simultaneously implement ISO9001 (a quality management system) and OHSAS18001 (a health and safety system) to also manage these aspects of its day-to-day operations.

- **Environmental Resource Information Management System (ERIMS)**

Population of the Environmental GIS is an ongoing project. Together with the City's digital aerial photographs, this source of information forms a powerful tool for environmental planning and management and will assist the Municipality to plan for a more sustainable uMhlathuze. The information is available to developers or industries that want to identify any environmental constraints that may be present before venturing into an Environmental Impact Assessment process. Since the inception of the Environmental Resource Information Management System, the following crucial environmental information has been added:

- **Vegetation Mapping**

This aids the Municipality to identify areas of conservation importance, areas that have been degraded, areas where the municipality should focus on alien vegetation control and eradication, wetlands boundaries, etc. The vegetation mapping has also successfully been used for fire hazard identification and determining how much air pollution biomass burning could produce.

- **Floodlines**

1:50 year and 1:100 year floodlines for major rivers, streams, lakes and canals in the uMhlathuze area assist the Municipality in disaster management, environmental management of riparian vegetation and safe town planning.

- **Strategic Geotechnical and Geohydrological Information**

Geotechnical information will assist the municipality in assessing where developers can expect difficult founding conditions and the geohydrological assessment will assist the Municipality in protecting its precious water resources.

#### ▪ **Air Quality Information**

The City, in co-ordination with the Richards Bay Clean Air Association, is in the process of analysing ambient air quality information to determine “no-go”, buffer and possible future industrial areas that would not impact on the residents’ and the environment’s well-being.

#### ▪ **Environmental Services Management Policy and Management Plans**

Building on the information gathered during the past two years for the Strategic Catchment Assessment, the Environmental Planning Section initiated an Environmental Services Management Policy and Management Plans.

“Environmental Services” make an important contribution to the economy of the uMhlathuze Municipality. Just as built or engineered services, such as waste disposal and water supply infrastructure, are valuable municipal services, so too are the environmental services delivered by the natural resources of the Municipality.

Environmental goods and services produced by these natural resources include:

- Water supply
- Flood mitigation / attenuation
- Provision of habitats for biodiversity
- Production of natural materials (thatch, grazing, food, firewood)
- Climate regulation
- Soil formation and erosion control
- Waste Management, etc.

These goods and services are provided free of charge to the uMhlathuze Municipality, and it has been estimated that these services amount to R1,7 billion per annum.

A Draft Environmental Services Management Policy (ESMP) was developed to provide specific guidelines regarding future development within uMhlathuze in a manner that safeguards the supply of environmental goods and services, secures a healthy environment for citizens to live in and ensures compliance with legislation. Environmental Services Management Plans for each of the catchments identified in the Strategic Catchment Assessment would formalise a response to the need for planning and managing these natural resources and ecosystems.

#### ▪ **Environmental Education and Awareness**

The “Environmental Watchdog” initiative - an article with an environmental theme placed once every two months in the “uMhlathuze News” – continued this financial year. This initiative aims to raise environmental awareness amongst the general public.

The Environmental Planning website is operational at <http://www.richemp.org.za> under Departments, Integrated Development Planning, Environmental Planning. Here you can find out about new initiative of the Environmental Planning Section.

Environmental training was undertaken for all staff members on ISO14001, the new Air Quality Act and the draft Environmental Impact Assessment Regulations.



## **Local Economic Development**

The achievements in implementing the six key focus areas of the Local Economic Development Strategy of the City can be summarised as follows:

- **Clustering for Economic Growth**

The uMhlathuze Municipality wants to embark in initiating a SMME Clustering Process for the Industrial, Tourism and Agricultural economic sectors of the local economy. This will also focus on economic linkages with the remainder of the uThungulu District. The Municipality has received cost proposals and is currently investigating sources of funding for the SMME Clustering Process.

- **Critical Infrastructure and Services**

The upgrading of the John Ross Highway is underway and will properly link Richards Bay with Gauteng, the economic hub of South Africa. An economic node has been established in Esikhawini with the establishment of the Esikhawini Shopping Mall.

- **“Soft infrastructure” for competitive advantage**

A Local Economic Development Task Team, consisting of key local LED role players, has been established to formulate the Local Economic Development Strategy and implement its key focus areas. Phase 1 A of the Industrial Development Zone (IDZ) has been established. Procedures are currently being streamlined for the management of informal trade activities within the City of uMhlathuze with the formulation of an Informal Trade Framework Plan.

- **Job Creation from Tourism**

A Strategic Tourism Development Plan is being prepared in consultation with local stakeholders in addition to a feasibility study to register an Urban Biosphere Reserve with UNESCO of the United Nations. The Municipality also sponsored the training of local SA Host training facilitators to promote a culture of service excellence among businesses in the tourism industry. A Waterfront and Marina Development Initiative has been established to promote the development of a waterfront and marina at the Richards Bay Harbour.

- **Job Creation through Agriculture and Forestry**

An Agricultural Development Strategy is currently being formulated for the City of uMhlathuze in consultation with local stakeholders. The second phase of the Agricultural Development Strategy will consist of an Implementation Plan. The uMhlathuze Municipality is also currently implementing an Integrated Agricultural Development Programme both in the urban and rural areas of the City of uMhlathuze.

- **Retaining and Growing Existing Business**

The uMhlathuze Municipality in partnership with the Zululand Chamber of Business and Empangeni business community successfully conducted a Business Retention and Expansion (BR&E) Visitation Programme for Empangeni. Outstanding activities that currently being addressed include the formulation of the Empangeni Rail Renewal Plan, the relocation and formalisation of the Empangeni Street Mechanics and the roofing of the Empangeni Arts and Crafts Centre. The Municipality is also envisaging conducting a Revitalisation Plan for the Empangeni Arts and Crafts Centre.

### **Development Planning**

The Mzingazi Golf Estate is one of the most prestigious and ambitious housing developments in the history of the City and the progress made with this project during the past year is a highlight of this Department.

A sales agreement was signed with the developers, iNdlovu Development Trust and a new lease agreement was entered into between the Richards Bay Country Club and the uMhlathuze Council.

The developers proceeded with a Development Facilitation Act (D.F.A.) application in order to subdivide and rezone, where applicable, the developable portion of the current lease area. This process is subject to environmental authorisation, which is currently under review by the Department of Agriculture and Environmental Affairs.

Apart from providing low to medium density housing in a secure and tranquil environment, iNdlovu Development Trust has incorporated sites zoned for professional use into the development application, which is an emerging niche in the golf course development market.

The development represents a win-win scenario for all role players. Council benefits R 10 500 000 for the sale of the land plus 40% of the selling price of each individual subdivision sold in excess of R 75 million. The developer will, amongst others, contribute an amount of R6 million towards the upgrading and redevelopment of the golf course, while a further R3,8m will be spent on upgrading the Country Club facilities.

A Stabilisation Fund will also be established (calculated at R10 000 per site). The purpose of the Stabilisation Fund will be to generate income to assist the Richards Bay Country Club with the maintenance of the facilities.

In addition to the above the developers will contribute R 1 500 000 for the relocation of the Richards Bay Rugby Club and a negotiated amount for the relocation of the Richards Bay Bowls Club. The developer will contribute R 400 000 to the Development Trust, which is an existing Section 21 Company established by the Richards Bay Country Club for the purpose of advancing and promoting sport amongst disadvantaged youth.

## **OFFICE OF THE DIRECTOR COMMUNITY SERVICES AND HEALTH**

### **Main responsibilities**

- Waste Management Services
- Environmental Health
- Traffic and Traffic Licencing
- Fire and Rescue Services
- Community Based Crime Prevention

### **Waste Management Services**

Waste Management Services completed the City of uMhlathuze's first Integrated Waste Management Plan (IWMP) in April 2005. This plan is a requirement of the National Waste Management Strategy and the Integrated Development Plan.

In addition to the Polokwane Declaration, that commits all spheres of government to strive towards the goal of Zero waste by the year 2022, the IWMP determines the detail and functionality of existing waste services and the identification and planning for future needs.

#### ▪ **School Clean-up Competition**

Waste Management Services held a clean-up competition focused on schools in the unserviced rural areas of the City with the intention of creating a platform for the extension of waste services.

Ten schools participated and together the learners collected in excess of 8 tons of waste in and around their schools. Prizes to the value of R21 000 were awarded, including photocopying machines for the two first prizewinners.

#### ▪ **International Coastal Cleanup**

A team of eight volunteers from the Waste Management Division supported the International Coastal Cleanup Campaign in September 2004. In addition, the Municipality donated 10 000 refuse bags and provided nine refuse skips for the event.

#### **Waste Management Statistics**

Skips serviced	643
Street litterbins	1 386
Number of refuse bags distributed to residents per annum	7,3 million
Community skips	30
Loads of waste collected	7 508
Domestic and commercial waste	237 999m <sup>2</sup>
Industrial waste	39 872m <sup>2</sup>
General waste	15 794m <sup>2</sup>
Garden waste	2 534m <sup>2</sup>
Total volume of waste collected	296 199m <sup>2</sup>

#### **Environmental Health**

##### ▪ **General**

- Bi-annual rabies campaigns as well as monthly clinics at central venues in the municipal area are held to contain the spread of rabies, a disease still prevalent within the jurisdiction of uMhlathuze Municipality.
- Malaria cases declined sharply during the year with no local transmissions having been reported. However, malaria continues to be closely monitored by all stakeholders.
- Regular monitoring and health education by Environmental Health Officers has led to the vast improvement by industries and workshops' regarding compliance and co-operation with water pollution aspects.
- Air pollution complaints from the surrounding communities increased and resulted in efficient and timeous investigations and resolutions of these complaints.

### ■ **Air Quality**

Some success has been achieved in using air quality data to influence the position of new industries. However, the existing industries in the town do continue to expand and in some cases produce more emissions.

Such a situation will not be sustainable for the town and the future of the Association will be to maintain vigilance on new developments but also to encourage the existing operations in Richards Bay to plan for emission reduction programmes. The new Air Quality Bill will eventually make this approach mandatory.

### **Statistics**

The following inspections and investigations were conducted during the year under review:

- 1 046 Complaint investigations were undertaken, of which 430 related to air pollution
- 32 tracing of TB defaulters, 49 cases of malaria, 44 cases of measles and 10 cases of Hepatitis A
- 1 168 Inspections of vacant overgrown properties
- 62 Inspections at funeral parlours
- 423 Inspections of food premises
- 134 Samples were taken according to the Foodstuffs, Cosmetics and Disinfectants Act.
- 362 Water samples were collected from streams, rivers and other water sources with regard to water pollution parameters.
- 049 Kilograms of unsound foodstuffs were destroyed at the local landfill sites
- 348 Inspections were carried out at child care facilities
- 92 Inspections were done at bed and breakfasts establishments
- 384 Inspections of workshops were carried out with regard to water pollution aspects
- 97 Building plans were scrutinised from a health point of view.
- 42 Pauper burial applications were approved and burials undertaken by Council
- 59 Health education sessions were undertaken with a total of 1 621 people attending the sessions
- Positive cases of rabies were diagnosed in the municipal area. The total number of animal bites recorded and investigated was 36.
- A total of 3 034 rabies vaccinations were performed during the rabies vaccination campaigns and the monthly attendance at Veldenvlei Hall.

### **Community Based Crime Prevention**

The Community Safety Forum met on a regular basis and the implementation of the 10 projects identified in the Municipality's Community Based Crime Prevention Strategy continued during the year and met with much success. Of particular interest is the "Local Heroes" project, which has been selected as a best practices project by the Department of Education. This means the programme will now be used as the basis of life skills training for youth across the country.

The Neighbourhood Support Programme has also been given a massive boost with the launch of the uMhlathuze Ministers Forum. The Forum is committed to bringing the community together through prayer and fellowship, voicing

concerns and acting upon these concerns for the benefit of the community and the country.

### **Clinic Services**

#### **▪ Primary Health Care Services**

Total Attendances: Primary Health Care Facility July 2004 to June 2005 reflected in the following table:

<b>FACILITY NAME</b>	<b>SERVICE DAY</b>	<b>JUL – SEPT 2004</b>	<b>OCT – DEC 2004</b>	<b>JAN- MAR 2005</b>	<b>APR- JUNE 2005</b>	<b>TOTAL</b>
Aquadene	Mondays 08.00 – 13.00	1 051	774	1 602	797	4 224
Baptist Church	Tuesdays 08.00 13.00	900	1 176	870	973	3 919
Brack/ham	Thursdays 08.00 – 15.00	2 862	2 537	3 780	2 125	11 304
Civic: Empangeni	Daily Mon – Frid 08.00 – 15.00	18 618	20 095	24 722	23 314	86 749
Civic: R/Bay	Daily Mon – Frid 08.00 – 15.00	15 497	10 595	16 489	21 176	63 757
Felixton	Wednesdays 08.00 – 13.00	871	743	933	788	3 335
Mandlazini	Tuesdays 08.00 – 15.00	1 834	1 350	202	Nil	3 386
Meerensee	Wednesdays 08.00 – 13.00 Fridays 08.00 – 12.00	4 599	3 869	4 547	4 113	17 132
<b>Total</b>		<b>46 052</b>	<b>41 139</b>	<b>53 145</b>	<b>53 468</b>	<b>193 805</b>

In total, uMhlathuze Municipality clinics (excluding clinics in R293 towns) attended to 193 805 patients during this period.

#### **▪ Tuberculosis, TB and Sexually Transmitted Diseases**

HIV has completely changed the face of the Tuberculosis epidemic, where Tuberculosis (TB) patients today are younger and sicker.

The City's clinic staff attended to 4 821 clients who presented with HIV/AIDS signs and symptoms, 6 115 cases of STI's and 11 634 positive TB cases. Compared to the previous year, there is a dramatic increase of HIV and TB in Council's area of jurisdiction.

uMhlathuze City Clinics employ the following Strategies to contain the STI/HIV/TB Trio:

#### **▪ Voluntary Counselling and Testing (VCT)**

Nine lay counsellors (5 in Richards Bay and 4 at Empangeni) employed by KZN Province provide VCT and impart information on HIV/AIDS, STI and TB on a daily basis. They also visit satellite clinics to spread the programme to residents around Meerensee, Aquadene, Brackenham and Felixton.

- **Prevention of Mother to Child Transmission of HIV (PMTCT)**  
The PMTCT clinic informs pregnant mothers how HIV proceeds from a HIV positive mother to her baby during pregnancy, childbirth and breastfeeding with the aim of prevent vertical transmission of HIV. The rationale is to interrupt transmission of HIV at each stage at which it might occur.
  
- **CD4 Cell Count Clinic and Referral to Ngwelezana Hospital**  
Tests done to determine the level of HIV in the body are Viral Load and the CD4 Cell count. The information that these tests give has been compared to the parameters of a train journey. The viral load measures the speed of travel of the train, the CD4 Cell count indicates the distance from the crash, whilst the crash indicates onset of AIDS. The CD4 Cell count therefore indicates the stage of disease that the patient has reached.
  
- **Support Group for People Living With HIV/AIDS**  
A support group for People Living With HIV/AIDS meets on a monthly basis to discuss issues related to management of HIV symptoms and side effects of Antiretroviral drugs. The following topics were covered during this period:
  - Spiritual Support
  - Social Grants
  - Nutrition and HIV
  - ARV's and their role
 Empangeni established a support group for People Living with HIV/AIDS in May 2005. uMhlatuze Clinic Services work in partnership with Life Line Zululand, Parego, and other local NGO's and CBO's
  
- **TB and DOT Programme**  
Sputum is collected from all clients presenting one or more symptoms of TB. Those whose tests are positive are contacted to register for a six months TB programme. They are also encouraged to visit the VCT clinic to determine their HIV status.  
  
Empangeni Civic clinic assigned each TB patient to a Directly Observed Treatment (DOT) supporter who volunteers to help the client to comply with treatment and prevent defaulting.  
  
A group of 23 women from Mzingazi volunteered to work as DOT supporters for the Richards Bay Civic clinic to encourage Mzingazi residents on TB treatment to complete the treatment programme. (Cedric uMhlatuze News 8/2005 page 8)
  
- **Sexually Transmitted Infections (STI)**  
Clients are advised on the dangers of STI with specific reference to HIV/AIDS and the risk of acquiring TB due to suppressed immunity. They are supplied with contact/carrier cards to hand over to their sexual contacts/partners to invite them to attend the clinic for treatment. Blood specimen is collected from some clients to determine positive Syphilis (WR). There is no reduction in STI's regardless of extensive prevention programmes.

- **Treatment of Opportunistic Infections**

People Living With HIV/AIDS were given a monthly supply of vitamins to help boost their compromised immune system and antibiotics to prevent and treat Opportunistic Infections.

Positive living and sexual behaviour change was encouraged with special reference to reducing sexual partners (“zero grazing”), abstinence and or use of condoms in order to prevention re-infection and reduce the number of circulating HIVirus in the body (viral load).

- **Nutrition**

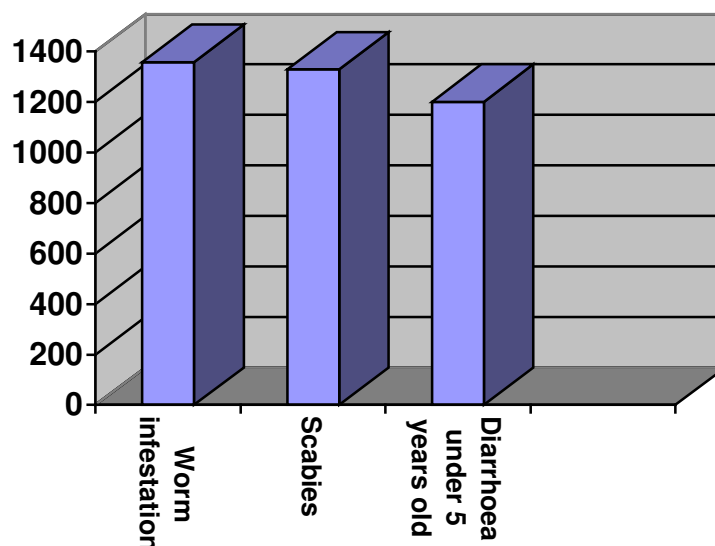
A supply of fortified nutritional Philani porridge (supplied by KZN Department of Health) is offered to clients who unintentionally lost weight – due to TB/HIV/AIDS and any other chronic disease like cancers, in order to correct their nutritional status.

- **Animal bites/rabies**

Civic clinics attended to 1 010 clients who were bitten by dogs. There is no treatment for rabies after symptoms of the disease appear and communities are advised to visit their clinic immediately if bitten by an animal to start the treatment programme.

- **Illnesses in children**

The graph indicates the prevalence of diarrhoea in children under five years old, worm infestation, scabies in children that visited the Municipal clinics.



These illnesses usually exist in areas where there is a lack of safe water supply, poor hygiene and sanitation. It is thought that scabies may co-exist with HIV “itchy bump disease”, which is more common in HIV positive patients/children. This relationship will further inflame the problem of scabies in Council’s area of jurisdiction.

- **Measles**

uMhlathuze Municipality took part in a national mass polio and measles vaccination campaign for children younger than 5 years and up to 15 years of age. As a result of a measles outbreak in Richards Bay during April 2005 a response campaign was organised. Thirty schools were visited and 5 667 children were immunised.

### **Licencing**

There has been an increase in the number of registered vehicles within the City's boundary, which is shown below:

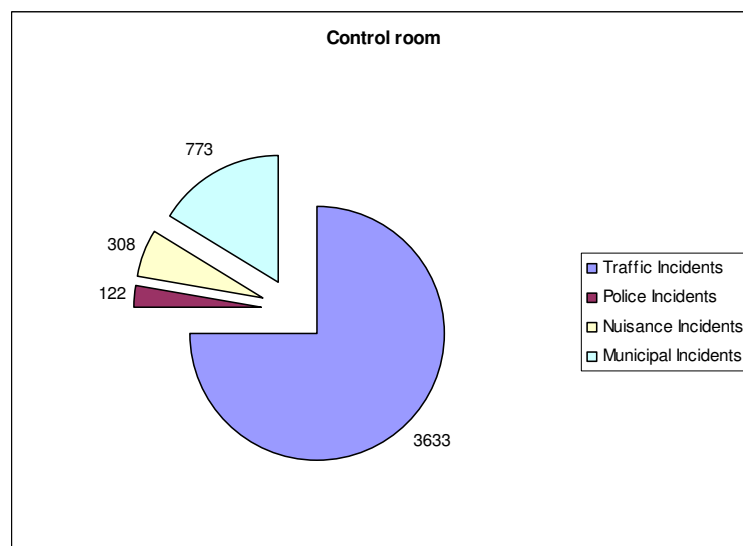
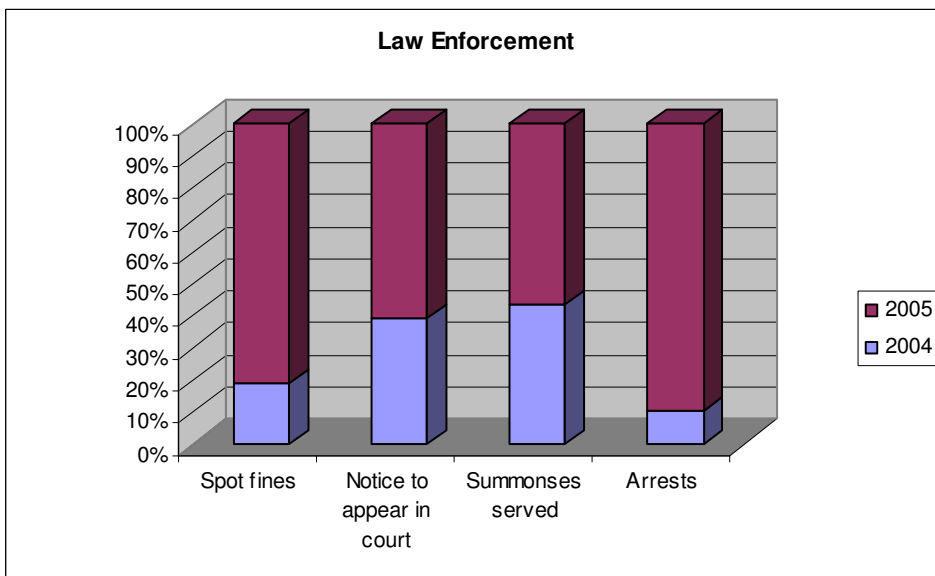
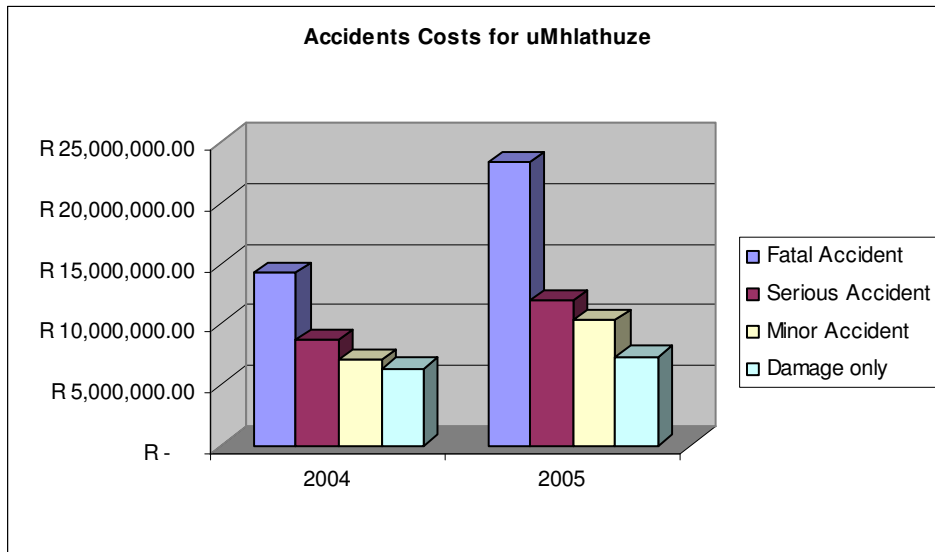
	<b>RICHARDS BAY</b>		<b>EMPANGENI</b>	
<b>VEHICLE DESCRIPTION</b>	<b>2003/2004</b>	<b>2004/2005</b>	<b>2003/2004</b>	<b>2004/2005</b>
Non-Articulated HMV	798	809	894	887
Articulated HMV	528	568	511	538
Light Load Vehicles	7491	8910	8744	7529
Heavy Passenger Vehicles	90	241	231	93
Minibuses	770	796	1035	1041
Light Passenger Vehicles	15154	15916	8628	8728
Motorcycles	984	1035	543	541
Other And Special Vehicles	109	1174	911	1020

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## Traffic

The following graphs illustrate the statistics:



## **Fire and Rescue Services**

Fire and Rescue Services excelled once again in the quality and quantity of the service that it provides to the community. This included the manning of the after-hours complaints line, which provides the link between other Council departments and the community pertaining to any after-hours complaints and enquiries. Loss of life and property has been kept to a minimum due to effective fire fighting and fire prevention activities. This is due to the dedication and loyalty of all staff that have once again gone that extra mile for the community that they protect and serve.

During the year the Fire Brigade personnel rendered the following services:

- 1468 Fire related incidents, 402 Rescues, 31 Medical Emergencies, 11 Hazardous Materials incidents and 356 Special Services were attended to.
- 798 Fire Prevention inspections were carried out.
- The Fire Brigade Control Centre processed 26 648 after-hours electrical pre-payment sales.
- The Fire Brigade Control Centre processed 30 262 fire related and 21 545 non-fire related telephone calls.
- The Fire Brigade Training Division presented 4 courses to external candidates over 4 days and spent 1644 Hours presenting training sessions to Fire Service personnel that covered 40 different modules.
- The total damage caused by fire was R 14 910 670.00 whilst the estimated value of property threatened by fire was R 736 109 270.00.

Operational tasks of special interest performed during this year include the following:

### **Notable fires attended**

- One factory in a mini factory complex in Alton was totally gutted by fire. The Fire Department prevented the fire spreading to other factories in the complex.
- A runaway informal sugar cane fire caused the destruction of 7 formal rondavel structures as well as the Ithunzi Lodge at Port Dunford. The Fire Department was able to save three rondavels and prevent the fire from spreading to other residences situated in the area.
- A large fire occurred on conveyer belts in the Port. Two transfer facilities and a large amount of belting was damaged in this incident. Most of the Fire Department resources were utilised to contain and extinguish the fire.
- A dust explosion extensively damaged a portion of a fuel pellet manufacturers premises situated in Kwambonambi. The Fire Department responded out of its area of jurisdiction to assist with the incident.

### **Hazardous material incidents**

- A large fuel leak running into a natural water source was identified as originating from Jabulani fuels situated in Empangeni. The necessary preventative measures were put in place and all the applicable roll players were involved in monitoring the rehabilitation of the site.

- The Fire Department stood by at Ticor plant while 200 tons of iron and 400 tons of salamander (slag) was drained off a furnace pot that had developed a severe crack.
- Silva Cel and CTC premises were evacuated due to a leak on a flange situated on a pipe in the ammonia tank farm inside Foskor. 78 People were sent to the Bay Hospital for observation of whom 76 people were immediately released and two were held over night for observation.

### **General**

- Assistance was given, in the form of food parcels and blankets, to various families in the rural areas whose residences were destroyed by lightning and fire.
- The Fire Department stood by and extinguished the fire on the film set "Out of Africa" on the wooden ship used in the production. This was done in conjunction with the film company, the National Ports Authority Fire Department, the Harbour Master and 2 tugs.
- Additional personnel were called in on standby to the Richards Bay and Empangeni Fire Stations for the duration of the Parliament National Council of Provinces week. The entire week went off without any incidents and was declared a success.
- Standby duties were carried out at various other mass public gatherings/venues throughout the area during the year and as a result of good pre-planning, no incidents were reported.
- The National Ports Authority Port Festival as well as the New Years Eve Festivals that took place in Small Craft Harbour was successfully concluded due to effective pre-planning and the strategic deployment of vehicles and manpower.

## **OFFICE OF THE DIRECTOR COMMUNITY FACILITATION, MARKETING & HOUSING**

### **Main responsibilities**

- Marketing Services
- Public Relations and Tourism
- Community Facilitation
- Local Economic Development (new one?)
- Outdoor Advertising
- Low Cost Housing
- Museum
- Access to Information
- Informal trading

### **General overview**

The assets and marketable features of the City of uMhlathuze – the deep water harbour, strategic location, economic service changes, availability of land and abundant supply of labour – practically sell themselves to investors.

This department is focused on realising this investor potential in a responsible manner by protecting the sensitive environment and achieving the Council's objectives. These objectives are to stimulate the economy and to create job opportunities as well as to enhance the attraction of the area and remain one of the country's fastest growth points.

Marketing and branding the Municipality outside the City boundaries is one way this department aims to improve the lifestyle of all the City's inhabitants. Public participation is a more direct approach used to engage residents to ensure community needs are taken seriously.

### **Marketing**

Several exciting developments are about to start in the City. Final planning approval is imminent for a security-lifestyle estate overlooking Lake Mzingazi at the Richards Bay Country Club. Proposals for a similar development on portions of the Empangeni Country Club and Tennis Club are presently being evaluated.

Negotiations with two Foreign Direct Investors are at an advanced stage and the City's industrial tax base will be expanded through the construction of the proposed pulp mill and ferrochrome smelter in Richards Bay once environmental approval has been granted. The Marketing Section has been intensively involved in gathering information and providing development advice to various project proponents linked to these major industries, as well as downstream aluminium beneficiation projects.

### **Outdoor Advertising**

Income generated by outdoor advertising increased for the third consecutive year with application fees, rentals and approval fees in respect of permanent advertising opportunities amassing R944 615. Temporary advertising rights raised R40 446.

The outdoor advertising medium proved extremely successful in reaching the public in two separate campaigns - a beach safety awareness campaign focused at Alkantstrand Beach and a municipal services publicity campaign, which targeted the libraries, museum, electricity, water, and rabies inoculations. Two welcome signs into the City were erected and Council made available 10 banner points for banner advertising.

### **Applications processed during the 2004/2005 financial year:**

Estate agents boards	30
Advertising trailers	7
Wall signs	14
Portable boards	14
Flags/teardrops	34
Ground signs	64
Pylon signs	2
Posters and banners	189
Declined/lapsed applications	44
<b>Total</b>	<b>398</b>

### **Tourism**

The City of uMhlathuze is widely regarded as an industrial town, but Council with the assistance of the uMhlathuze Tourism Association, is making definite progress in changing perceptions and promoting the town as a tourist destination. This has largely been achieved by supporting the growth of sports tourism through the sponsorship of high profile events that showcase the City as a leading sports venue.

Apart from a favourable climate, the City is fortunate to boast a wide variety of sports clubs, many with the necessary infrastructure to host provincial and

national events. As a result the following events have been successfully hosted in the City and the Municipality has been actively involved providing either sponsorships, television coverage or as host:

- Richards Bay Fishing Bonanza;
- Fish Eagle Mile Swim
- Beach Festival;
- Hippo Rally.
- KZN Bonzai Association Regional Annual Convention
- South African Triathlon Championships.
- Zululand Expo
- Zulu Dance Competition
- uMhlathuze Tourism Bush Run
- First Leg of South African Body Boarding Competition
- 21 Species Fishing Competition

Local business has also enjoyed the positive spin-offs generated by these events as hotels and B&B establishments were fully booked and visitors were keen to explore the attractions of our area.

Great effort has been channelled into developing and improving the quality of craft products made in the area by holding workshops at the Empangeni Arts and Crafts Centre. Crafters are also provided with information and training about customer service and business skills needed to establish their own enterprises.

The construction of a roof on the Arts and Craft Centre, which is scheduled for completion in late 2005, will give the Centre more scope as a venue making it more viable.

### **Museum**

The Empangeni Museum changes its exhibitions on a regular basis to maintain a good balance between local artwork, art from schools in the area, work from our rural crafters as well as provincial exhibitions that are on tour.

The most noteworthy exhibitions and skills development training at the Museum were:

- The Isiphehu Exhibition of the intricate embroidery works of the unemployed women from the Newcastle area
- The Annual Mondi Eistedfodd and the preceding St Catherines High School Exhibition, which reflected on the portfolios of matric scholars from 2001 to 2003.
- Skills Development Training workshops aimed at art teachers in the rural areas of the City.
- A crafters exhibition for the public where beadwork, woodwork, clay pots and other artworks were on display for sale was well received and patronised, ensuring a repeat performance in the future.

## **Statistics**

- 50 000 Newsletters were printed and distributed monthly throughout the municipal area
- 20 000 Tourist maps and 20 000 tourist brochures were printed and distributed to identified outlets
- 000 Annual reports were distributed

## **Community Outreach Programmes**

### **▪ Hosting the State of the Nation Address**

The City of uMhlathuze, in collaboration with the Communication & Information System division of Government, staged an event whereby the rural community of the Madlebe Tribal Authority watched the televised screening of the State of the Nation Address by the South African President for the first time. In his address, President Mbeki's spoke about social and development issues as well as other matters of national interest. To maximise the community's understanding of the address, representatives of various government departments were in attendance to clarify their roles and responsibilities.

This event was an important empowerment tool as the community used the opportunity to raise various questions that cut across the different spheres of government. Both leaders and government officials were able to experience first-hand the issues that people feel strongly about.

### **▪ Cultural activities focusing on the youth**

During May and June, the City of uMhlathuze implemented an arts and culture programme in the form of a road show that targeted youth from the four Tribal Authorities under the jurisdiction of uMhlathuze Municipality.

The focus was to raise awareness about talent, showcase different talents and harness talent. Besides the promotion of cultural activities, the youth were empowered about entrepreneurial opportunities and the skills required.

To promote national identity a Youth Day event was hosted to coincide with other countrywide activities on 16 June. Leadership ranging from the Mayor, Amakhosi, Councillors and other distinguished community members attended local Youth Day celebrations. The sense of enthusiasm by the youth and the support the event enjoyed from the leadership and communities will be strong motivation to adopt the celebration of Youth Day in the City's annual programme.

### **▪ Radio talk show**

To broaden the community facilitation base Council provided funding for radio talk shows. Slots bought from national and community radio stations were used to disseminate information on municipal service delivery. Emphasis was placed on building a sustainable relationship between the Municipality and the community???. The talk show medium proved useful in enabling Council to reach communities in the rural areas that do now have access or make use of conventional print media.

### **▪ Establishment of a Street Traders Forum**

The inaugural meeting of the Street Traders Forum the various stakeholders was well received with those in attendance – street trader representatives, police, the Municipality and formal business – showing a willingness to work

together to ensure growth, order and stability in the City in terms of economic activities.

Street trading related issues were discussed in a meaningful manner and the Municipality and the Zululand Chamber of Business Foundation made presentations informing the delegates of the plans, processes and support programmes to be implemented.

- **Ward Committee review session**

During April 2005 Council hosted the Ward Committee Year Review Session. More than 80% of ward committee members arrived to hear the Mayor and the Chief Executive Officer report on the 2005/2006 budget issues, the previous year's achievements and shortcomings as well as share strategic developmental issues with the members. The Ward Committee members used the opportunity to raise various issues with the Mayor such as the need for financial support. They were also forthcoming with constructive suggestions on other issues.

## **Housing**

- **Umhlathuze Village**

A massive R3,3 million has been set aside for Umhlathuze Village as Council's reaffirmation of its commitment to provide an acceptable level of services in low income housing developments. The bulk of this funding will be spent on infrastructure while R500 000 will bridge finance the top structures.

This contribution by Council provided welcome relief to the beneficiaries who do not need to make any individual contribution other than the legislated R2479 payable by those earning more than R1500 per month.

The mass of people that took part in the registration exercise at the Empangeni Town Hall following the unblocking of this project, illustrates the huge demand that exists for this type of development. More than 800 applications were received of which about 400 has been approved accordingly by the Provincial Department of Housing.

Contractors appointed for the installation of the infrastructure and house construction has started work and it is expected that over 500 houses will be completed by June 2006.

- **Esikhawini Redevelopment Programme**

The mammoth hostel upgrade will be ready for implementation in August 2005 following extensive consultation and planning processes. The Housing Division will be evacuating all tenants and accommodating them in various locations so that the contractor appointed to undertake the pilot project (36 units at J464) can move on site and start with renovations.

The entire hostel development will take about three years to complete. Simultaneously Council will address issues such as the provision of temporary and permanent alternative housing as well as consider alternative ways of managing the revamped units.

## **Land Acquisition**

For the past two years the City of uMhlathuze has been in the process of acquiring certain portions of land adjacent to Esikhawini and Enseleni, which it views as crucial in terms of the City's general growth.

The land is being sought to provide low and middle income housing to satisfy the demand created by the influx of job seekers who believe the area to be rich in employment opportunities. This has resulted in a sharp increase in the number of households and the population.

Environmental issues and an active lease agreement are, however, a source of concern regarding the land adjacent to Esikhawini. The Municipality is doing everything in its powers to accelerate matters including engaging the assistance of various government departments. The community is kept updated on the progress as well as the encountered challenges.

## **OFFICE OF THE DIRECTOR MANAGEMENT SERVICES**

### **Core responsibilities**

- Personnel Administration
- Safety, Health and Environmental Risk Control
- Industrial Relations
- Training and Development
- Information Technology (Outsourced to GijimaAst)

### **Personnel Administration**

#### **▪ General**

The post of Director of Management Services has been filled by Mr Simon Mashabane following the retirement at the end of April 2005 of Mr Piet Oosthuizen, the former head of the Department, who retired after a working career of over 42 years.

#### **▪ Job evaluation**

The South African Local Government Bargaining Council (SALGBC) declared a dispute on Council's decision to implement the new TASK System (Tuned Assessment of Skills and Knowledge).

As far back as 2001 uMhlathuze Municipality followed the job evaluation process within the timeframes set down by SALGBC to implement the TASK System across all 284 municipalities in the country. However, SALGBC couldn't implement the agreement in terms of the parameters they had set themselves and the uMhlathuze Municipality found itself in an uncomfortable position of meeting all the deadlines but being told not to implement by SALGBC.

Council, after careful consideration of SALGBC's inability to implement their own agreement, agreed to set money aside to attend to the unilateral implementation of the job evaluation results so that employees would get what was rightfully theirs, backdated to January 2003.

When SALGBC challenged this move by issuing a Compliance Order, Council referred the matter to conciliation. When the matter was not resolved at conciliation it was referred to arbitration.



The Municipality, recognizing the matter was one of national interest and not wanting to place its employees at a disadvantage in terms the unilateral implementation, agreed to submit itself to a R75 000 fine in exchange for SALGBC condoning the implementation.

SALGBC has also indicated its willingness to fast track the job evaluation process and in so doing create a mechanism to fast track the appeals process.

### **Safety, Health and Environmental Risk Control**

#### **▪ Training**

Flexible Learning Solutions, the first company in the country to be accredited as a SHE Learning Programme Provider by the Services SETA, continued with the SHE training programme. Training is an essential requirement in terms of the OSH Act as staff has the right to be informed of their duties, responsibilities as well as hazards and risks in the workplace. Furthermore, all employees designated in terms of statutory requirements shall be trained.

The focus of SHE training shifted to the lower levels of the staff as the need on the higher levels has been addressed. A different approach, using visual material as a training aid, was used for illiterate staff. Posters were created of the major activities within the organization and used during training sessions to identify risks and hazards. Instead of pocket size booklets, laminated pocket size mini-posters were given to staff for future reference. The Department of Labour's Head Office approved this methodology.

All appointees in terms of the OSH Act were trained to understand their statutory duties and responsibilities. More than 500 employees attended SHE training courses during the year under review. Courses included SHE Representatives, Incident Investigations, Risk Assessments, Legislations and Right to Know.

Functional training by other service providers included first aid, confined spaces entry, truck mounted cranes, material stacker, bench and angle grinding, drill press operation and overhead cranes.

#### **▪ ISO 9001, ISO 14001 and OHSAS 18001 Integrated SHEQ Management System**

uMhlathuze Municipality prides itself on being a leader in local government circles and is constantly looking at ways to improve the way in which it does business to the benefit of its residents, employees and the City in general.

The latest project the Municipality has embarked upon in this regard is attempt ISO 9001: 2000, ISO 14001 and OHSAS 18001 certification simultaneously.

July 2006 is the target date by which the Municipality hopes to realise its goal. Driving the process is a specially appointed ISO Implementation Team consisting of representatives from each department, which has been trained by IQS Environmental, Quality and Training Consultants from Durban.

#### **▪ ODE Training and Development**

Two members of the SHE Risk Management Division are involved in the ODE Training and Development Practice learnership. Once they are accredited

practitioners these officials will be responsible to assist with internal SHE training.

### **Industrial Relations**

The relationship between Council and its employees is very stable and healthy. The establishment of the Local Labour Forum and the open door policy as forms of communications has been instrumental in diffusing any potentially conflicting labour issues.

Despite the large staff component at the Municipality, relatively little disciplinary action had to be instituted in terms of the disciplinary procedure. The same can be said of the grievance procedure and other human resources related issues. This is indicative of sound industrial relations.

The Department has ensured compliance with the Employment Equity Act in terms of submitted the required information and the actual implementation of the Act.

### **Training and Development**

A Training Steering Committee for municipalities in the Northern Region has been formed with the assistance of the Department of Local Government and Traditional Affairs.

The municipalities include the uThungulu, Zululand and Umkhanyekude District Municipalities, and the 19 municipalities that they comprise. The committee aims to co-ordinate training and assist the smaller municipalities to get skills development programmes up and running.

### **Information Technology**

The Municipality has embarked on the City Connect project to upgrade the Municipality's communications infrastructure. The existing PABX system will be replaced with a VOIP (Voice Over Internet Protocol) converged system and the Local and Wide Area Networks (LAN and WAN) will be upgraded to improve the quality of service.

Savings costs from replacing the PABX system will fund the implementation of the upgrades as well as save R3,2 million over five years. Other benefits include a single point of telephone contact by which ratepayers can access the various departments within the Municipality, voicemail to manage messages in a professional manner and no cost for internal calls.

Upgrading of the LAN and WAN will provide more than 50% additional bandwidth per location outside of the Richards Bay Civic Centre as well as enhance the overall network performance to remote sites and improve network response times.

### **Performance Management**

The manual process to measure, monitor and report on performance had become too complex and time consuming for completion within the timeframes required by the Auditor General and in terms of the Municipal Financial Management Act.

This Department, therefore, took the decision to computerize the Performance Management System (PMS). GijimaAST has facilitated the project performed by

Intermap for the compilation of a User Requirements Specification and a Functional Specification for the development of this computerized system.

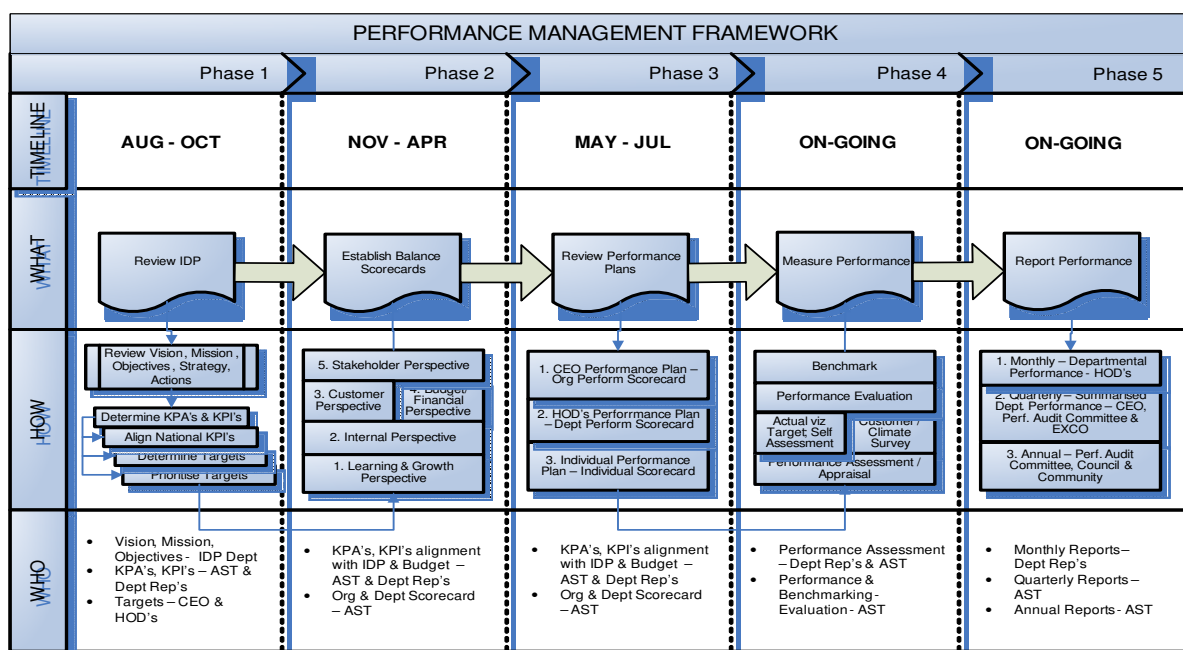
It is important to now expedite the further development of the Computerised Performance Management System, which will incorporate the overall process for performance management in the Municipality.

The computerized system will be in accordance with the Performance Management Framework and will ensure alignment of the Integrated Development Plan, Municipal Budget and the PMS.

Intermap has been appointed for the further development of the computerized PMS (phases 2, 3 and 4) and this will be financed from grant funds already allocated and approved towards this purpose. Intermap has developed the new Outcomes Based Budgeting Tool for the Municipality as an essential tool to align the Key Performance Indicators and targets derived from the IDP and the budget.

The computerization of the PMS for the Municipality will be completed towards December 2005 to be implemented in January 2006.

The following diagram illustrates the Performance Management Framework developed for the City of uMhlathuze for performance measurement and reporting, adhering to the procedures suggested by the Best Practice Guide for Municipal Organisational Performance Management in KwaZulu-Natal.



## OFFICE OF THE DIRECTOR PARK, SPORTS & RECREATION

### Main responsibilities

- Sport and Recreation services
- Horticultural and Cemetery services

### Sport and Recreation

Creating and maximising opportunities for community participation through well targeted sports programmes has been exemplified during the past year by the increased volume of programmes this department has been able to offer. These have added value, improved the quality of life for our residents and raised the profile of sport in the region.

#### ▪ Development and Advancement

The Municipality is constantly revising and aligning its sports development and advancement initiatives to market trends in the sports and leisure industry in order to remain at the forefront of this service within local government.

Of core importance is the delivery of sustainable projects that add value to the elite sports industry, contribute towards sports development and promote healthy communities. To achieve this we have re-affirmed existing partnerships with provincial and national federations as well as provincial and national governments through the presentation of co-operative projects and joint ventures.

This Department is proud to play a strategic and leading role in sports industry of the province of KZN. Various outstanding recreational and sport programmes, development courses and community recreational events were presented and achievements reached highlighted the actions during the past year and are inter alia the following:

- Zululand Basketball - Winter championships.
- Mini cricket coaches' empowerment courses were presented at Esikhawini, Mzingazi, Ngwelezane and Nseleni.
- Bhejane rural sports promotion.
- Women's Sports Festival Celebration – Richards Bay.
- uMhlathuze Local Elimination Contest.
- Uthungulu District Games.
- Assisted the KZN Department of Sport and Recreation with its display stand/stall during the Presidential Imbizo at Nkandla.
- Esikhawini - Mass Participation Recreation Programme.
- Development Swimming Gala at Richards Bay.
- Recreational Swimming Gala at Brackenham.
- Department of Education/Clive Barker Soccer Coaches Course (3 days).
- Fish Eagle Mile Swim.
- Richards Bay Harbour Festival (Basketball & Boxing).
- Nseleni Community Holiday Sports Programme.
- Coordinating the High Performance Programme (KZN Sports Academy – 4 codes of sport) at Unizul.
- Assisted the KZN Department of Sport and Recreation with the Mass Community Recreation Participation Launch in the Province. (The Mass participation programme is presently only taking place in Esikhawini. It will be extended to other suburbs over the next 3 years).
- Life Skills Course for Sports Leaders.

- Indigenous Games Celebration presented at Mthonjaneni during the Easter weekend. We entered a team of 15 participants.
- Kwa-Dube Rural Sports Development Easter Programme (Soccer & netball)
- Presented and extended the “Learn to Swim Course/Programme” to the Greater uMhlathuze area.
- Kwa-Madlebe Rural Sports Promotion Easter Programme.
- Regional Junior Sport Elimination Contest.
- Ngwelezane Youth Games.
- Nseleni Youth Soccer Event.
- Mzingazi Village Youth Games.
- Aquadene & Brackenham Winter Sports Development Programme (Soccer, netball, volleyball, cricket & tennis).
- Masters Soccer Coaching Workshop (Sugar Ray Xulu, Joel Fire Ndlela & Eric Ngidi). The programme was co-ordinated with the KZN-DSR & uThungulu District Municipality.
- Recreation Gala at Empangeni.
- Zululand Indigenous Games – Inbuyalingana Municipality – We entered 15 participants.
- Coordinating the Founder Sports Day – competition between major industries in the city in different sports codes

#### ▪ **Swimming pools**

More people of previously disadvantaged backgrounds are learning to swim and are becoming more competitive swimmers.

The Empangeni Swimming Pool was given a complete face-lift and hosted 25 galas during the year.

The Arboretum Swimming Pool, home to the Zululand Underwater Hockey Club, is used as a training facility for resident underwater hockey SA Champions as well as three swimming coaches. Local schools also make use of the pool for the “Learn to Swim” programme. The entrance of the pool has been upgraded to make the facility accessible for paraplegics and Council has allocated funds for the tiling of the pool in the new financial year.

The Brackenham and Aquadene Swimming Pools have enjoyed a substantial increase in patrons. Local schools utilise the facilities on a regular basis and several children, who were coached by the swimming pool staff, were selected to represent Northern Coastal and Northern Natal in the USSASA Aquatic Championship 2005.

The Meerensee Swimming Pool may be the smallest within the City, but it was able to accommodate more than 1 000 patrons during the “Easter Egg Gala”, of which 600 were competitors ranging from 2 to 10 years. Mzingazi Primary School makes use of this pool for the “Learn to Swim” programme.

Esikhawini Swimming Pool is one of the busiest pools and one of the best recreational facilities within the suburb. Although this is a round pool, strictly built for recreational purposes, a number of competitive swimmers are coming from this area.

#### ▪ **Sport Facilities and amenities**

The provision of sustainable and accessible sport and recreation facilities complements the continuous development of all communities from grassroots level to professional level in all codes of sport.

Routine maintenance is ongoing, although several projects such as the provision of floodlighting at soccer facilities at Ngwelezane, replacement of fences at various tennis courts throughout the suburbs as well as the upgrading of change rooms have been successfully completed.

Informal soccer facilities are under construction in the following Tribal areas:

- DubeTribal area – Emphembeni
- Mkwanzazi Tribal area – KwaDlangezwa
- Madlebe Tribal area
- Khoza Tribal area – Bhejane
- Mkhwanazi Tribal area – Port Durnford.

#### ▪ **Beaches**

Council has approved additional security for its beaches, particularly during weekends when people flock to the beach to enjoy the sunny weather and to encourage residents to start making use of these facilities by ensuring them of their safety.

The general visual appearance of the beach area has improved and operational plans are in place to continue with the high standard of maintenance.

The Department is still awaiting feedback on the application submitted to the National Department of Environmental Affairs and Tourism regarding the recreational use of vehicles on our beaches.

#### **Horticultural Services**

The challenge to create and maintain an acceptable and balanced environment within the City of uMhlathuze is being addressed on several fronts by the Horticultural Section.

Preventative and cleaning operations are ongoing to counter the effect of human interference, such as waste pollution and over utilisation of resources, which contribute to the degradation of the environment and complicate the management thereof.

To maintain the City's natural areas, existing developed areas are cut at least four times per annum. The planting of indigenous trees is an ongoing 'greening' exercise – during the year 500 indigenous trees were planted mainly on sidewalks in Hillview and uMhlathuze Village as well as various open spaces throughout the municipal area.

An Invader Plant Control and Eradication Policy as well as the associated Management Policy have been approved by Council and will be implemented in earnest in the New Year.

#### ▪ **Cemeteries**

The operation and administration of the municipal cemeteries is becoming increasingly demanding as the number of burials, especially over weekends,

continues to increase year on year. Proudly, the Municipality was able to accommodate all requests for interments without having to postpone any burials due to incapacity.

The Richards Bay and Nseleni Cemeteries are presently the only cemeteries conducting burials. The Environmental Impact Assessment for the proposed new cemetery at Esikhawini has been completed and submitted to the relevant authority for consideration and approval.

uThungulu District Municipality has completed the first phase of the new Regional Cemetery at Empangeni and will commence with interments in due course, which will relieve the interment congestion and pressures experienced at the Richards Bay Cemetery.

### **3.2.2 Strategies in involving Communities in the development and implementation of the IDP**

The development and implementation of the IDP is facilitated via an IDP portfolio committee with the following terms of reference:

- Town planning
- Integrated development planning
- Environmental affairs
- Local economic development

The IDP review process will be conducted as prescribed in the approved process plan. The public forums will create awareness regarding the review, and would serve as a vehicle to workshop Sector programs further.

The projects, developmental objectives and performance indicators will be re-viewed within the IDP re-view process. Table 2 (See Appendix A)

## **3.3 Financial Management**

Refer to the annual financial report containing the Financial Statements for the year ended 30 June 2005 which is attached as Appendix D.

## **3.4 Municipal Governance**

### **3.4.1 Decision Making Models**

The following procedure is followed to facilitate the decision making process:

1. Receive instruction from Supervisor to write a report.
2. Send a GroupWise Mail message to user "Committee Section."
3. The Committee Section will create a Macro for you to work in.
4. The Committee Section create/originate all Report macros - this way they can keep tabs on any reports created, there are no unnecessary duplications and they have full rights at all times. This is also a security measure so that once a report has served before the Portfolio Committee, Exco or Council no changes can be made - only View rights are given to all other users in the organisation including the report writer. This means that the report writer will always be able to read the report in future but no changes can be made. This ensures that only one OFFICIAL VERSION is available on the system.

5. Once the report writer has finished the report, comments are obtained from all relevant role-players in the organisation (especially Treasury if there are financial implications). The comments need to be discussed with relevant Supervisor and if deemed necessary be included in the report.
6. The Supervisor must then be advised that the report is finished – the Head of Department may require some further enhancements etc.
7. When the Head of Department is satisfied with the contents of the report may be dragged and dropped into the Comments on Reports Folder within GroupWise. The report remains in this folder for a few days (three maximum) for any relevant further comments on the report.
8. The HOD's Secretary is then advised that the report is complete. The HOD instructs the Secretary to drag and drop the final report into the Final Reports folder where the Committee Section will collect it and take it to the relevant committee for approval - albeit a Portfolio Committee, EXCO or Council.

The abovementioned procedure is facilitated by GroupWise an electronic mail system, which contributes to the effectiveness and efficiency of the decision making process.

#### **3.4.2. Mechanisms for ensuring that Councillors adhere to the Code of Conduct**

The Standing Orders for the Council and its Committees governs adherence to the Code of Conduct. A copy of the Standing Orders for the Council and its Committees is available for inspection.

#### **3.4.3. Mechanisms for linking Strategies to Administration**

An instruction list is utilised as a mechanism for the finalisation of Executive Committee resolutions. This mechanism ensures that the strategy is linked to effective administration.

### **3.5 Municipal Services**

#### **3.5.1 Provision of Household Infrastructure**

Table 5 (See Appendix A)

### **3.6 Performance against Key Performance Indicators**

The following tables were prepared for the individual departments and depict their performance/achievements against the targets that were set for 2003/2004 financial year, including the performance targets set for 2004/2005 financial year in the format suggested by the abovementioned guide:

Refer to Table 6 (See Appendix A) for a detailed description of performance against key performance indicators according to the IDP structure and National Key performance indicators.

### **3.7 Customer Satisfaction Survey**

In terms of the Municipal Systems Act, 2000 (Act No. 32 of 2000), a Customer Satisfaction Survey needs to be conducted annually to obtain statistical data for the quality indicators developed within the Performance Management Framework of the municipality. The customer satisfaction index is further required to review annual performance targets for services delivered by the municipality. Such a survey was conducted during February\March 2005.



A total of 3104 households responded to the twenty-four survey questions. The satisfaction level of these households with regard to the most important services is illustrated throughout the attached report. The following services were addressed: -

- water supply
- health care
- sanitation/sewerage
- electricity supply
- domestic refuse removal
- condition of roads
- communication with the community
- municipal pay points
- sports facilities
- licensing services
- law enforcement visibility, and
- emergency after-hour emergency services.

The overall perception of the public regarding the level on services rendered in comparison with previous financial years, is as follows: -

	AVERAGE PERCENTAGE					
	2002/2003		2003/2004		2004/2005	
Excellent	16.2	70.3 %	16.9	77.6 %	25.8	80.3 %
Satisfactory	54.1		60.7		54.5	
Not Completely Satisfactory	9.4	29.7 %	14.4	22.4 %	12.6	19.7 %
Totally Unsatisfactory	20.3		8		7.1	

A Positive trend is evident in satisfactory and excellent perception – Increase of 10%. The unsatisfactory trend also indicates a positive decrease of 10 % over the past three years.

## **CHAPTER 4: PRELIMINARY PLANS FOR NEXT FINANCIAL YEAR**

The goals and major plans of the Municipal Manager (CEO) and different departments, in terms of the IDP, are summarised as follows:

### **OFFICE OF THE MUNICIPAL MANAGER (Chief Executive Officer)**

#### **Goals**

- Assume all responsibilities of Accounting Officer of the municipality for the purposes of the Municipal Finance Management Act No 56 of 2003.
- To ensure that a budget with at least a 3 year financial plan be developed timeously for approval by Council and implementation by the beginning of the 2005 financial, that proper books and accounts are kept, income and revenue levels be maintained or improved, and regular internal and external audit reports are obtained for consideration and decision making by Council
- To head, direct and manage senior staff so that all the issues relating to the strategic survival/ improvement of the Council receive the necessary attention with the objective of providing ratepayers and residents with efficient and affordable services
- Oversee the strategic planning and IDP for the Municipality, meeting all target dates for the revision of the Integrated Development Plan, identifying all new issues impacting on the achievement of the Council's strategic goals and objectives and implementing action plans to deal with such issues
- Ensure that the IDP objectives and targets are achieved
- Ensure progress in terms of the Council's Employment Equity Strategy
- Lead and inspire the Management Team and through them the organization, to pursue good governance within the administration by ensuring transparency, public accountability, access to information, administrative justice, responsiveness to needs and complaints and an overall helpful and friendly services to the citizens of uMhlathuze Municipality
- Develop and maintain good and healthy relations with National and Provincial Government, organised and individual local government, parastatals, the private sector, organs of civil society and the public thereby promoting the interests of the Council to the fullest extent

#### **Major Plans for 2005/2006**

- Ensure that all departmental plans are within time and budget as set out per individual department.

### **OFFICE OF THE DIRECTOR CORPORATE SERVICES**

#### **Goals**

- Provide administrative support to other departments in the City of uMhlathuze
- Provide housing for rental to Council employees.
- Manage Council owned houses and other buildings belonging to Council.
- Coordinate the utilisation of Council buildings and facilities within for the use and benefit of the community.
- Provide a general support service to Councillors.
- Selling of vacant land and existing Council houses.
- Provide a legal services function to the City of uMhlathuze.
- Provide public library services to the uMhlathuze community
- Provide housing to members of the community until such time as Pioneerhof is sold.

## **Branches**

Diverse Administration.  
Estates.  
Legal Services

## **Major Plans for 2005/2006**

- Source funding for the extension to Study Area at Brackenham library
- Installation of airconditioners in the Empangeni and Richards Bay libraries
- Restructuring of halls and the cleaning section in order to improve productivity and efficiency.
- Alienation of Brackenham and Birdswood erven.
- Introduction of a “*call centre*” telephone system, which will reduce Council's telephone costs.
- Find suitable location for the Aquadene library.
- Investigating the feasibility of a community hall in the Macekeni area.
- Enhancement of the standard of halls.
- Upgrading of audio visual equipment in the Civic Centre Auditorium.

## **OFFICE OF THE CHIEF FINANCIAL OFFICER**

### **Goals**

To ensure efficient and effective financial management for City of uMhlathuze by:

- The management of municipal assets and risks.
- The management of municipal revenue.
- The management of the municipal budget.
- The performance of the municipal finance function.
- The maintenance of internal financial control.
- The production of financial performance reports.

## **Branches**

Income.  
Expenditure.

## **Major Plans for 2005/2006**

- Processing of a valuation roll in accordance with the new Property Rating Act.
- Raise external loan for capital
- Maintain or improve current collection rate
- Comply with the Municipal Finance Management Act, 2003 especially with regards to the following:
  - Service delivery and Budget Implementation Plan.
  - Annual Financial Statements 2004/2005
  - Annual Report
  - Adjustment Budget
  - Annual Over-sight report
  - Budget 2006/2007

## **OFFICE OF THE CITY ENGINEER**

### **Goals**

- Operation and maintenance of Roads and Storm water Services, Water and Wastewater and Buildings and Structures.
- Extension of the abovementioned services to meet the growing needs of the City of uMhlathuze.
- Avail human resources to react effectively to flood and other disasters.
- A rolling works program, based on engineering needs assessment, for the construction and maintenance of infrastructure and services.
- Maintain standards of design and construction that satisfy user demands delivered in a cost effective manner.
- Implementation of an infrastructure strategy, which meets the need of the community.
- Raw water resource management, water purification and usage demand management.
- Treatment of sewerage and disposal thereof to protect the environment and the health of citizens.

### **Branches**

Roads and Storm water, Building and Structures

Water and Wastewater

Support Services

Roads and Storm water, Building and Structures

### **Major Plans for 2005/2006**

- Upgrade buildings at the Western Service Centre.
- Provide Building & Structures Depot at Northern Service Centre.
- Upgrade North Central Arterial & Bullion Boulevard Intersection.
- Upgrade Ubhejane Road in Nseleni:
- Widening of Guldengracht.
- Upgrade roads in the rural areas.
- Provide streets and stormwater drainage in the following areas:
  - IDZ 1D and Kraft Link
  - Wildenweide South
  - Veldenvlei South
  - Alton North
  - Lot 8552 –Birdswood, Lot 8511 –Birdswood
  - Sites West of Ticor
  - IDZ 1B
  - Mandlazini Village
- Resealing of roads project
- Construction of Mzingazi dam wall.
- Street rehabilitation in Tanner road.
- Stormwater drainage - Gemini outfall
- Traffic calming measures.
- Erection of bus shelters & lay byes in rural areas.
- Upgrade Mzingazi Roads.
- Installation of New Traffic Signals.
- Pedestrian Paving & Walkways in rural areas.
- Maintaining the Pavement Management System encompassing all roads in City of uMhlathuze
- Development of maintenance and monitoring strategies for road infrastructure, e.g. storm water systems

## **Water and Wastewater**

### **Major Plans for 2005/2006**

- Responsible for Water Services powers and functions relating to traditional areas and previous R293 townships.
- Provision of water services to all 5 surrounding to traditional areas i.e. Dube, Madlebe, Khoza, Mkhwanazi North and Mkhwanazi South, eg Reservoirs and bulk mains.
- Ring fencing of water and wastewater services in terms of Section 78 of the Systems Act to ensure sustainable water services provision.
- Implement a system to reduce the volume of *“unaccounted for water”*.
- Water audits, unaccounted for water, water conservation, industrial effluent, water education and public relations.
- Feasibility studies, project management, township establishment and installation of infrastructure.
- Installation of meters to un-metered consumers as the budget allows
- Ensuring compliance with the Water Act.
- Research and development.
- To reduce water services backlogs.
- Investigate the renewal of Esikawini Wastewater rising main.
- Replacement of pipes in sewer networks
- Water and Sewerage reticulation projects in the following areas:
  - Wildenweide south
  - Veldenvlei south
  - Alton North
  - Lot 8552 –Birdswood
  - Lot 8511 –Birdswood
  - Sites West of Tigor
  - IDZ 1D
- Improvement and replacement of water networks in urban areas.
- Upgrade Outfall Sewer at: Vulindela
- Upgrade sanitation in Traditional areas
- Upgrade Waste Water Treatment Works at:
  - Empangeni
  - R293 townships
- Lining Earthpond at Arboretum Macerator
- Upgrading of Macerator Stations and Sewerage Pump Stations
- Upgrading of Telemetry/Security at Sewerage Pump stations

## **Support Services**

### **Major Plans for 2005/2006**

- MLS upgrade and assuming central co-coordinating functions for department and central complaints hub.
- Improvement to the technical library function.
- Develop and refine current *“As-builds”* receipts and approval procedures.
- Development and implementation of a revised plan filing system.
- Attend to all requests for assistance generated by other departments.
- Investigation, development and implementation of an organization GIS.
- Development and maintenance of a GIS based water management program.
- Perform improved liaison with internal and external organizations on a local, regional and national level.
- Continuation with the issuing of digital data to both internal and external organizations.
- Strive for the completion of a fully-fledged GIS for the entire organization.

- Ensure that survey and design capacity of the branch is equipped to meet the additional demands placed on the department and attend to timeous completion of all capital projects allocated to the section inclusive of surveys, drawings, designs and contract specifications.
- Develop and implement a comprehensive and effective maintenance logging system for the department.
- Develop and manage a water loss control strategy for the entire UMhlatuze area.

## **OFFICE OF THE CITY ELECTRICAL ENGINEER**

### **Goals**

- Planning and development of electrical infrastructure will be focused on to meet growing needs of uMhlatuze City and specifically catering for major developments.
- Effective operation and maintenance of the electrical infrastructure will continue to ensure an acceptable quality of supply to our customers and to market the City as an investment option.
- Maintain standards of electrical network design, construction, operation and maintenance that satisfy user needs, delivered in a cost effective manner.
- Drive the non-technical loss management processes and projects that deliver effective results and reduce risks will continue and be streamlined.
- Optimal operation and maintenance of all support services, including management of council's mobile fleet and plant.
- Manage and maintain the municipal radios network.

### **Branches**

Planning, Development & Customer Services & Trading  
Operations & Maintenance  
Support Services

### **Major Plans for 2005/2006**

- Design, construct and commission a new "Lynx" 132 kV switching station to cater for trading of large energy needs of Tata Steel and Rainbow Millennium Power.
- Complete all applied for residential pre-paid meter retrofits.
- Expand the check-metering project to other suburbs.
- Reinforce the Meerensee networks to cater for likely fast tracked developments.
- Replacement of redundant streetlight fittings and –poles in Esikhawini/Nseleni
- Design, plan, and install, new electricity medium voltage, low voltage and streetlight reticulation in the following areas:
  - Wildenweide South, high density domestic development.
  - Veldenvlei South, high density domestic development.
  - Alton North, medium industrial development.
  - Lot 8552 –Birdswood, domestic development.
  - Lot 8511 –Birdswood, domestic development.
  - Sites West of Ticor, medium industrial development.
- Upgrade existing Electricity Reticulation in Mandlazini/Mzingazi to provide additional power capacity.
- Design, construct, and commission a new "Phoenix" 132 kV substation on the 132 kV backbone to cater for trading of large energy needs of NCT pulp mill.
- Design, construct and commission 22 kV dedicated power line to provide a firm electricity supply to Nseleni suburb.

- Upgrade the fibre cable on the 132 kV backbone necessary for electricity system protection communication.
- Upgrade Busbar System at Polarus sub station.
- Design, plan, and install new 11kV ring cable circuit from Polaris substation to IDZ area 2B (RBCD Dev).
- Design, construct and commission new 11kV Gemini Switch Station to provide additional energy capacity for the golf coarse estate, dune nodes, Meerensee 5, and old age village developments.
- Upgrading 132kV Pantograph Isolators with Horizontal Break Isolators at Leo/Taurus sub stations.
- Network Manager IMPI – ECA Phase 2
- SCADA Software upgrade.
- Installation of 3rd Power Transformer at Hercules sub station to provide additional energy capacity for the CBD, Veldenvlei, Arboretum, and Alton North.
- Replacement of various redundant/old Council Vehicle fleet and plant to ensure/increase service delivery
- Erection of a new radios network repeater station.
- Repair and replacement of radios

## **OFFICE OF THE DIRECTOR INTEGRATED DEVELOPMENT PLANNING**

### **Goals**

- Provide strategic direction to the Municipality with regards to development issues and to ensure that the municipality's vision and strategies are achieved in the fields of future development planning, environmental planning and Land Use Management

### **Branches**

Development Planning  
Land Use Planning  
Environmental Planning

### **Major Plans for 2005/2006**

- Initiate implementation of the Land Use Management System (LUMS)
- Institute a Business Retention Expansion Programme for the commercial urban core of Empangeni.
- Further development of residential properties on the Meerensee Extension, Hillview extension, Birdswood infill, The Meerensee (The village) Ridge residential area
- Continual review of the Integrated Development Plan
- To expedite township establishment procedures in respect of the Richards Bay CBD, the Central Industrial Area, the Coastal Dune Residential area, Industrial sites in the vicinity Tigor SA
- Initiate the formalization of Rural nodes
- Planning and implementation of an ISO14001 system
- Air Quality Management Planning

## **OFFICE OF THE DIRECTOR COMMUNITY SERVICES AND HEALTH**

### **Goals**

- Provision of a comprehensive health service.
- Provision of community services.
- Provision of public safety services.
- Provision of emergency services.
- Provision of an efficient and cost effective Waste Management Service.

## **Branches**

Public Health and pollution control.  
Clinic Services.  
Traffic and Licensing Services.  
Emergency Services.  
Waste Management Services.

## **Major Plans for 2005/2006**

- Continue with the delivering of environmental health services on behalf of uThungulu District Municipality as required by Section 84 of the Systems Act, 1998.
- The draft budget for environmental health for the 2005/2006 financial year has been compiled under the financial directives of the City of uMhlathuze municipality and will be passed on to the Uthungulu District Municipality with effect from 1 July 2005.
- The New Air Quality Bill has been promulgated which will replace the APPA of Act 45 of 1965. An Air Quality Management plan will be implemented in terms of the New Air Quality Bill.
- Increased monitoring and control of scheduled processes and other emitters with the assistance of the RBCAA
- Updating emissions inventory on an annual basis.
- Close liaison with the planning department on the placement of future industries in the city.
- Health education programmes will be extended into the tribal areas to inform the communities on health matters e.g. sanitation and the prevention of cholera, rabies, HIV /Aids etc
- The current programmes to ensure that the communities live in a safe environment will be continued.
- Continuous monitoring of the contract for the control of illegal squatting on municipal land.
- The ongoing provision of a comprehensive and integrated primary health care service catering to all the inhabitants of the City of uMhlathuze.
- In order to assist in Council's Crime Prevention Policy, funds have been allocated to fund this initiative.
- Provision has been made for the replacement of four 20 cubic Meter refuse removal trucks.
- Improvement of communication between Provincial and local Licensing authorities to improve service delivery.
- Continued facilitation between the role the Provincial and local Licensing authorities in terms of the area of jurisdiction.
- To provide a framework for the recycling of waste at source and to ensure public acceptance through ongoing education and awareness campaigns.
- To ensure good waste management practice and commitment to Council's Waste Management Plan by all waste generators.
- To improve productivity and service provision through the replacement of three waste removal vehicles, the refurbishment of five existing waste removal vehicles and the purchasing of one new additional waste removal vehicle.
- To provide a framework for the further extension of waste management services to the rural areas which will also serve as a platform on which to work and on which to build.
- To initiate the development of strategically placed refuse drop-off points in an effort to improve services to the community.
- To draft and implement an Integrated Waste Management Plan.



- To audit and evaluate the transportation component of the Waste Management Division.

## **OFFICE OF THE DIRECTOR COMMUNITY FACILITATION AND MARKETING**

### **Goals**

- Promotion of investment in the City of uMhlathuze.
- Enhance Tourism potential.
- Improve Public relations and Community facilitation
- Housing administration

### **Branches**

Marketing, Tourism and Public Relations.  
Community Facilitation and Housing.

### **Major Plans for 2005/2006**

- To promote the uMhlathuze area as a water sport and events destination by the hosting of various events, i.e. Sugar Festival, Beach Festival, Zulu Dance Competitions and to assist in hosting the Fish Eagle Mile Swim, Bay-to-Bay Challenge and various sporting events.
- To present workshops at the Arts and Crafts Centre for the crafters in the area to develop and improve the quality of the crafters' products.
- To establish cultural associations for the rural communities.
- To attract more visitors to the Arts and Crafts Centre with a weekly fresh produce market and a monthly crafters market.
- Updating of maps, visitors guides and advertisements in magazines and newspapers.
- Change the perception of the City from an Industrial City to a holiday destination with opportunities.
- Create and maintain momentum to the Esikhawini Hostel Redevelopment Programme
- To complete the transfer of R293 towns residual housing stock in terms of Discount Benefit Scheme.
- To formulate and implement the Municipal Low Cost Housing Plan and Housing Development Plan.
- To ensure improvement of street trading facilities in the Richards Bay CBD.
- To organise the commissioning or launching of Council projects as well as project close out sessions.
- To organise the staging of "*The State of the City Address*" to provide feedback to the community.
- To provide assistance to Government programmes where necessary.

## **OFFICE OF THE DIRECTOR MANAGEMENT SERVICES**

### **Goals**

- To provide Human Resources support to the Municipality.
- To provide administrative, logistical, operative, telecommunication and information management support.

### **Branches**

Maintenance and Development Services  
Personnel Administration Services  
Outsourced Management Information and Corporate Data Base Services.

### **Major Plans for 2005/2006**

- Improvement of employment equity, recruitment, selection and placement policies
- Skills development plan
- Further developing the study loans/bursaries policy
- Implementation of bargaining council's collective agreements
- Institute adherence to the Disciplinary, Grievance Procedure as well as the new Conditions of service.
- Resolution of post evaluation appeals / objections.
- Roll out of IT equipment, hardware and software licenses and maintenance
- Improvement of Wide Area infrastructure networks
- GIS upgrade
- Introduction of a call centre - telephone system, which will reduce Council's telephone costs.
- Upgrade WAN & PBX Systems.

### **OFFICE OF THE DIRECTOR PARKS, SPORT AND RECREATION**

#### **Goals**

- To create an acceptable balanced environment in providing services to the communities through Horticultural, Sports and Recreation Services.

#### **Branches**

Horticultural Management,  
Sport and Recreation Management

### **Major Plans for 2005/2006**

- Extension and Development of Richards Bay Cemetery
- Resurface the Nseleni, Esikhawini and Ngwelezane Tennis Courts
- Erecting of Concrete Palisade Fencing for the Central Sports Complex
- Provisioning of Floodlighting for 3 Soccer fields in Ngwelezane
- Provisioning of recreation facilities for Aquadene
- Provisioning of play ground equipment in the Rural Areas
- Development of Beaches
- Upgrading of the Newark Ablutions at Alkantstrand
- Floodlighting for Newark & Alkantstrand
- Upgrading the Bay Hall Swimming Pool
- Provisioning of a Swimming Pool at Nseleni
- Provisioning of a Swimming Pool at Ngwelezane
- The establishment of an Ablution facility, Store Room and Office in Esikhawini
- Relocation of facilities at the Central Sport Complex
- To ensure the establishment of and efficient and optimal functioning of community-based sport and recreation committees.
- To promote skills development and capacity building for sports administrators, technical officials and coaches
- To develop sports development programmes in a multiple of codes with emphasis being placed on minor sports.
- Evolvment in tournaments and competitions by providing assistance and support.
- To create recreation programmes for adolescents, youth and the aged.
- To aggressively seek and source external funding for the establishment of an indoor sports facility in the City of uMhlathuze.

- To proactively address the promotion of sport in the rural areas via the establishment of sport structures and presentation of programmes and activities in these communities.
- The effective re-structuring of several local community-based sport structures to ensure better communication.
- To establish closer links and partnerships with the regional sports federations by means of co-operative events.
- To plan, organise and deliver various Sport & Recreation Courses.
- To establish the uMhlathuze Sports Forum to oversee and monitor the administration and promotion of sport in the region.
- To improve the technical maintenance of equipment by taking on additional equipment previously serviced and maintained by the Central Mechanical Workshop
- To further outsource certain maintenance functions of the sub directorate in order to streamline it.
- To improve the indigenous vegetation and animal life of the City of uMhlathuze
- To provide a user friendly environment to the residents
- To take over the complete management of the Regional Cemeteries Empangeni and Esikhawini

## **CHAPTER 5: FINANCIAL STATEMENTS**

The audited annual Financial Statements for the year ended 30 June 2004 is attached as Appendix D.

### **5.1 Audit Reports**

5.1.1 The mentioned financial statements (Appendix D) were audited and the Audit Report is included in this report.

5.1.2 This performance report will be made available to the Auditor General in terms of section 45 (b) of the Municipal Systems Act.

# APPENDIX A

## TABLES FOR ANNUAL PERFORMANCE REPORT

**2004 / 2005  
Municipal Year**



**TABLES FOR MUNICIPAL ANNUAL PERFORMANCE REPORT 2004/2005****TABLE 1 (Municipal Transformation and Institutional Development)****DMS 364523**

Key performance Indicators	Progress with Implementation	Comparison with previous financial year	Achieved in 2002/03	Targets for 2003/04	Achieved in 2003/04	Targets for 2004/05	Achieved in 2004/05	Targets for 2005/06
Amalgamation of the former Empangeni and Richards Bay local authorities	Formulation of amalgamation plan ▪ Plan adopted by Council on 15/2/2001	New	Amalgamated structure completed and in place	Completed	Completed	Completed	Completed	Completed
	Formulate a placement policy, to accommodate the existing personnel of the former Empangeni and Richards Bay local authorities ▪ The amalgamated structure was approved on 23/10/2001	New	Amalgamated structure completed and in place	Completed	Completed	Completed	Completed	Completed
	Draft a staff structure and Organigrams for the newly formed City of uMhlathuze ▪ Organigrams approved on 28/5/2002	New	Amalgamated structure completed and in place	Completed	Completed	Completed	Completed	Completed
	Formalisation of the approved staff structure. ▪ 13/3/2001 – Appointment of Municipal Manager ▪ 29/3/2001 – Appointment of 9 Heads of Departments ▪ 14/8/2001 – Appointment of Senior Personnel – Levels 2 – 4 ▪ 23/10/2001 – Establishment of Placement Committees ▪ JAN – AUG 2002 – Placement of majority of Staff ▪ JAN 2003 – Final placement of all Staff	New	Amalgamated structure completed and in place	Completed and maintain	Completed and maintain	Completed and maintain	Completed and maintain	Completed and maintain
	Drafting of Job Descriptions and Post Specifications for all positions on staff structure. ▪ Job Descriptions completed end of June '03 in TASK format for all positions.	New	Completed	Completed and maintain	Completed and maintain	Completed and maintain	Completed and maintain	Completed and maintain

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Key performance Indicators	Progress with Implementation	Comparison with previous financial year	Achieved in 2002/03	Targets for 2003/04	Achieved in 2003/04	Targets for 2004/05	Achieved in 2004/05	Targets for 2005/06
	Submit Job Descriptions for Job Evaluation	New	Forwarded to the TASK Evaluation Committee	Implement Job Evaluation Results of the TASK evaluation Committee	Job Evaluation Results of the TASK evaluation Committee implemented.	Successfully resolve appeals against job evaluation results		
	Rationalisation investigation taking into account all services to be delivered into the full area of jurisdiction. <ul style="list-style-type: none"> <li>Investigation in progress 80% completed</li> </ul>	New	In Process	Completion of rationalisation investigation by end of September 2003. Implementation of recommendations and investigating possible alternative service delivery options.	Council resolved to accept the recommendations of the Rationalisation Report (Item 2357) with exceptions on 2004-05-25. Recommendations implemented.	Completed	Completed	Completed
Strategic Planning Framework	Integrated Development Plan <ul style="list-style-type: none"> <li>IDP Plan approved by Council</li> <li>Re-view plan approved in March 2003 by Council</li> <li>Align Capital budget with IDP</li> </ul>	Development of plan was in progress  Initiated and in process.	Re-view and approval of IDP Plan  Completed and re-view capital budget alignment with the IDP	Completed and Amend IDP  Completed and maintain the alignment of Capital Budget and IDP	Computerisation of the Capital Budget and IDP.	Alignment of Capital Budget, IDP and performance management framework.		
	Local Economic Development <ul style="list-style-type: none"> <li>LED Plan approved by Council</li> <li>Re-view on plan in progress</li> <li>Marketing Plan</li> <li>Investment plan</li> <li>Tourism plan</li> <li>Town Planning Scheme</li> </ul>	Development of plan was in progress	Approval of LED Plan	Completed. Amend and maintain the LED Plan	Completed. Amend and maintain the LED Plan	Create 750 sustainable jobs per annum over the next five years.	Created 1 110 permanent and 200 temporary jobs	Create 750 sustainable jobs per annum over the next five years.

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Key performance Indicators	Progress with Implementation	Comparison with previous financial year	Achieved in 2002/03	Targets for 2003/04	Achieved in 2003/04	Targets for 2004/05	Achieved in 2004/05	Targets for 2005/06
Environmental Management framework	<ul style="list-style-type: none"> <li>Environmental Impact Assessment plan approved.</li> <li>Position created and filled as dedicated Environmental Management co-ordinator.</li> <li>Position created and approved as Environmental Impact officer.</li> </ul>	Initiate environmental management framework	Completed	Obtain detail of council's in terms of Environmental Management.	Legal advise obtained on uMhlathuze responsibilities	Clarify roles and responsibilities of all role-players in terms of Environmental Management.	Commenced with investigation regarding roles and responsibilities of all role-players in terms of Environmental Management.	Complete the investigation, approval of recommendations by Council and implementation.
Financial Planning Framework	<ul style="list-style-type: none"> <li>Drafting of a consolidated financial planning framework</li> <li>Credit Control policy approved</li> <li>Credit Control Bylaws in place</li> <li>Credit Control Related Ordinances and Legislation applied.</li> <li>Asset Management System is being revised to make it GAMAP compliant.</li> </ul>	Amalgamation process in progress.	Completed	Completed. Policies in place Ensure that the budget and financial statements fully comply with GAMAP.	Completed. Policies in place Ensure that the budget and financial statements fully comply with GAMAP.	Completed. Policies in place Ensure that the budget and financial statements fully comply with GAMAP.	Completed. Policies in place Ensure that the budget and financial statements fully comply with GAMAP.	Completed. Policies in place Ensure that the budget and financial statements fully comply with GAMAP.
Public Safety and Security Framework	<ul style="list-style-type: none"> <li>Disaster Management framework</li> <li>Position created and incumbent appointed to plan and co-ordinate disaster management.</li> <li>Crime Prevention framework</li> <li>Crime Prevention (Section 79 committee = Steering Committee established for this purpose)</li> </ul>	Negotiations with Provincial Government in terms of Public Safety programme.	In Process	Negotiate with Provincial Officials regarding Crime Prevention framework and Public Safety programme.	A Crime prevention co-ordinator has been appointed to facilitate the implementation 10 projects in crime prevention strategy.	Ensure acceptable progress on 10 concurrent crime prevention projects.	In progress	Continuous
Determine Council Policies	Drafting of Council Policies <ul style="list-style-type: none"> <li>Indigent Policy</li> <li>Establishment of By-laws</li> <li>Code of Conduct for Councillors</li> <li>Official decision making process i.r.o Council Resolutions</li> <li>Execution and adherence to Council Resolutions.</li> </ul>	Policies amended and drafted since amalgamation	Policies completed, but will continuously be amended and new policies drafted where/when necessary.	Completed. Maintain Policies	Completed. Maintain Policies	Completed. Maintain Policies	Completed. Maintain Policies	Completed. Maintain Policies

## APPENDIX A

Key performance Indicators	Progress with Implementation	Comparison with previous financial year	Achieved in 2002/03	Targets for 2003/04	Achieved in 2003/04	Targets for 2004/05	Achieved in 2004/05	Targets for 2005/06
Develop reporting structures	<ul style="list-style-type: none"> <li>Implementation of Sub-Committee and steering committee system.</li> <li>Implementation of a Portfolio Committee system with effect from 1 July 2003</li> </ul>	Sub-Committee system adopted for all reporting via sub-committee to Exco and Council.	Completed	To ensure the effective and efficient operation of the newly implemented Portfolio Committee System.	Completed. Maintain reporting structures	Completed. Maintain reporting structures	Completed. Maintain reporting structures	Completed. Maintain reporting structures
Human Resource Management	<ul style="list-style-type: none"> <li>Conditions of service approved</li> <li>Skills Development Plan approved</li> <li>Employment Equity Plan approved</li> <li>Labour relations</li> <li>She Risk Management Framework approved</li> <li>Occupational Health scheme</li> </ul>	<p>In Progress</p> <p>In Progress</p> <p>In Progress</p> <p>In Progress</p> <p>In Progress</p> <p>In Progress</p>	<p>Conditions of service in place</p> <p>Skills Development Plan in place</p> <p>Employment Equity Plan in place</p> <p>Labour relations in place</p> <p>She Risk Management Framework in place</p> <p>Occupational Health scheme in place</p>	<p>Completed and will be maintained</p> <p>Completed and will be maintained</p> <p>20% of the 5 year plan to be completed by June 2004.</p> <p>Completed. Maintain LL.</p> <p>Completed. Maintain</p> <p>Completed. Maintain</p>	<p>Completed and will be maintained</p> <p>Completed and will be maintained</p> <p>20% of the 5 year plan to be completed by June 2004.</p> <p>Completed. Maintain LL.</p> <p>Completed. Maintain</p> <p>Completed. Maintain</p>	<p>Completed and will be maintained</p> <p>Completed and will be maintained</p> <p>20% of the 5 year plan to be completed by June 2004.</p> <p>Completed. Maintain LL.</p> <p>Completed. Maintain</p> <p>Completed. Maintain</p>	<p>Completed and will be maintained</p> <p>Completed and will be maintained</p> <p>Completed. Maintain LL.</p> <p>Completed. Maintain</p> <p>Completed. Maintain</p>	<p>Completed and will be maintained</p> <p>Completed and will be maintained</p> <p>Completed. Maintain LL.</p> <p>Completed. Maintain</p> <p>Completed. Maintain</p>



# APPENDIX A

Key performance Indicators	Progress with Implementation	Comparison with previous financial year	Achieved in 2002/03	Targets for 2003/04	Achieved in 2003/04	Targets for 2004/05	Achieved in 2004/05	Targets for 2005/06
Performance Management Framework	<ul style="list-style-type: none"> <li>▪ Council adopted the South African Excellence Model (SAEM) for measuring organisational performance during 2001.</li> <li>▪ Develop and implement a Performance Management Framework approved by Council</li> <li>▪ Individual Performance measurement approved and implemented for Municipal Manager and assessed for 2001\02 as well as for 2002\03.</li> <li>▪ Individual Performance measurement approved and implemented for Head of Departments for 2002\03.</li> <li>▪ Customer Satisfaction survey completed during October 2002.</li> <li>▪ Establish a Performance Audit Committee, train members and report on organisational performance. First Performance Audit meeting held in February 2003.</li> </ul>	<ul style="list-style-type: none"> <li>▪ SAEM adopted by Council</li> <li>▪ Self assessment performed</li> <li>▪ Performance Measurement System framework approved during May 2002.</li> <li>▪ Performance Contract entered into with the CEO.</li> <li>▪ Not implemented previously</li> </ul> <p>Not performed previously</p> <p>Not required previously</p>	<p>Completed</p> <p>Performance measurement system completed and in place</p>	<p>Organisational Performance – self assessment to be performed. Maintain performance measurement system. Re-define indicators. Automation of system. Performance Contract and plan for CEO in place for 2003\04.</p> <p>Performance Contracts and plans for HOD's in place for 2003\04. Customer Satisfaction survey planned before December 2003. Annual Performance reporting during September 2003. Quarterly performance reporting to the Performance Audit Committee.</p>	<p>Organisational Performance – self assessment completed.</p> <p>Performance contracts and performance plans for CEO and first line managers in place.</p> <p>Computerisation of PMS in progress.</p> <p>Customer Satisfaction survey completed in March 2004.</p>	<p>Computerisation of PMS to be completed.</p> <p>New Performance contracts and performance plans for CEO and first line managers to be in place.</p> <p>Customer Satisfaction survey to be completed in March 2005</p>	<p>Council approval for the implementation of computerised PMS.</p> <p>New Performance contracts and performance plans for CEO and first line managers in place.</p> <p>Customer Satisfaction survey completed in March 2005</p>	<p>Implementation of computerised PMS.</p> <p>New Performance contracts and performance plans for CEO and first line managers in place.</p> <p>Customer Satisfaction survey completed in March 2006</p>

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Key performance Indicators	Progress with Implementation	Comparison with previous financial year	Achieved in 2002/03	Targets for 2003/04	Achieved in 2003/04	Targets for 2004/05	Achieved in 2004/05	Targets for 2005/06
Information Technology System	Master Information System Plan approved. <ul style="list-style-type: none"> <li>▪ Function outsourced in March 2002.</li> <li>▪ Manage the IT demand</li> <li>▪ Geographical Information System</li> <li>▪ Establish a Web based GIS system</li> </ul>	Plan approved  In Progress System fully operational	Plan completed.	Integration of major Information Systems. Management Information Maintain IT System  Continuous update and maintenance of GIS system	An IT steering committee (ITSC) has been established to manage all computer related needs.  Manage the Service Level agreement with outsourced partner.	Roll-out of IT Equipment, hardware and software licenses  Improvement of wide area computer network infrastructure.	Roll-out of IT Equipment, hardware and software licenses completed.  Improvement of wide area computer network infrastructure	Roll-out of IT Equipment, hardware and software licenses.

**TABLE 2 (Performance on Developmental Priorities Identified in the IDP)**

**TABLE 3 (Municipal financial Management)**

**TABLE 5 (Municipal Services – Household Infrastructure)**

Programmes and projects were identified and linked to the capital budget by Vuka Town and Regional Planners Inc. Key performance indicators were developed for measuring performance on projects for 2002/03 financial year only. Detailed measurement forms were designed to measure and report progress on projects for 2002/03. Indicators to be re-developed and aligned during the IDP review process and further discussion with the Department of Traditional and Local Government Affairs (Development Planning: Northern Regional Office) to align with the new prescribed reporting format. No feedback from the Development Planning: Northern Regional Office on the information required in these tables for future reporting was received since the submission of the previous reports. New and re-defined indicators will be developed during the implementation of the computerised performance management system in 2005/2006 financial year. The IDP was reviewed and the structure changed from focussing on the Strategic Objectives to align with departmental objectives. The following measurements however are reflecting performance against the original IDP structure and will be revised together with the implementation of the computerised performance management system in 2005/2006.

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Reporting on the measurement done in July 2005 on the Key performance Indicators for capital projects and operational Key Performance Areas to measure and report on IDP objectives for the 2004/05 financial year as developed and approved by this Council measured as follows:-

### SPATIAL DEVELOPMENT

Capital projects:

NO	PROJECT	INDICATOR (KPI)	BASELINE	TARGET 2002/03	ACHIEVED 2002/03	TARGET 2003/04	ACHIEVED 2003/04	TARGET 2004/05	ACHIEVED 2004/05	TARGET 2005/06
1	Water Supply Projects	Percentage of households provided with a basic level of service	27 011 / 30 786 = 87%	28 786 / 30 786 = 93%	35 402 / 38152 = 92%	34 300 / 38 152 = 81%	47 777 / 58 377 = 81%	50 000 / 58 377 = 86%	55 491 / 58 691 = 94.64 %	56 500 / 58 691 =
2	Provision of sanitation services	Percentage of households provided with a basic level of service	72%	83%	74%	28 980 / 38 152 = 76%	42 149 / 58 377 = 72%	45 000 / 58 377 = 77%	38 090 / 58 691 =64.90 %	39 500 / 58 691 =67,3%
3	Audit metering installations to control electrical non-technical losses	Reduce electrical non-technical losses	20%	10%	5%	10%	12%	10%	10%	10%
4	Refurbishment of Hostels	Number of people placed in formalized dwellings	0	2160	0	2160	0	2160	0	0

Note: 1, 2 Number of households figure increased from 30 786 to 38 152 to 58 377

Note: 4 Assessment on the condition of identified dwellings completed by August 2004. Consultant appointed to drive the process. Hostel/ flats identified to temporarily accommodate 32 families. Construction started on J464

Operational activities:

NO	OPERATIONAL ACTIVITIES	INDICATOR (KPI)	BASELINE	TARGET 2002/03	ACHIEVED 2002/03	TARGET 2003/04	ACHIEVED 2003/04	TARGET 2004/05	ACHIEVED 2004/05	TARGET 2005/06
5	Water Supply Vote 059,060	Average cost per kilo litre water supplied	R 2.09 per kilo litre	R 2.29 per kilo litre	R 2.11 / kl	R 2.29 / kl	R 2.29 / kl	R 2.25 / kl	R2.13/ Kl	R2.25/ Kl
6	Wastewater treatment Vote 035	Average cost per kilolitre of wastewater purified	R 1.29 per kilo litre	R 1.19 per kilo litre	R 1.16 / kl	R 1.19 / kl	R 1.20 / kl	R 1.25 / kl	R1,04/ Kl	R1.25/ Kl
7	Maintenance of roads network Vote 022/240/0	Average cost per km maintaining roads network	R 1 769 320 / 29.37 km = R 60 242 / km	R 1 680 854 / 29.37 km =R 57 230 / km	R 244 052 / 29.37 km = R 8 309 / km	Refer to note below	R230 447 / 29.37 =R7 846 / Km	R230 447 / 29.37 =R7 846 / km	R 280 834 / 29.37 =R 9561/km	R 325 800 834 / 29.37 =R 10 900/km

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NO	OPERATIONAL ACTIVITIES	INDICATOR (KPI)	BASELINE	TARGET 2002/03	ACHIEVED 2002/03	TARGET 2003/04	ACHIEVED 2003/04	TARGET 2004/05	ACHIEVED 2004/05	TARGET 2005/06
8	Maintenance of streets Vote 022/254/0	Average cost per kilometre of maintaining streets	R 5 550 000 /561 = R 9 805 / km	R 5 272 500 / 561 = R 9 315 / km	R 9 170 633/ 561 = R 16 347/km	Refer to note below	R 9 893 019/ 561 = R 17 634	R 9 893 019/ 561 = R 17 634	R 10 887 480/561km =R 19407	R 11 541 000/561km =R 20 570
9	Electricity operations and maintenance	Average operational cost per 100kWh	R 224 552 645 / 1 063 295 814 = R 211.19 kWh	R 234 882 410 / 1 001 377 340 = R 234.56 kWh	R 240 580 908 / 1 157 738 896 = R 207.80 kWh	R 265 017 100 / 1 312 890 000 = R 202 kWh	R 269 501 859 / 1 155 993 000 = R222.95 kWh	R 242 /kWh	R 84 489 787 / 1 156 427 000 = R246.01 kWh	R 263 /kWh
10	Water Supply	Number of kilolitre of water supplied	28 524 185 kilo litre	28 524 185 kilo litre	30 898 710 kilo litre	30 000 000 kilo litre	34 359 640 kilo litre	37 795 604 kilo litre	36 083 535 kilolitre	3 788 456 kilolitre
11	Wastewater treatment	Number of kiloliter wastewater purified	13 879 044 kilo litre	13 879 044 kilo litre	13 724 000 kilo litre	13 724 000 kilo litre	15 272 330 kilo litre	16 035 947 kilo litre	17 654 320 kilolitre	18 537 036 kilolitre
12	Electricity operation	Total energy sold	975 849 919 kWh	930 996 345 kWh	1 098 459 915 kWh	1 137 026 990 kWh	1 155 992 782 kWh	1 173 332 674 KWh	1 156 427 452 kWh	1 179 556 000 kWh
13	Cost of maintenance of municipal buildings	Annual cost of maintenance of buildings/ replacement value of buildings	R 28 197 515 / 73 040 060 = 38.61%	R 28 197 515 / 73 040 060 = 38.61%	R3 393 047 / 339 411 874 = 0.996 %	1%	-	-	-	-
				4 619 000 / 264 888 433	= 0.017	= 1% of replacement value	3 595 500 / 310 411 252 = 0.011	= 1% of replacement value = 6 698 982 / 3 449 000 = 0.005	R61 665 137/R 3 151 790 = 0.0511%	R 3 151 190/R61 665 138= 0.051%
14	Water Supply	Percentage of un-accounted for water	22,85%	20%	23.2%	15%	18.53 %	15 %	19.86%	15%
15	Maintenance of municipal houses	Percentage of municipal houses requiring maintenance	2.7%	2.6%	8% (R/Bay) 40% (Emp)	2.6%	23.5%	15%	15%	5%
16	Electricity operation	Percentage of total energy loss	8.22%	7.03%	5.12 %	5%	4,5%	4,5%	4%	4%

Note 7, 8 Since amalgamation, accounting systems not updated, therefore correct indicators are difficult to achieve. Changes still take place (post evaluation etc.) so it will still take some time to stabilize and achieve meaningful figures.

Note 9 The target was estimated higher because a reduction in consumption was forecast for FOSKOR; however this did not materialise due to their generator not coming on line

Note 13 Changed to include all Council buildings

Note 15 Major "catch up" exercise still being completed i.r.o. Empangeni houses but figure beginning to converge to Richards Bay standard.

Note 16. Re-defined KPI from "Percentage of energy purchased" to "Percentage of total energy loss"

## POVERTY ALLEVIATION AND GENDER EQUALITY

### Capital projects:

NO	PROJECT	INDICATOR (KPI)	BASELINE	TARGET 2002/03	ACHIEVED 2002/03	TARGET 2003/04	ACHIEVED 2003/04	TARGET 2004/05	ACHIEVED 2004/05	TARGET 2005/06
17	Create facilities for the disabled	Percentage of facilities already created (backlog)	0	6	5 (1 existing facility was adequate)	R65 000	R65 000	Complete	Complete	Complete
18	Upgrading of sport ablution facilities	Number of ablutions to be upgraded	0	4	2	R107 000	R107 000	2	2	0
19	Upgrade of sport facilities (Brackenham)	Percentage of the population using or with access to netball and basketball courts	35 000 / 200 000 = 17.5%	50 000 / 200 000 = 25 %	50 000 / 200 000 = 25 %	R 500 000 / 200 000 = 250%	R 500 000 / 200 000 = 250%	R 600 000 / 200 000 = 300%	R300 000 2	R600 000 4

Note 18 Vandalised again while in process of upgrade

### Operational activities:

NO	OPERATIONAL ACTIVITIES	INDICATOR (KPI)	BASELINE	TARGET 2002/03	ACHIEVED 2002/03	TARGET 2003/04	ACHIEVED 2003/04	TARGET 2004/05	ACHIEVED 2004/05	TARGET 2005/06
20	Safe swimming facilities	Average cost of saving a life	R 1 868 360 /100 = R 18 684	R 1 868 360 / 98 = R 19 065	R 1 868 360 / 90 = R 20 759	KPI to be re-determined	KPI to be re-determined	KPI to be re-determined	KPI to be re-determined	KPI to be re-determined
21	Provision of Soccer facilities	Average cost of a soccer field prepared for league matches	2 600 / 62 = R100	2 600 / 30 = R86.67	2 600 / 30 = R86.67	KPI to be re-determined	KPI to be re-determined	KPI to be re-determined	KPI to be re-determined	KPI to be re-determined
22	Provision of Soccer facilities	Number of soccer fields prepared for matches	26	30	30	34	38	40	60	60
23	Safe swimming facilities	Number of swimmers saved	100	98	98	99	KPI to be re-determined	KPI to be re-determined	KPI to be re-determined	KPI to be re-determined
24	Provision of Soccer facilities	Number of users of soccer fields/number of bookings	5 500 / 120 000 = 0.045833	5 700 / 125 000 = 0.0456	6 000 / 125 000 = 0.048	Redefine KPI	Redefine KPI	Redefine KPI	KPI to be re-determined	KPI to be re-determined
25	Safe swimming facilities	Number of saves/ number of visitors	100/ 1 2000 000 = 0.008%	98/ 1 250 000 = 0.0078%	90/ 1 250 000 = 0.0072%	Redefine KPI	Redefine KPI	Redefine KPI	KPI to be re-determined	KPI to be re-determined

## ECONOMIC DEVELOPMENT

### Capital projects:

NO	PROJECT	INDICATOR (KPI)	BASELINE	TARGET 2002/03	ACHIEVED 2002/03	TARGET 2003/04	ACHIEVED 2003/04	TARGET 2004/05	ACHIEVED 2004/05	TARGET 2005/06
26	Tourism projects 211/740/01	Average cost per tourism event sponsored or organised	R 20 000 / 2 = R 10 000	R 200 000 / 4 = R 50 000	R 112 500 3 sponsored 1 organised	R210 000 / 6 = R35 000	R201 100 / 6 = R33 517	R330 000 / 8 = R41 250	R258 282 / 10 = R25 828	R345 000 / 6 = R57 500
27	Marketing projects 211/740/01 R510 000	Average cost per marketing initiative	R 170 000 / 4 = R42 500	R 800 000/ =	R 317 960 / 5 = R 63 592	KPI to be re-defined	KPI to be re-defined	KPI to be re-defined	R159 000 / 6 = R19 875	R250 000 / 5 = R50 000
28	LED Strategy 220/816/08 R 100 000	Cost to develop LED Strategy	Policy and strategy investigation	Desktop study, consolidate current projects, approve policy	In Process		Implementati on of LED Strategy in Process	LED Strategy approved by Council	LED Strategy approved by Council.	Implement the LED Strategy
29	Razmataz Training Centre 219/832/02 R 618 000	Plan and develop Training Centre	0	Planning and construction	No Progress	0	In progress	Funding obtained. Obtain Council approval for land	No Progress	0

#### Comments:

26. Although lower overall spend than target, more events achieved over 12 month period.  
 27. Original budget of R275 000 adjusted downward by Treasury to R240 000; more projects completed, therefore lower spend per project.

### Operational activities:

NO	OPERATIONAL ACTIVITIES	INDICATOR (KPI)	BASELINE	TARGET 2002/03	ACHIEVED 2002/03	TARGET 2003/04	ACHIEVED 2003/04	TARGET 2004/05	ACHIEVED 2004/05	TARGET 2005/06
30	Water Supply	Average cost per kilo litre water supplied	R 2.09	R 2.29	R 2.11	R 2.29	R2.29	R2.25	R1.97	R2.25
31	Primary health services – AIDS counselling	Average man hours spent per AIDS patient counselling	6 762.3 / 45 075 = 9 minutes	13 521.6/ 90 144 = 9 minutes	2 016 / 8 720 = 23 minutes	2 016 / 15 120 = 13 minutes	10 080 / 4 255 = 2h 37 min	16 136 / 8 000 = 2 h	7 min	10 min
32	Fire and Rescue - operational	Average time spent per fire and rescue incident	24 418 / 2 866 = 2 hrs 13min	2 hours	Re-define KPI	Re-define KPI	Re-define KPI	Re-define KPI	Re-define KPI	Re-define KPI
33	Motor licensing	Total number of vehicles registered	46 402	47 794	48 109	50 509	51 430	54 002	52230	53000

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NO	OPERATIONAL ACTIVITIES	INDICATOR (KPI)	BASELINE	TARGET 2002/03	ACHIEVED 2002/03	TARGET 2003/04	ACHIEVED 2003/04	TARGET 2004/05	ACHIEVED 2004/05	TARGET 2005/06
34	Primary health care – TB treatment	Percentage of TB cases successfully treated in the area	2 047 / 4 094 = 50%	3 220 / 4 294 = 74.9%	6 394 / 617 = 10%	9 568 / 957 = 10%	592 / 430 = 73 %	82 %	85%	95%
35	Fire and Rescue - operational	Number of fire and rescue incidents	2 866	3 000	2 284	To reduce by 10%	2 124 (7%)	To reduce by 10%	1901	To attend 100%
36	Fire prevention	Number of sites inspected for fire prevention	2 009	2 750	6 208	To increase by 10%	6 828 (10%)	To increase by 10%	3200	3000
37	Alienation of property	Income from alienation of property	R 9 500 000	R 18 000 000	R 24 000 000	R 15 000 000	R 30 142 100	R 7 736 850	R34 626 900	R10 m
38	Low cost housing admin	Number of properties transferred to owners	0	1300	332	717	12	717	0	0
39	Development Control Services	Total number of plan evaluations (664), consent applications (181), inspections (628), zonings, certificates, sub divisions (334)	1 807	1 880	No. of plan evaluations: <b>935</b> Consent applications: <b>82</b> Building inspections: <b>817</b> Town planning inspections: <b>434</b> Zoning certificates: <b>43</b> Subdivision applications: <b>13</b> Rezoning applications: <b>18</b> Building line and side and rear space relaxations: <b>384</b>	No. of plan evaluations: <b>1 000</b> Consent applications: <b>100</b> Building inspections: <b>900</b> Town planning inspections: <b>500</b> Zoning certificates: <b>50</b> Subdivision applications: <b>20</b> Rezoning applications: <b>20</b> Building line and side and rear space relaxations: <b>400</b>	No. of plan evaluations: <b>1 145</b> Consent applications: <b>116</b> Building inspections: <b>1903</b> Town planning inspections: <b>387</b> Zoning certificates: <b>74</b> Subdivision applications: <b>12</b> Rezoning applications: <b>20</b> Building line and side and rear space relaxations: <b>406</b>	No. of plan evaluations: <b>1 000</b> Consent applications: <b>100</b> Building inspections: <b>900</b> Town planning inspections: <b>500</b> Zoning certificates: <b>50</b> Subdivision applications: <b>20</b> Rezoning applications: <b>20</b> Building line and side and rear space relaxations: <b>400</b>	No. of plan evaluations: <b>1 663</b> Consent applications: <b>127</b> Building inspections: <b>2 378</b> Town planning inspections: <b>585</b> Zoning certificates: <b>100</b> Subdivision applications: <b>16</b> Rezoning applications: <b>37</b> Building line and side and rear space relaxations: <b>655</b>	No. of plan evaluations: <b>1 700</b> Consent applications: <b>135</b> Building inspections: <b>2 400</b> Town planning inspections: <b>600</b> Zoning certificates: <b>110</b> Subdivision applications: <b>20</b> Rezoning applications: <b>40</b> Building line and side and rear space relaxations: <b>680</b>

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NO	OPERATIONAL ACTIVITIES	INDICATOR (KPI)	BASELINE	TARGET 2002/03	ACHIEVED 2002/03	TARGET 2003/04	ACHIEVED 2003/04	TARGET 2004/05	ACHIEVED 2004/05	TARGET 2005/06
40	Unemployment	Unemployment percentage in the area	15%	18%	Re-define	Re-define	Re-define	Re-define	Re-define	Re-define
41	Traffic operational services	Number of accidents/number of registered vehicles (R\Bay stats)	1 025 / 26 291 = 3.9%	994 / 27 079 = 3.6%	1 081 / 48 109 = 2.2%	994 / 50 509 = 2%	1 762 / 51 430 = 3%	1 028 / 51 430 = 2%	1009/52230 =2%	2%
42	Primary health care – AIDS counselling	Percentage of patients visiting the clinics requiring AIDS counselling	45 075/45 075 = 100%	90 144 / 90 144 = 100 %	145 046 / 8 720 = 6%	235 146 / 15 120 = 6.4%	97 669	97 669	165509/23775 = 7%	10%
43	Primary health care – mother, child care	Number of immunizations/ number of children born	20 860 / 30 208 = 69%	23 860 / 33 208 = 72%	Ref to comments	KPI to be re-defined	KPI to be re-defined	KPI to be re-defined	KPI to be re-defined	KPI to be re-defined
44	Fire and Rescue - operational	Monetary value of property saved	R 1 102 940 421	R 1 200 000 000	R 198 540 200	KPI to be re-defined	KPI to be re-defined	KPI to be re-defined	736,109,270	500,000,000
45	Fire prevention	Percentage of fire prevention inspections completed	2 009 / 5 500 sites = 36.5%	2 750 / 5 500 = 50%	Not measurable	KPI to be reviewed	KPI to be reviewed	KPI to be reviewed	3288/5500= 60%	60%
46	Alienation of property	Percentage of available property sold or leased	58 sold + 60 leased / 560	64 sold + 60 leased / 560	350 sold+ 35 leased	45 sold + 25 leased	12 sold	0	129 sold	50
47	Local economic development	Number of hawkers formalised	0	70%	0	70%	Formulating Informal Trade Framework Plan	Informal Trade Framework Plan approved by Council	Informal Trade Framework Plan Approved by October 2005 by Council.	Implement Informal Trade Framework Plan
48	Marketing	Increase in investment	R 654 720	R 982 080	R60 million	0	0	0	0	0
49	Building Control	Total amount of approved building plans	R 394 099 000	R 409 862 296	R 478 362 812	R 500 000 000	R 250 986 055	R 500 000 000	R 445 603 826	R 500 000 000

### Comments:

- 31 Improvement in service to 30 min per patient would be the ideal target
- 32 Indicator hard to measure because of the number of incidents. It would be difficult to get the actual average time spent. Indicator will be reviewed.
- 34 The increase in the number of patients diagnosed with Tuberculosis is associated to the increase in patients counselled for HIV/AIDS. Once a Human Immune Deficiency Virus gain entrance into the body, destroys the body's natural defence against infection making the body susceptible to infection
- 35, 36 KPI to be reviewed. 02/03 Target was for R/B only, the actual is for uMhlathuze.
- 37 New target to be adjusted to a lower level due to the non availability of serviced residential erven.
- 38 The target wasn't met because the responsible Provincial official has retired and the firm of Consultants contracted to Province has taken over the project, so it does not form a function of the Council anymore.
- 41 The target is unrealistic; there is no control over the number of vehicles registered in other registration authority areas that enter the uMhlathuze area of control and cause accidents.
- 42 The baseline was 100% and the target was also set at 100% because all clinic attendances, irrespective of their HIV status were counseled about HIV/AIDS. Since May 2003, the clinic implemented a Voluntary Counseling and Testing and Prevention of Mother to Child Transmission of HIV which is solely responsible for dealing with HIV/AIDS and provision of Nevirapine to pregnant women.



- 43 The baseline and target figures provided in 02/03 were calculated using statistics received from all the clinics and hospitals within the uMhlathuze boundaries. The indicator has proved to be difficult to measure because of the unavailability of such information and the discrepancy in statistics received from different sources. In the 02/03 financial year, 11 727 immunizations were done in uMhlathuze clinics i.e. clinics falling under the Municipality. The indicator will be reviewed.
- 46 Linked to availability of erven and applications
- 47 Informal trade policy in process of amendment.
48. There are no entries to add to Project 48 Increase in Investment, as this is purely market-demand driven and subject to EIA processes and investment decisions over which this Section has no control, hence no target formulated for 2004/2005.

## ENVIRONMENTAL MANAGEMENT

The measurement of input, output and outcome indicators as prescribed by the Regulations proved to be extremely difficult. The projects on the Capital Budget linked to these indicators are of such a nature that the output is a plan a policy or a study. These projects will be measured using project management methodology. The following key projects were identified for the IDP objective environmental management.

Capital projects:

NO	PROJECT	DELIVERABLE	BASELINE	TARGET 2002/03	ACHIEVED 2002/03	TARGET 2003/04	ACHIEVED 2003/04	TARGET 2004/05	ACHIEVED 2004/05	TARGET 2005/06
50	Air Quality Investigation (208/516/01)	Perform study to analyse the impact of emissions on the health of the community		30 June 2003	In process	R 60 400 (2003/2004)	R60 400 handed to RBCAA to finance study	Seek additional international funding to the amount of R 650 000	Indicator deleted	N/A
51	Bio-diversity assessment (220/516/03)	Determine and identify all ecological sensitive areas in the municipal area	None	Complete phase 1 (Integrating Catchments into Spatial Planning) before 30 June 2003	Consultants appointed 3 December 2002 (CR1492). Phase 1 completed June 2003 (R173 443)	R 55 000 (2003/2004)	Consultants appointed 5 August 2003 (CR1890). Phase 2 completed June 2004 (R 167 184)	Complete Biodiversity Policy and Management Plans before June 2005	Completed	Submit to Council for consideration  Implement.

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NO	PROJECT	DELIVERABLE	BASELINE	TARGET 2002/03	ACHIEVED 2002/03	TARGET 2003/04	ACHIEVED 2003/04	TARGET 2004/05	ACHIEVED 2004/05	TARGET 2005/06
52	Compilation of Environmental Policy (220/579/03)	Compile an environmental policy and strategy document	None	/	/	R248 000	Consultants appointed 9 September 2003 (CR1946). Policy completed June 2004 (R55 000)	Adoption of policy by Council – By June 2005	Policy adopted by Council	N/A
53	Environmental Review (220/516/03)	Determine legal environmental requirements, current status of impacts and existing policies and procedures	None	Completed Planning phase for Environmental Management System (EMS)	Consultants appointed 11 March 2003 (CR1610). Legal Register (R108 000), Aspects and Impacts Registers (R140 000) completed June 2003.	R 173 443 (2002/2003) R 167 184 (2003/2004)	None – awaiting outcomes of Environmental Policy	Implement the Environmental Management System before December 2005.	Impacts aspects register completed	Implementation of ISO 14000
54	MOSS Open Plan System	Planning of the extension of the Open Space System	None	Complete phase 1 (Integrating Catchments into Spatial Planning) before 30 June 2003	Consultants appointed 3 December 2002 (CR1492). Phase 1 completed June 2003 (R173 443)	R 173 443	Consultants appointed 5 August 2003 (CR1890). Phase 2 completed June 2004 (R 167 184)	None (Awaiting finalisation of Biodiversity Component before continuing with MOSS Planning.)	None (Awaiting finalisation of Biodiversity Component before continuing with MOSS Planning.)	Re define

Comments:

- 50** The Richards Bay Clean Air Association (RBCAA) has been appointed to conduct the study and R 150 000 has been transferred into their account for this purpose. Final proposals from the University of Natal have been received as is currently being considered by the RBCAA.

Operational activities:

NO	OPERATIONAL ACTIVITIES	INDICATOR (KPI)	BASELINE	TARGET 2002/03	ACHIEVED 2002/03	TARGET 2003/04	ACHIEVED 2003/04	TARGET 2004/05	ACHIEVED 2004/05	TARGET 2005/06
55	Street cleaning	Average cost per kilometre to clean streets	R 5 970 / km	R 6 580 / km	R 6 238 / km	R 6 799 / km	R9377/km	R10 300/km	KPA to be re-determined	KPA to be re-determined

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NO	OPERATIONAL ACTIVITIES	INDICATOR (KPI)	BASELINE	TARGET 2002/03	ACHIEVED 2002/03	TARGET 2003/04	ACHIEVED 2003/04	TARGET 2004/05	ACHIEVED 2004/05	TARGET 2005/06
56	Water pollution prevention	Man hours spent on inspection of factories and workshops	330	362	472	480	383	400	384	400
57	Refuse removal	Average cost to remove solid waste per premises	R 323.70	R 505.40	R 457.20	R 492.48	R723	R870	KPA to be re-determined	KPA to be re-determined
58	Environmental health – informal traders	Average hours spent to train informal traders	21 840 minutes/ 728 traders = 30 minutes	24 000 minutes/ 800 traders = 30 minutes	6 390 minutes/ 213 traders = 30 minutes	30 minutes per trader	18 810 minutes/ 627 traders = R 30 minutes	30 minutes per trader	26400 minutes/880 =30 minutes per trader	30 minutes per trader
59	Water pollution	Number of factories and workshops visited	330	382	472	480	383	400	384	400
60	Refuse removal	Total amount of refuse removed annually (Ton)	116 120.20 Tonnes	136 120.20 Tonnes	114 707.20 Tonnes	125 030.85 Tonnes	134270.64 Tonnes	140 000 Tonnes	136 680 tons	140 000 tons
61	Environmental Health – informal traders	Number of informal traders educated	728	800	213	800	627	650	880	900
62	Water pollution	Number of sites transgressing water pollution legislation	3	0	11	8	5	5	3	0
63	Refuse removal	Percentage of households/premises where refuse is collected	63.4%	66.3%	64.8 %	68.5 %	68.5%	68.5%	68.5%	68%
64	Environmental health – informal traders	Percentage of traders showing improvement	541 / 728 = 74.3%	640 / 800 = 80%	171 / 213 = 80%	85%	627 / 800 = 78%	85%	750/880 = 85%	85%
65	Environmental health – food samples	Percentage of food samples complying with Act	56 / 70 = 80%	85%	76 / 91 = 83.5%	85%	102 / 125 = 82%	80%	74/88 =84%	85%

### Comments:

- 56. Only one Water Pollution Officer employed and due to study leave target could not be reached.
- 59. The number of factories and workshops inspected was exceeded the 2003/2004 target has therefore been increased accordingly. Only one Water Pollution Officer employed and due to study leave target could not be reached.
- 61. The target for the number of informal traders educated was not achieved due to staff shortages requiring existing staff to perform additional functions thereby the target was not achieved.
- 62. This target was not achieved due to circumstances out of our control – problems have arisen whereby as various industries and workshops which have resulted in non-compliance with water pollution legislation.
- 64. Even though the target number of informal traders was not reached, 80% of those educated showed improvement in health conditions and personal hygiene.
- 65. The target was not achieved due to the opening of a new bulk storage milk unit, which had operational problems, resulting in contaminated samples. Once the operational problems had been rectified all the samples complied with the Act.

## INSTITUTIONAL DEVELOPMENT

### Capital projects:

NO	PROJECT	INDICATOR (KPI)	BASELINE	TARGET 2002/03	ACHIEVED 2002/03	TARGET 2003/04	ACHIEVED 2003/04	TARGET 2004/05	ACHIEVED 2004/05	TARGET 2005/06
66	Install water restriction valves 260/536/0 R 1 200 000	Install water restriction valves (260/636/0) (R1 000 000)	R 269.50	R 300.00	R 291.37	R 1 066 410	KPI to be re-defined	KPI to be re-defined	974673	R2 mil. budgeted
67	Reconstruction of Tedders line 255/532/12	Average cost of 11 kV line demolished and constructed	R 16 700 per km	R 16 500 per km	R 16 500 per km	R 116 115.05	R 83 844.95 (128%)	Project completed	N/A	N/A

Comments:

66. Water restriction valves are not bought separately any more, but form part of water meter. Indicator changed from "Average cost per installation of a restriction valve" to the above.

### Operational activities:

NO	OPERATIONAL ACTIVITIES	INDICATOR (KPI)	BASELINE	TARGET 2002/03	ACHIEVED 2002/03	TARGET 2003/04	ACHIEVED 2003/04	TARGET 2004/05	ACHIEVED 2004/05	TARGET 2005/06
68	Municipal fleet	Average running cost per vehicle	R 32 000.00	R 35 000.00	R 33 349.00	R 35 000.00	R 33 212.00	R 35 000.00	11530645/263 = R43 843	R46 035
69	Credit management	Average amount collected per man hour spent	R 2 893 866 / 42 240 = R 68.51	R 6 132 098 / 44 000 = R 139.37	R 6 579 355 / 58 000 = R 113.44	R 6 000 000 / 58 000 = R 103.45	R3 395 207/ 38 666 =R87.81	R4 000 000/ 40 000 =R100.00	5 384 645 / 41 300 = R 141.28	4 500 000 / 40 000 = R 112.50
70	Income management	Average amount billed per man hour spent	R 345 742 402 / 111 360 = R 3 185.55 per man hour	R 400 000 000 / 112 000 = R 3 571.42 per man hour	R 426 325 016 / 92 000 = R4 633.96 per man hour	R 523 747 420 / 92 000 =R 5 692.91 per man hour	R485 294 633/ 92 000 =R5 274.94 per man hour	R500 000 000/ 92 000 =R5 437.78 per man hour	481 649 887/ 94 000 = R 5 123.94	480 000 000/ 94 000 = 5 106.38
71	Personnel services	Average cost per recruitment	R 1 930.21	R 2 000.00	R 1 754.72	R 1 700.00	R 1 500.00	R 1 700.00	R2 200.00	R2 000.00
72	Labour Relations	Average cost per disciplinary investigation	R 1 750.00	R 1 575.00	R 933.00	R 875.00	R 875.00	R 875.00	R2 000.00	R2 000.00
73	Library Services	Average cost of lending out items	R 3 652 336 / 474 129 = R 7.70	R 7.53 per item	R 3 896 690 / 512 385 = R 7.61	R 7.55 per item	R4 484 572 486 520 = R 9.22	R 7.55 per item	R5 149 141 / 459 646 = R11.20	R10 per item
74	Telephone system	Average cost per outgoing call	R 434 278 / 266 951 = R 1.63	R 1.50	R 353 723 / 267 493 = R 1.32	R 1.28	KPI to be re-defined	KPI to be re-defined	KPI to be redefined	KPI to be redefined

# APPENDIX A

NO	OPERATIONAL ACTIVITIES	INDICATOR (KPI)	BASELINE	TARGET 2002/03	ACHIEVED 2002/03	TARGET 2003/04	ACHIEVED 2003/04	TARGET 2004/05	ACHIEVED 2004/05	TARGET 2005/06
75	Occupational health service	Number of employees boarded or put on light duty	46	30	35	Re-define indicator	Re-define indicator	Re-define indicator	Re-define indicator	Re-define indicator
76	Credit management	Total amount of arrears collected	R 2 893 866	R 6 132 098	R 6 579 355	R 6 000 000	R3 395 207	R 4 000 000	5 384 645	4 500 000
77	Income management	Total amount of services billed	R 354 742 402	R 400 000 000	R 426 325 016	R 523 747 420	R485 294 633	R 500 000 000	481 649 887	480 000 000
78	Creditors payment	Average creditors payment period	48 days	30 days	71.41 days	50 days	33.28 days	30 days	41.44	30 days
79	Labour Relations	Number of disciplinary incidents	60	54	32	30	31	40	49	50
80	Municipal Admin service	Overtime hours per agenda / minutes (production and delivery)	4.24	3.64	3.53	3.45	7.81	3.45	1080 / 532 = 2.03	3.00
81	Municipal halls	Usage of halls	52%	60%	62%	65%	62%	65%	52%	60%
82	Occupational health service	Total amount of man hours lost to injury on duty	1840 <b>3 599</b>	720 <b>3 240</b>	3 083	10% less than previous year	7 944	10% less than previous year	5 642	5 350
83	Credit management	Total amount of money collected/Total amount of services billed	R 357 636 270 / R 345 742 402 = 100.82%	R 406 000 000 / R 400 000 000 = 101.5%	R 424 137 681 / R 426 525 016 = 99.44%	R 529 747 420 / R 523 747 420 = 101.14%	R490 338 727/ R 485,294,633 =101.04%	R500 000 000/ R500 000 000 =100%	516 458 614/ 481 649 887 107.23%	480 000 000/ 480 000 000 100%
84	Income management	Percentage variance of the income budget	94.37%	95.27%	100.84%	100%	101.7%	100%	98.48%	100%
85	Creditors payment	Acid test ratio – Current assets less stock on hand/current liabilities	1.75:1	1.5:1	1.3:1	1.2:1	1,17:1	1,5:1	0.84:1	1,5:1
86	Income budget	Percentage variance of income to budget	102%	100%	100.32%	100%	102.75%	100%	100%	100%
87	Expenditure budget	Percentage variance of expenditure to budget	Capital 67.5% Operating 99%	Capital 100% Operating 98%	Capital 92% Operating 102 %	Capital 100% Operating 98%	Capital 96% Operating 101%	Capital 80% Operating 100%	Capital 81% Operating 104%	Capital 80% Operating 100%
88	Fleet availability	Percentage availability per vehicle	90.6%	90 %	93,25%	92 %	98%	90%	94%	90%
89	Personnel services	Percentage personnel turnover per year	3.05%	2%	4%	2%	8.7%	5%	5%	5,5%
90	Loss Control	Number of man-hours lost due to incidents	9 228	0	6 266	5 013	13 221	10 000	11 388	10 820
91	Library services	Percentage of population using the service	23 891 / 341 250 = 7%	8%	26 851 / 358 310 = 7%	7%	29 686/ 296 339 = 10%	7%	30 127 / 296 339 = 10%	11%

## Comments:

- 69. The Credit Management section spent more hours in 2003/04 to achieve more outstanding debt than anticipated in 2002/03.
- 79. KPI should be 'number of disciplinary actions', because one incident may lead to three actions that involve man hours and other costs.
- 82. KPI should be for Loss Control and not for the Clinic. Less man hours lost due to DI's.
- 83. The Credit Management section, target for money collected in 2002/03 is R 18 million (R424 M - R406 M) more in 2003/04 than anticipated. The Income section billed R26 million (R426 M - R400 M) more than anticipated for 2003/04 hence the slight decrease of 2.06% (101.50% - 99.44%)
- 90. Less man-hours lost due to incidents.

The bulk of the Capital Projects linked to this IDP objective is replacement of equipment, vehicles etc and it is not possible to express these projects in the format required by the Regulations.

#### **TABLE 4 (Municipal Governance)**

Indicators to be re-defined and reviewed during the IDP amendment process.

#### **TABLE 6 (Municipal Services – General key performance indicators: GKPI)**

##### **1 THE PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC LEVEL OF WATER, SANITATION, ELECTRICITY AND SOLID WASTE REMOVAL**

Due to the fact that the statistics for total population and number of households in the KZ 282 municipality is not accurate, it is very difficult to provide any statistics with a proven accuracy level. The information about backlogs to services will therefore be affected. The figure for total number of households was changed previously from 30 786 to 38 152 during the 2002\03 year as it was regarded as more accurate based on a survey done. This figure has again been adjusted to 58 377 for the 2003\04 period from figures received by SIVEST based on the 2001 census. As indicated in table below the previous figures are replaced by the more accurate figures. (Bold text)

## WATER

81.83% of households have access to the basic RDP level of water supply service. The basic level for the provision of water is communal supply < 200m from a household.

SERVICE LEVEL	NO OF HOUSEHOLDS FOR BASELINE	BASELINE MEASUREMENT	TARGET 2002\03	ACTUAL ACHIEVED 2002\03	TARGET 2003\04	ACTUAL ACHIEVED 2003\04	TARGET 2004\05	ACHIEVED 2004/05	TARGET 2005/06
House connections	20 718 21 504 <b>29 053</b>	67 % 56% <b>49.77%</b>	21 000 (68 %)	21 504 (56%)	21 800 (61.67%)	29 053 (49.77%)	29 877 (51.18%)	31 043 (52.89%)	31 500 (53.67%)
Yard connections	2 771 6 464 <b>12 863</b>	9 % 17% <b>22.03%</b>	3 500 (11 %)	6 464 (17%)	5 700 (16.12%)	12 863 (22.04%)	13 794 (23.63%)	17 052 (29.05%)	19 000 (32.37)
Communal supply < 200 m	3 522 <b>7 434</b> <b>5 861</b>	11 % 19% <b>10.04%</b>	4 286 (14 %)	7 434 (19%)	6 800 (19.24%)	5 861 (10.04%)	6 206 (10.63%)	6206 (10.57%)	6 000 (10.22%)
Communal supply > 200 m	3 077 1 922 <b>7 850</b>	10 % 5% <b>13.45%</b>	2 000 (7 %)	1 922 (5%)	1 500 (4.24%)	7 850 (13.45%)	7 000 (11.99%)	3190 (5.43%)	3 000 (5.11%)
No formal service	698 828 <b>2 000</b>	3 % 3% <b>3.43%</b>	0	828 (2%)	0	2 000 (3.43%)	1 500 (2.57%)	1200 (2.05%)	809 (1.38%)
Previous Total: New Total: 2003/04 Total: 2004/05 Total:	30 786 ** 38 152*** <b>58 377</b> <b>58691</b>	 92 % <b>81.85%</b>							

\*\* Previous figure not verified

\*\*\* More accurate baseline figure

All Bold figures are verified and replace previous count.

## SANITATION

89.5% of households have access to the basic level of service for sanitation. The basic (RDP) level is a VIP per household.

SERVICE LEVEL	NO OF HOUSEHOLDS FOR BASELINE	BASELINE MEASUREMENT	TARGET 2002\03	ACTUAL ACHIEVED 2002\03	TARGET 2003\04	ACTUAL ACHIEVED 2003\04	TARGET 2004\05	ACHIEVED 2004/05	TARGET 2005/06
Waterborne sewerage	20 224 21 010 <b>28 313</b>	66 % 55% <b>48.5%</b>	20 750 (67 %)	21 010 (55%)	21 500 (56%)	28 313 (48.5%)	28 500 (48.82%)	28954 (49.33%)	28 954 (49.33%)
VIP 's ****	1 970 5 450 <b>13 836</b>	6 % 14% <b>23.7%</b>	*5 000 (16 %)	5 450 (14%)	7 480 (19%)	13 836 (23.7%)	14 586 (25%)	23567 (40.37%)	25 067 (42.71%)
No formal service	12 439 11 692 <b>16 230</b>	36 % 30% <b>27.8%</b>	5 036 (17 %)	11 692 (30%)	9 662 (25%)	16 230 (27.8%)	15 291 (26.19%)	6170 (10.51%)	4 670 (7.96%)
Total	30 786*** 38 152***** <b>58 377</b> <b>58 691</b>	72% 69% <b>72.2%</b> <b>89.5%</b>							

\* Subject to availability of grand funding (Restructuring Grand)

\*\* Achieved through DWAF grand funding

\*\*\* All figures to be verified

\*\*\*\* No formal Council policy exist currently

\*\*\*\*\* More accurate baseline figure

All Bold figures are verified and replace previous count

## SOLID WASTE REMOVAL

68% of households have access to the basic level of service for solid waste. The basic level is one removal of a 240-litre bin or three black bags per week per household.

INDICATOR	BASELINE MEASUREMENT	TARGET 2002\03	ACTUAL ACHIEVED 2002\03	TARGET 2003\04	ACTUAL ACHIEVED 2003\04	TARGET 2004\05	ACHIEVED 2004/05	TARGET 2005/06
Percentage of households with access to solid waste removal	63,4 %	66.3%	63.4%	66.3%	63.4%	68%	68,5%	68%



## ELECTRICITY

There are currently two licence holders for electricity distribution and reticulation in the KZ 282 area (City of uMhlathuze) namely the City of uMhlathuze Electrical Department and ESKOM. It is therefore very difficult to determine the accuracy of statistics and forecasts provided by ESKOM.

The basic level of service for electricity is 50 kilowatt per month per household.

INDICATOR	BASELINE MEASUREMENT	TARGET 2002\03	ACTUAL ACHIEVED 2002\03	TARGET 2003\04	ACTUAL ACHIEVED 2003\04	TARGET 2004\05	ACHIEVED 2004\05	TARGET 2005\06
Households with access to Electricity uMhlathuze area of supply	99%	100 %	99%	100%	99%	100%	99%	100%
Households with access to Electricity Eskom area of supply	70%	75 %	80%	Est. 20 000 85%	17 744 89%	18 000 90%	91%	92%

Note: It is difficult to reach a target of 100% as there is always development and the aim is to accommodate the supply to the new developments as the need arises.

## 2 THE PERCENTAGE OF HOUSEHOLDS EARNING LESS THAN R 1 100.00 PER MONTH WITH ACCESS TO FREE BASIC SERVICES

There is currently no accurate information available on income below R 1 100.00 per month. The City of uMhlathuze provides 6 kilolitres of water to all residents with access to water services. The 50 kilowatts of basic service level for electricity is not provided free of charge to all consumers.

According to the City Electrical Engineer's Department, it is estimated that approximately 700 households in the area of electricity supply by the Council, can be classified as "the poorest of the poor". These figures were obtained through Ward Committee Meetings. So far, 126 of these households provided evidence of their financial state, and are now provided with 50 kilowatt electricity free of charge.

According to the City Electrical Engineer's Department, ESKOM estimates that a total of 17 000 households in their area of electricity supply can be described as "the poorest of the poor". However, ESKOM doesn't provide any free electricity as it is still in the process of drafting a uniform policy.

### 3 THE NUMBER OF JOBS CREATED THROUGH A MUNICIPALITY'S LOCAL ECONOMIC DEVELOPMENT INITIATIVES INCLUDING CAPITAL PROJECTS

Council has adopted a LED policy according to which at least 750 sustainable jobs be created per annum. Each department is responsible for a number of different capital projects taking place throughout the year. Contractors would handle most of these projects. In that way Council will not actively employ more people but would only play a contract management role. The following table depicts the number of jobs created since the 2003/2004 financial year:

INSTITUTION	2003/2004		2004/2005	
	PERMANENT	TEMPORARY	PERMANENT	TEMPORARY
Joint Development Forum	940	456	980	200
Zululand Centre for Sustainable Development	194	0	130	0
<b>TOTAL</b>	<b>1 134</b>	<b>456</b>	<b>1 110</b>	<b>200</b>

### 4 THE NUMBER OF PEOPLE FROM EMPLOYMENT EQUITY TARGET GROUPS EMPLOYED IN THE THREE HIGHEST LEVELS OF MANAGEMENT IN COMPLIANCE WITH THE MUNICIPALITY'S APPROVED EMPLOYMENT EQUITY PLAN

OCCUPATIONAL CATEGORIES			MALE								FEMALE								TOTAL
	LEVEL	VACANT POSTS	AFRICAN		COLOURED		INDIAN		WHITE		AFRICAN		COLOURED		INDIAN		WHITE		
			CUR	NUM. GOAL	CUR	NUM. GOAL	CUR	NUM. GOAL	CUR	NUM. GOAL	CUR	NUM. GOAL	CUR	NUM. GOAL	CUR	NUM. GOAL	CUR	NUM. GOAL	
Chief Executive Officer	00								1										1
TOTAL		0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1
Top Management	22	0	0	1	0	0	0	0.33	3	1	0	0.33	0	0	0	0	0	0.33	3
	21	1	1	1	0	0	1	1	2	2	0	1	0	0	0	0	1	1	6
TOTAL		1	1		0		1		5		0		0		0		1		9
Senior Management	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	19	0	2	7	1	0	1	1	18	6	1	6	0	0	0	1	2	4	25
	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	17	0	1	2	0	0	2	0	3	2	0	2	0	0	0	0	1	1	7
	16	1	1	2	0	0	0	0	2	1	0	1	0	0	0	0	1	1	5
	15	1	5	7	0	0	0	1	9	6	1	5	0	0	0	0	7	4	23
TOTAL		2	9		1		3		32		2		0		0		11		60

## 5 FINANCIAL VIABILITY

The regulations on Planning and Performance Management also determine that the financial performance of municipalities have to be reported. Information regarding the following ratios must be provided:

$$A = B - C / D$$

Where "A" represents debt coverage

"B" represents total operating revenue received

"C" represents operating grants

"D" represents debt service payments

DEBT COVERAGE	BASELINE MEASUREMENT	TARGET 2002\03	ACTUAL ACHIEVED 2002\03	TARGET 2003\04	ACTUAL ACHIEVED 2003\04	TARGET 2004\05	ACHIEVED 2004\05	TARGET 2005\06
B = Total operating revenue received	480,666,482	480,666,482	528 026 238	591 296 290	607 144 421	629 035 170	643 607 138	730 667 900
C = Operating grants	25,930,168	25,930,168	21 135 370	19 440 000	30 725 963	39 163 500	46 409 832	52 985 000
D = debts service payments (interest & redemption due for the year)	47,370,528	47,370,528	49 596 403	58 398 030	59 603 157	31 080 360	67 353 187	44 221 000
A= (B-C)/D	9.60	9.60	10.22	9.80	9.67	18.98	8.87	15.32

$$A = B/C$$

Where "A" – represents outstanding service debtors to revenue

"B" – represents total outstanding service debtors

"C" – represents annual revenue actually received for services

OUTSTANDING SERVICE DEBTORS TO REVENUE	BASELINE MEASUREMENT	TARGET 2002\03	ACTUAL ACHIEVED 2002\03	TARGET 2003\04	ACTUAL ACHIEVED 2003\04	TARGET 2004\05	ACHIEVED 2004\05	TARGET 2005\06
B = Outstanding service debtors	38694618.07	38694618.07	61 285 598	55 285 598	81 678 080	92 410 000	78 353 220	82 000 000
C = Annual revenue actually received for service debtors	-393677485.14	-393677485.14	424 137 681	464 068 695	540 356 520	620 371 410	531 277 240	530 000 000
A = B/C	0.10	0.10	0.14	0.12	0.14	0.15	0.15	0.16

$$A = B + C / D$$

Where "A" – represents cost coverage

"B" – represents all available cash at a particular time

"C" – represents investments

"D" – represents monthly fixed operating expenditure

COST COVERAGE	BASELINE MEASUREMENT	TARGET 2002\03	ACTUAL ACHIEVED 2002\03	TARGET 2003\04	ACTUAL ACHIEVED 2003\04	TARGET 2004\05	ACHIEVED 2004/05	TARGET 2005/06
B = All available cash at a particular time	2 902 175.05	2 902 175.05	9 457 269	10 000 000	19 881 078	18 324 000	34 311 934	20 000 000
C = Investments	37038303.74	37038303.74	45 002 136	51 000 000	40 857 300	45 502 000	10 453 267	40 000 000
D = Monthly fixed operating expenditure	38886668.33	38886668.33	42 841 596	47 000 000	49 920 199	52 419 598	51 362 598	56 000 000
A = (B + C)/D	1.03	1.03	1.27	1.03	1.22	1.22	0.87	1.07

## 6 THE PERCENTAGE OF THE MUNICIPAL CAPITAL BUDGET ACTUALLY SPENT ON CAPITAL PROJECTS IDENTIFIED FOR A PARTICULAR YEAR IN TERMS OF THE MUNICIPALITY'S IDP.

CAPITAL BUDGET ACTUALLY SPENT ON CAPITAL PROJECTS	TARGET 2003\04	ACTUAL ACHIEVED 2003\04	TARGET 2004\05	ACHIEVED 2004/05	TARGET 2005/06
Capital Budget amount spend on capital project / Total Capital budget X 100	100.00%	100.80%	80.00%	81%	80%

## 7 THE PERCENTAGE OF THE MUNICIPAL BUDGET ACTUALLY SPENT ON IMPLEMENTING ITS WORKPLACE SKILLS PLAN

WORKPLACE SKILLS PLAN	BASELINE MEASUREMENT	TARGET 2003\4	ACTUAL ACHIEVED 2003\04	TARGET 2004\05	ACHIEVED 2004/05	TARGET 2005/06
Skills Levy	0.07% of Operating Budget	R1 189 968,69 0.07%	R1 189 968,69 0.07%	R1 000 000.00	R1 077 854.00	R1 800 000.00

# APPENDIX B

## CUSTOMER SATISFACTION SURVEY REPORT

2004 / 2005  
Municipal Year



# CUSTOMER SATISFACTION SURVEY REPORT

2004 / 2005



# City of uMhlathuze

## Customer Satisfaction Survey Report 2004/2005

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## 1. BACKGROUND

A customer satisfaction survey needs to be conducted annually to obtain statistical data for the quality indicators developed within the Performance Management Framework of the Municipality. The customer satisfaction index is further required to review annual performance targets for services delivered by the municipality.

The total number of households in the uMhlathuze area of jurisdiction used for national indicators (58 377 households) according to the uMhlathuze Water Services Development Plan was used as the basis. The Geographical distribution and the following population sample size survey, as reflected in the number of questionnaires, were utilised to ensure the statistical accuracy of the survey:

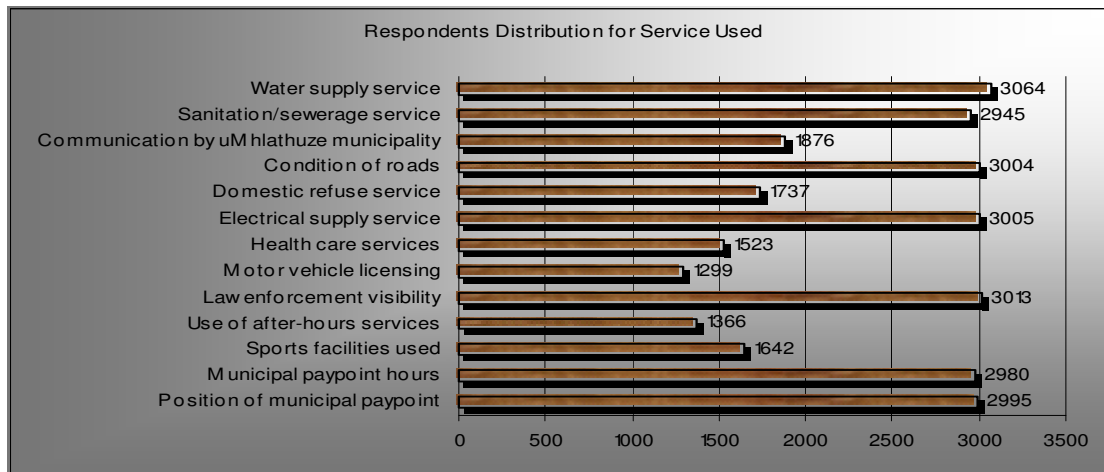
<b>Urban Areas</b>	<b>% to total population</b>	<b>Number of Questionnaires per area</b>
Richards Bay	16.0 %	480
Empangeni	9,0 %	270
Nseleni	5.0 %	150
Esikawini	20.0 %	600
Ngwelezane	6.0 %	180
Vulindlela	1,0 %	30
	57.0 %	1 710
<b>Tribal Areas</b>	<b>% to total population</b>	<b>Number of Questionnaires per area</b>
Bhejane Khoza	10.0 %	300
Dube	4.0 %	120
Madlebe	16.0 %	480
Mhkwanazi	13.0 %	240
	43.0 %	1 290
<b>Total</b>	<b>100%</b>	<b>3 000</b>

For the purpose of this report the results will be illustrated for the total area of jurisdiction as well as separate responses for the urban areas and for the Tribal areas. Information on all the questions is available on all the different areas, with a further breakdown per suburb in Richards Bay. This information is available upon request.

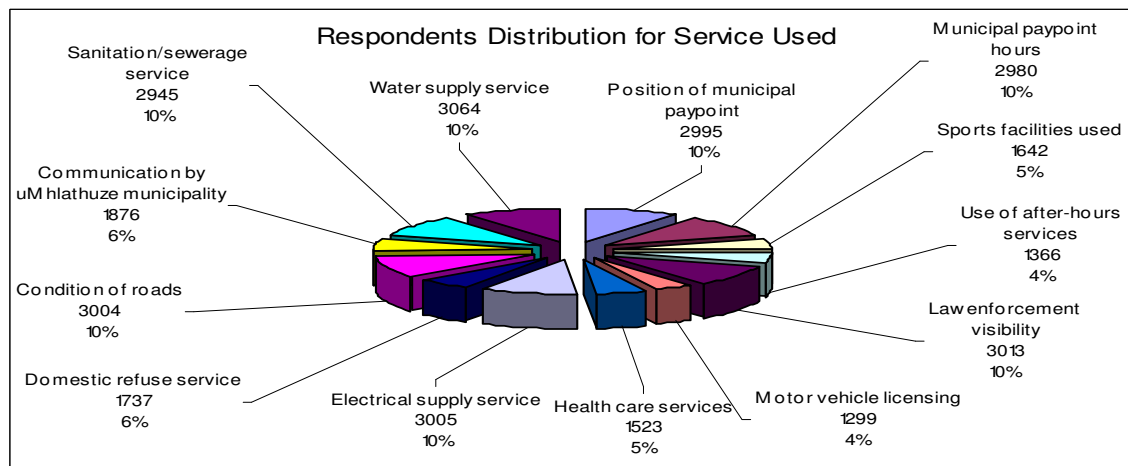


## 2. SURVEY RESPONSE

A total of 3104 households responded to the twenty survey questions. The satisfaction level of these households with regard to the services is illustrated throughout this report. The following services were regarded as high priority: water supply, health care, sanitation/sewerage, electricity supply, domestic refuse removal, condition of roads, communication with the community, municipal pay points, sports facilities, licensing services, law enforcement visibility and after-hours emergency services. Most of these services are also identified to be National Key Performance Indicators. The following figures illustrate the number of responses to the survey's thirteen questions concerning satisfaction with particular services:



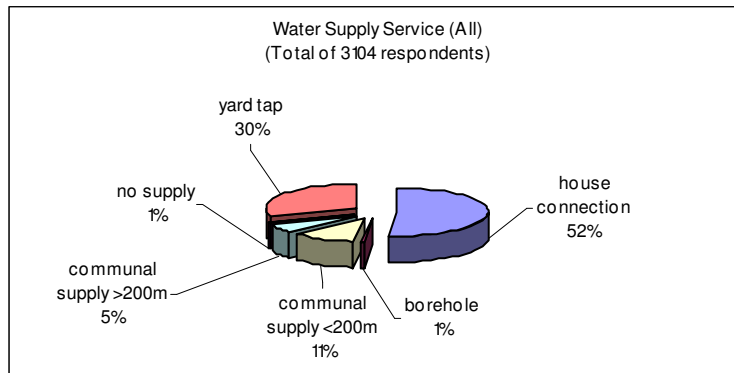
The above figure illustrates the number of respondents for each of the services as well as the percentage contributed towards the total number of the **58 377** population data.



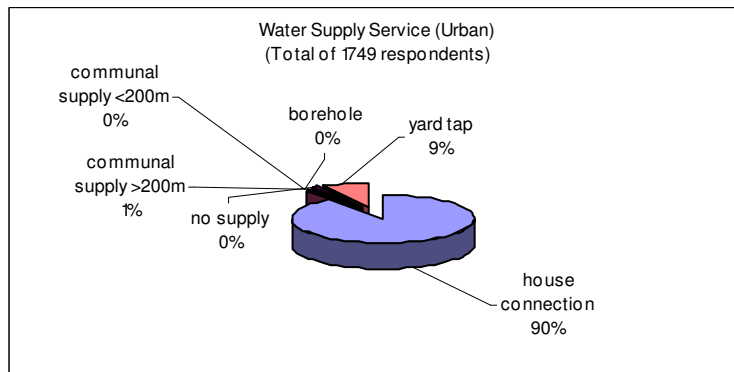
The levels of customer satisfaction with the above services are discussed and illustrated individually below.

## WATER SUPPLY SERVICE

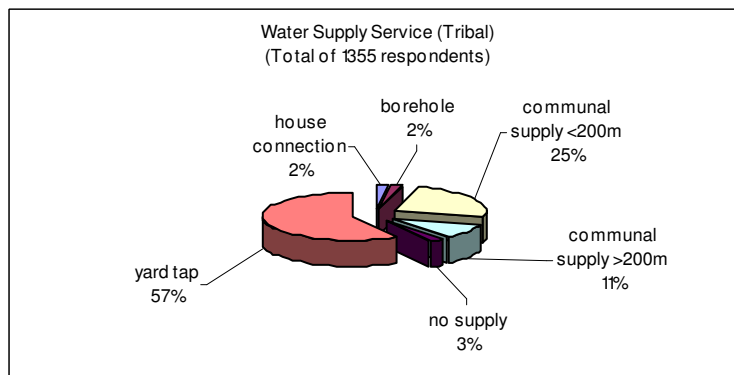
The water supply service currently delivered to the community by the City of uMhlathuze is categorized in terms of National regulations. The categories are divided and measured as follows: house connections, yard connections, communal supply within 200 metres distance (RDP level); communal supply further than 200 metres distance, boreholes. The aim is to improve and upgrade the standard of water supply services level. The survey recorded customer satisfaction with the current service delivered to the community. The following figure illustrates the type of water supply service rendered to the 3104 households that were approached during the survey.



The following figure illustrates the type of water supply service rendered to the households that were approached during the survey in the urban areas. The responses from the 1749 households currently served with water, are expressed as a percentage. 5 respondents do not have water supply.

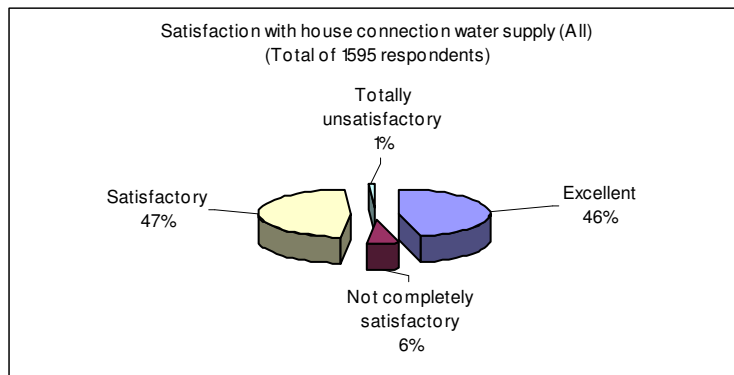


The following figure illustrates the type of water supply service rendered to the households that were approached during the survey in the tribal areas. The responses from the 1355 households currently served with water, are expressed as a percentage. 35 of the respondents do not have water supply.

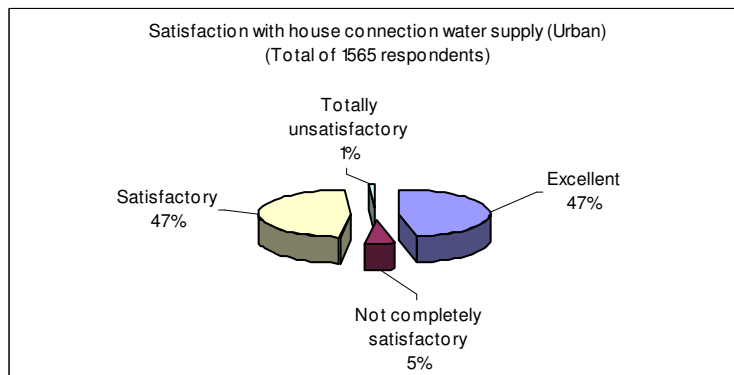


## ***House connection water supply***

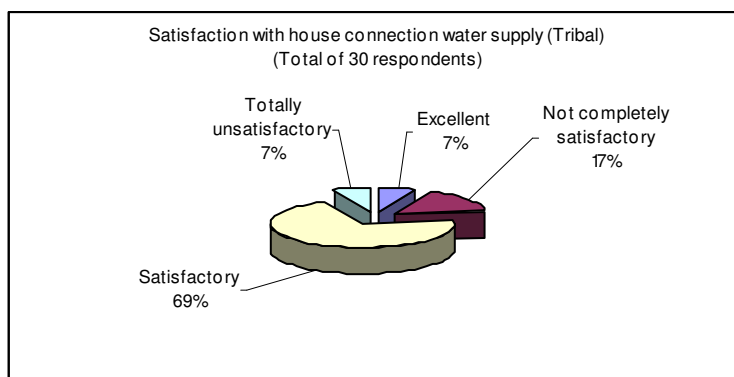
The number of households in the survey with this type of connection was 1595. The following figure illustrates a high satisfaction level among the respondents currently receiving this service.



The following figure illustrates the satisfaction level among the 1565 respondents currently receiving this service in the urban areas:-

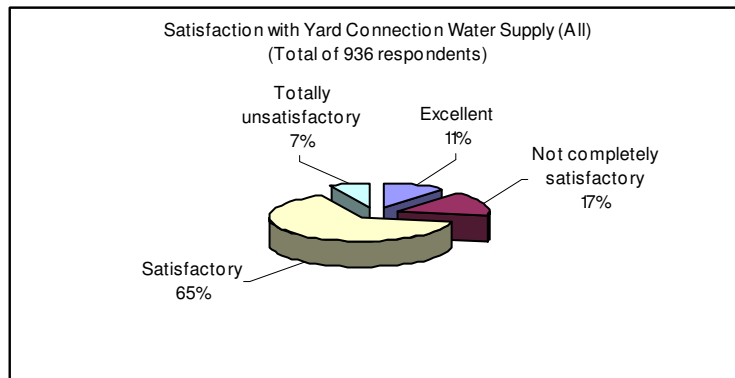


The following figure illustrates the satisfaction level among the 30 respondents currently receiving this service in the tribal areas:-

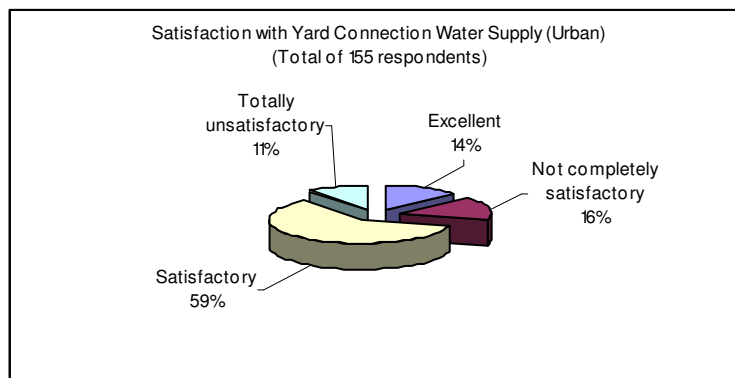


## ***Yard Connection***

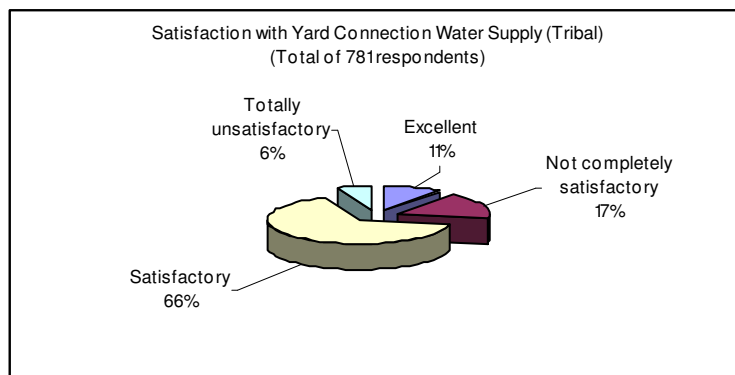
The number of households in the survey with yard connection was 936. The satisfaction level of the households currently receiving yard connection water supply is illustrated as follows:



The following figure illustrates the satisfaction level among the 155 respondents currently receiving this service in the urban areas:-

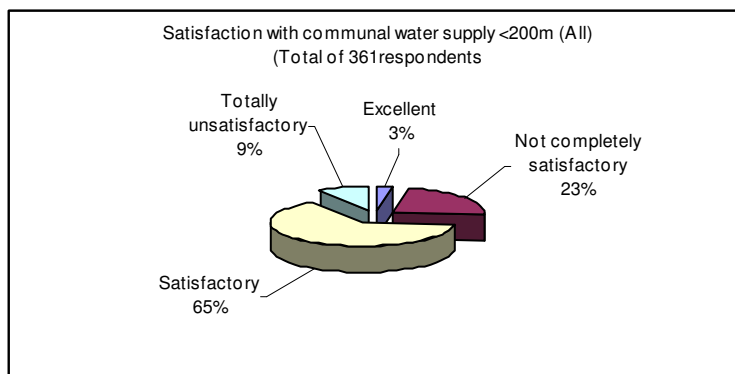


The following figure illustrates the satisfaction level among the 781 respondents currently receiving this service in the tribal areas:-

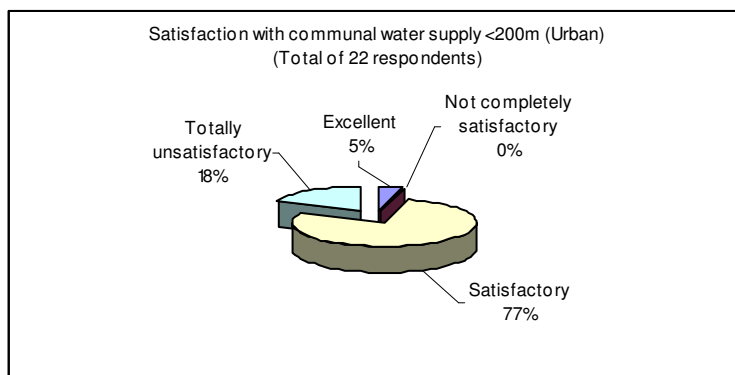


## ***Communal Water Supply within 200metres***

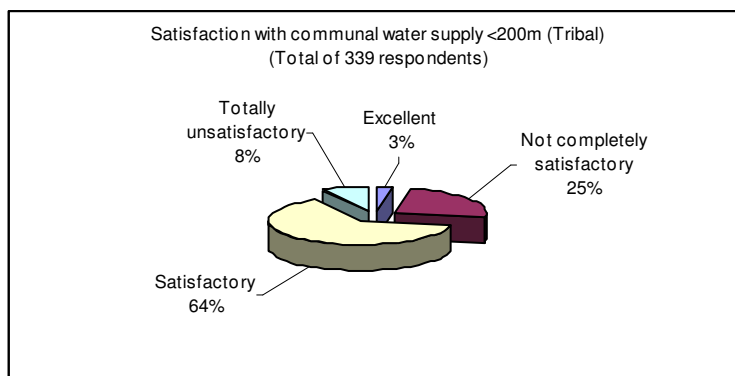
This level of service is as per RDP standard where running water is supplied via a communal water supply of a distance of no more than 200 metres from the residence. The satisfaction level of the 361 respondents currently receiving this service is illustrated as follows:



The following figure illustrates the satisfaction level among the 22 respondents currently receiving this service in the urban areas:-



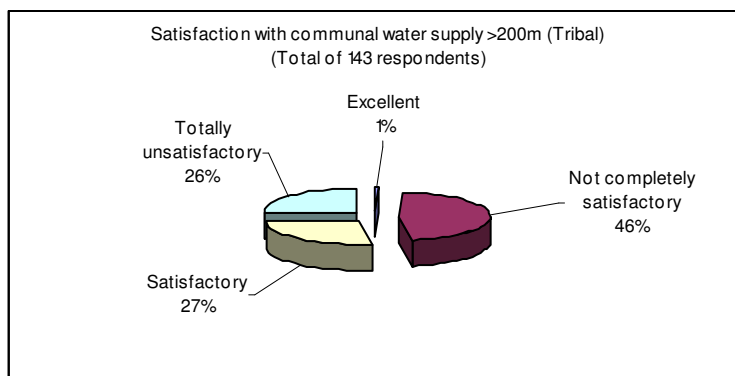
The following figure illustrates the satisfaction level among the 339 respondents currently receiving this service in the tribal areas:-



## ***Communal water supply further than >200metres***

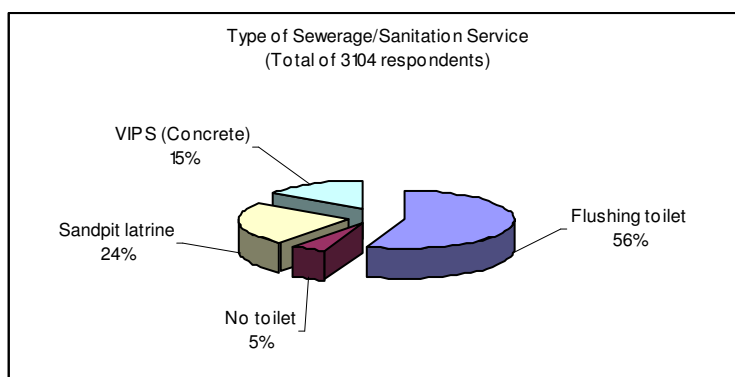
The number of households in the survey with communal water supply was 143. There is no household in an urban area with a water supply further than 200 metres.

The following figure illustrates the satisfaction level among the 143 respondents currently receiving this service:



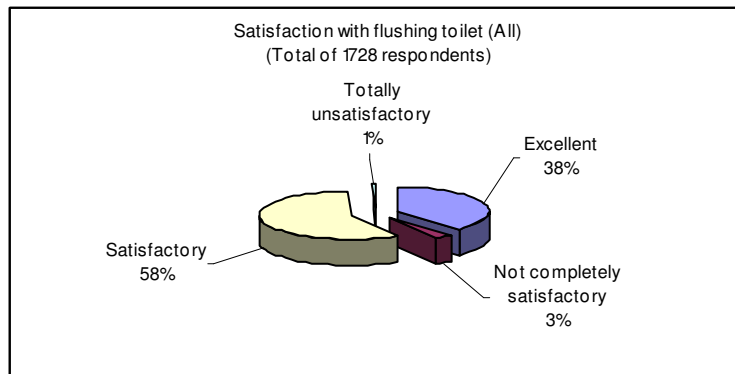
## **SANITATION SERVICE**

The following figure illustrates the distribution of the type of sanitation service delivered to the households surveyed. The total number of respondents was 3104. The 5% of households with no sanitation service are from the tribal areas and comprise 159 respondents.

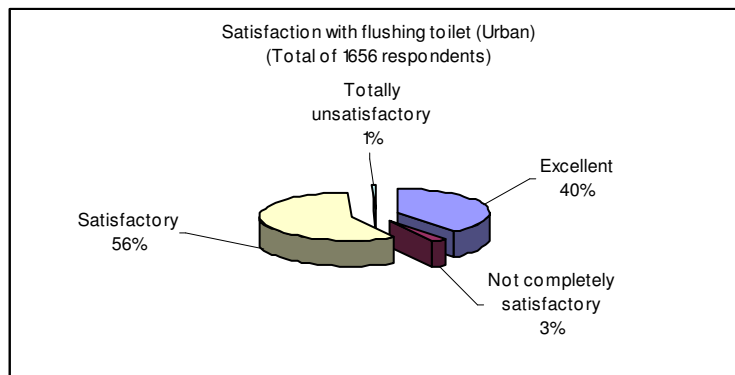


## Flushing toilet service

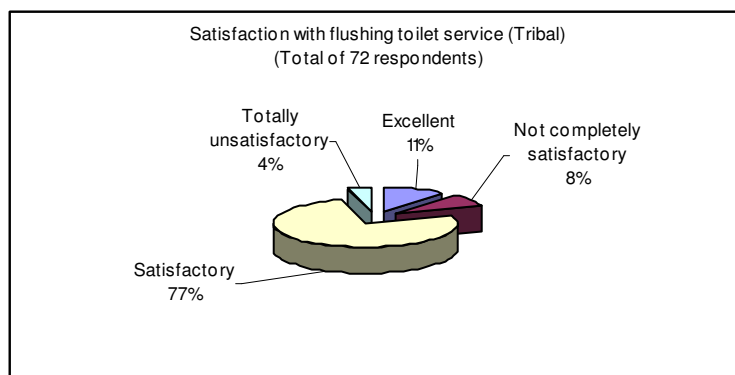
A flushing toilet service is delivered to households in the urban and developed areas. The following figure illustrates the satisfaction rating of the 1728 respondents currently receiving this service. The satisfaction level for this service is exceptionally good.



The following figure illustrates the satisfaction level among the 1656 respondents currently receiving this service in the urban areas:

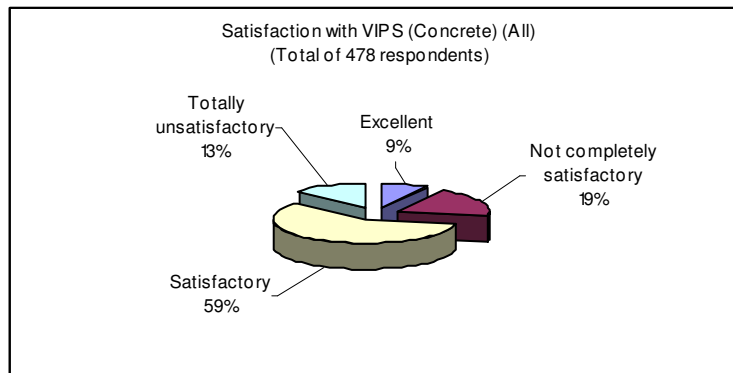


The following figure illustrates the satisfaction level among the 72 respondents currently receiving this service in the tribal areas:

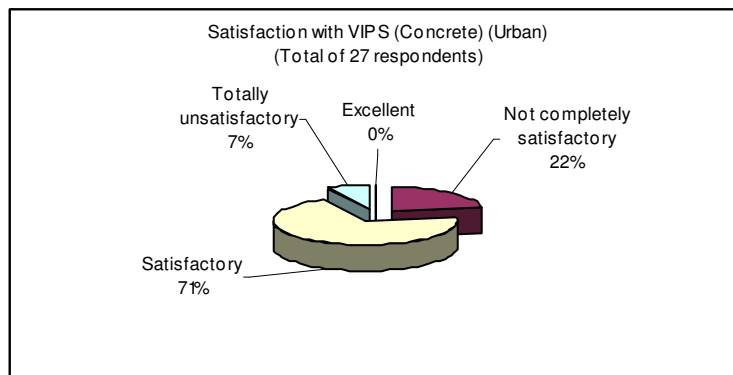


### ***VIPs (Concrete)***

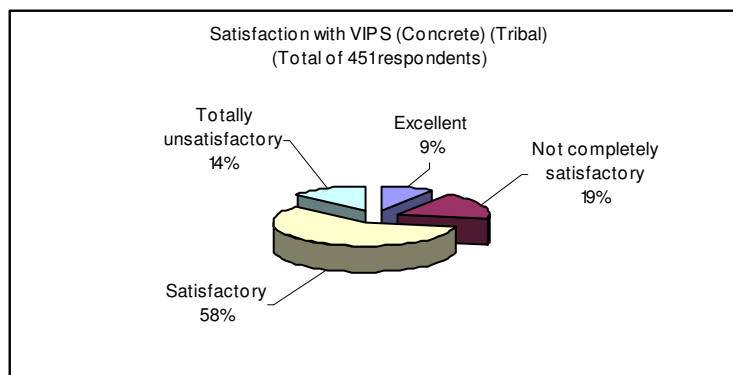
The VIPs (Concrete) service is predominantly delivered in the tribal areas. The number of respondents with this facility is 478.



The following figure illustrates the satisfaction level among the 27 respondents currently receiving this service in the urban areas:



The following figure illustrates the satisfaction level among the 451 respondents currently receiving this service in the tribal areas:



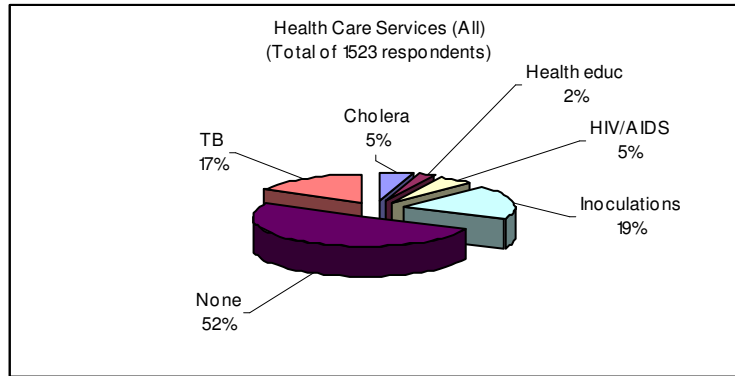
### ***Sandpit Latrine (Own)***

The VIPs (Concrete) service is not delivered to the whole community in the tribal and informal developed areas. Consequently, 739 respondents reported having constructed their own sandpit latrines.

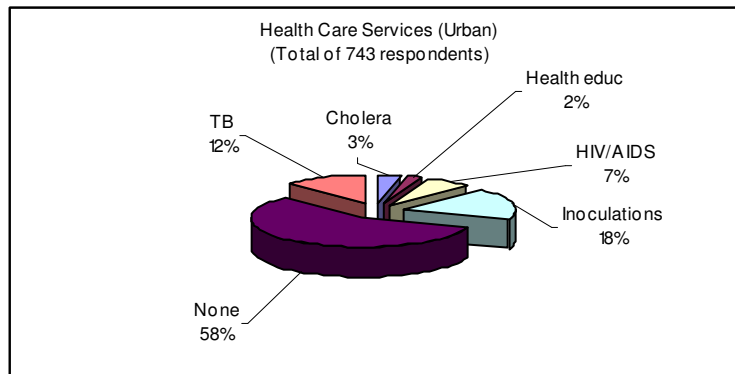


## HEALTH CARE SERVICE

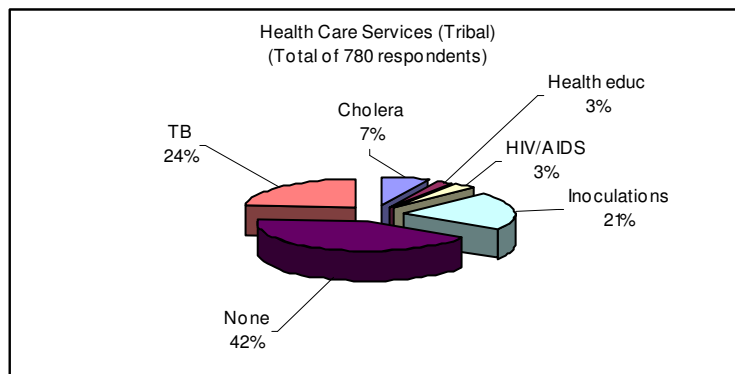
1523 households from the total number of 3104 households approached during the survey reported having made use in the previous 12 months of the health care services provided by the uMhlathuze municipality. 1581 respondents did not make use of any health care services provided by the uMhlathuze municipality. The following figure illustrates the distribution of services used by the 1523 respondents. The services reported on in the survey are TB treatment, HIV/AIDS counselling, cholera treatment, health education (other than HIV/AIDS) and inoculations. Usage of, and satisfaction levels with, these services are illustrated in the next 18 charts.



The following figure illustrates the distribution of health care services used by the 743 respondents in the urban areas.

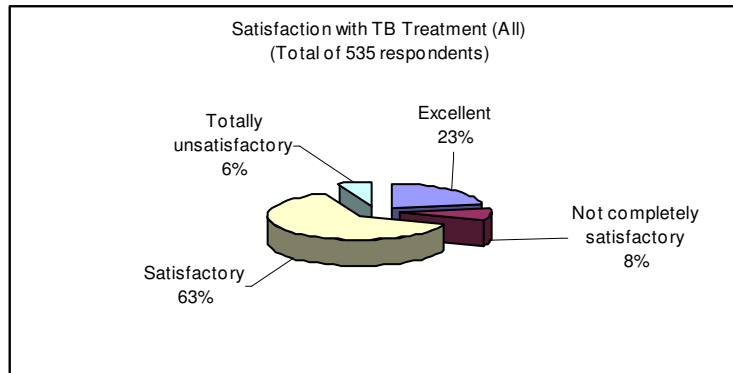


The following figure illustrates the distribution of health care services used by the 780 respondents in the tribal areas.

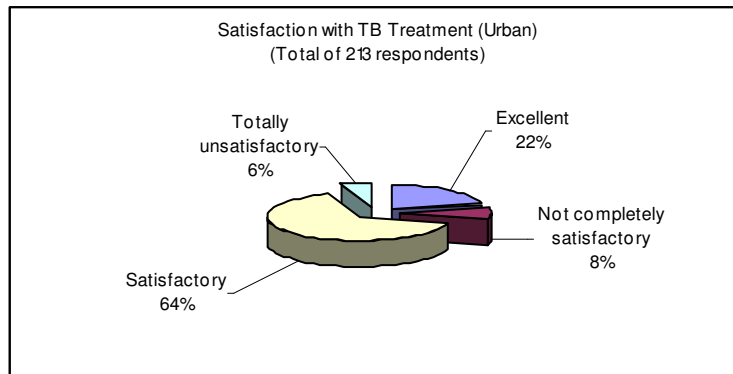


## ***TB Treatment***

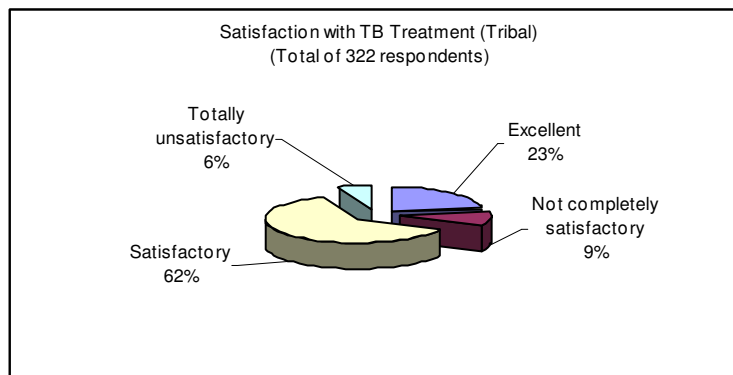
The satisfaction levels of the 535 households which reported having made use of the TB treatment service is as follows:



The following figure illustrates the satisfaction level among the 213 respondents who made use of the TB treatment service in the urban areas:

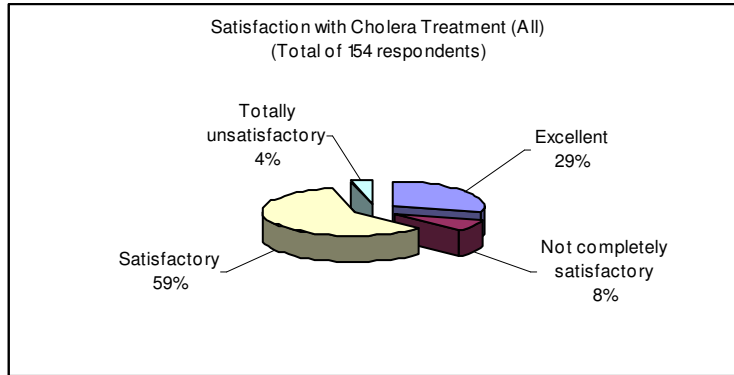


The following figure illustrates the satisfaction level among the 322 respondents who made use of the TB treatment service in the tribal areas:

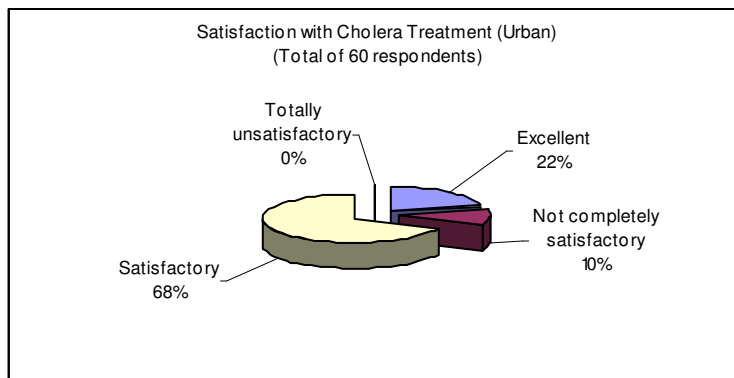


## Cholera Treatment

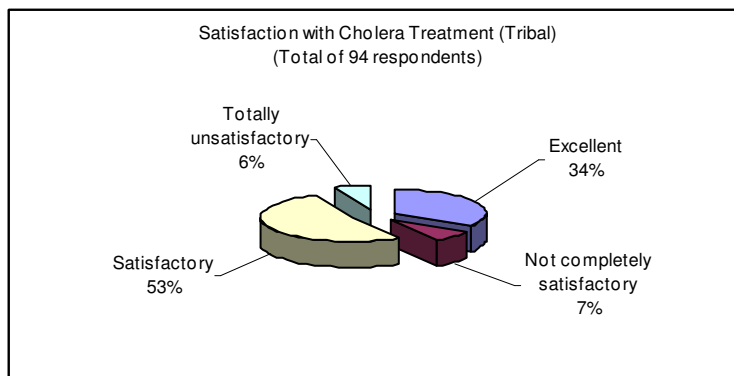
The number of households who reported having used this service was 154. Satisfaction levels are illustrated below:



The following figure illustrates the satisfaction level among the 60 respondents who made use of the cholera treatment service in the urban areas:

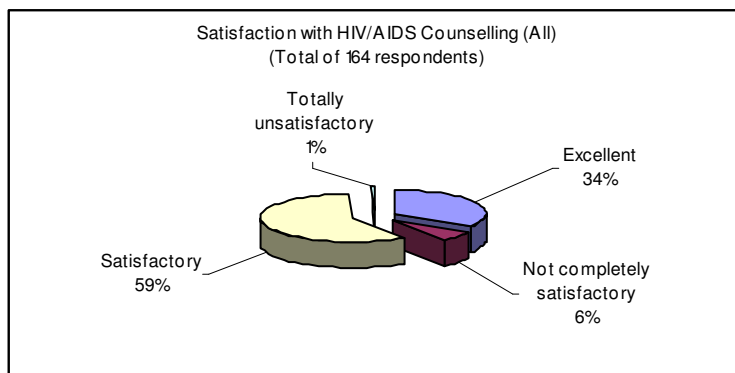


The following figure illustrates the satisfaction level among the 94 respondents who made use of the Cholera treatment service in the tribal areas:

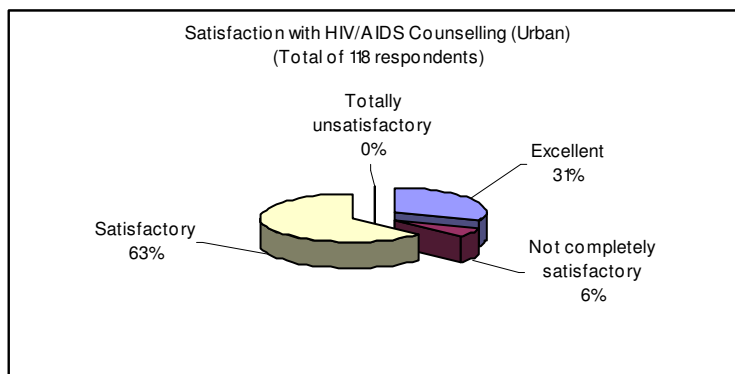


## HIV/AIDS Counselling

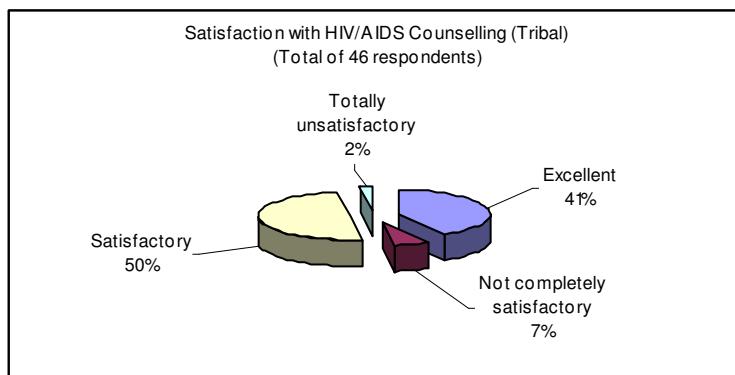
The number of households who reported having used this service was 164. Satisfaction levels are illustrated below:



The following figure illustrates the satisfaction level among the 118 respondents who made use of the HIV/AIDS counselling service in the urban areas:

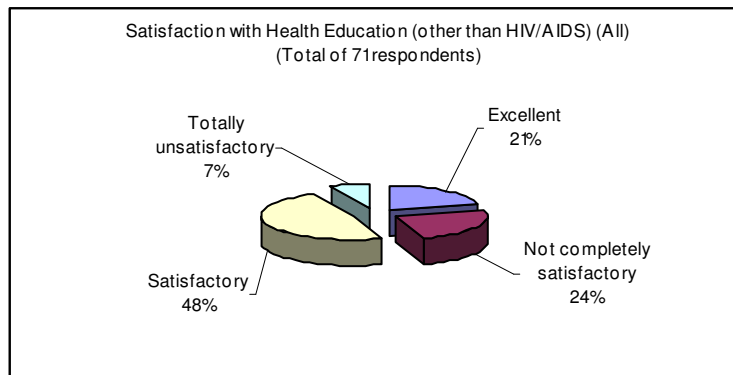


The following figure illustrates the satisfaction level among the 46 respondents who made use of the HIV/AIDS counselling service in the tribal areas:

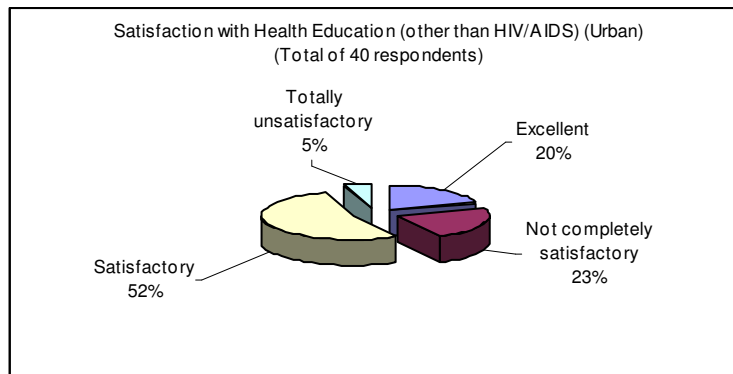


## ***Health Education (other than HIV/AIDS)***

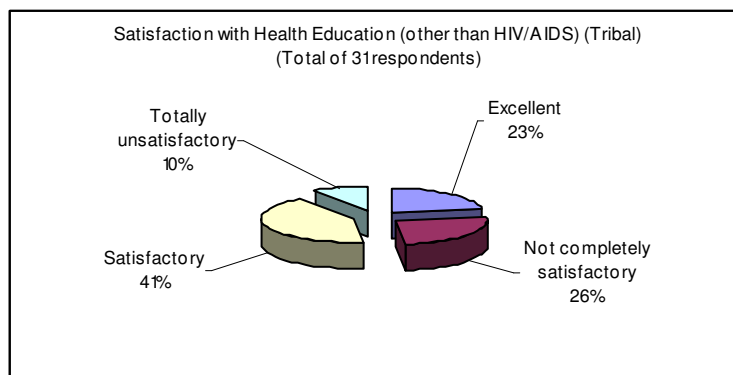
The number of households responding to this question was 71. Satisfaction levels are illustrated below:



The following figure illustrates the satisfaction levels among the 40 respondents who made use of the health education service in the urban areas:

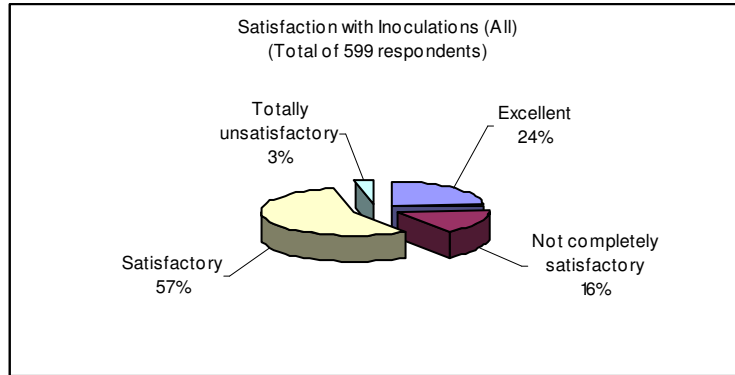


The following figure illustrates the satisfaction level among the 31 respondents who made use of the health education service in the tribal areas:

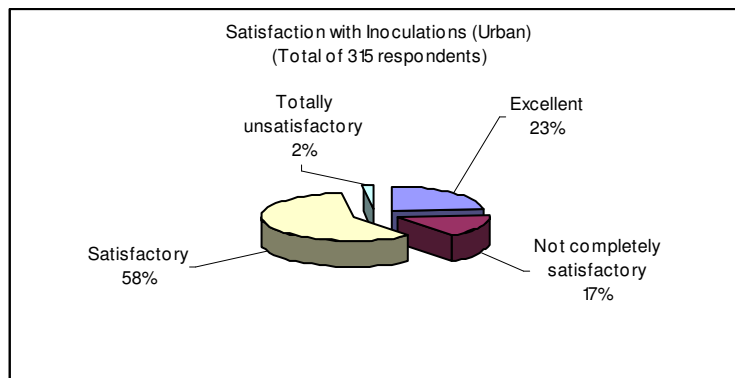


## Inoculations

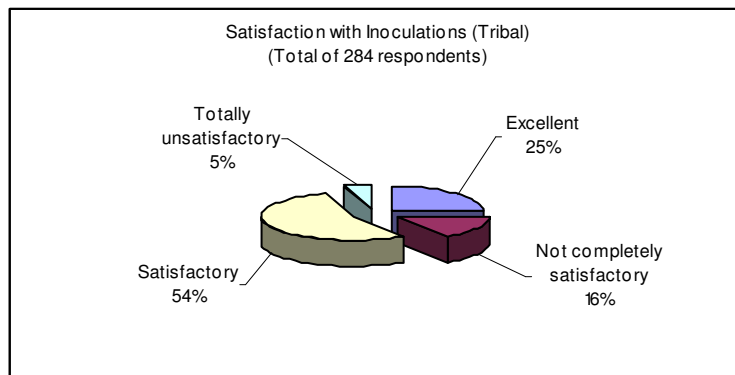
The number of households who responded to this question was 599. Satisfaction levels are illustrated below:



The following figure illustrates the satisfaction level among the 315 respondents who made use of the inoculations service in the urban areas:

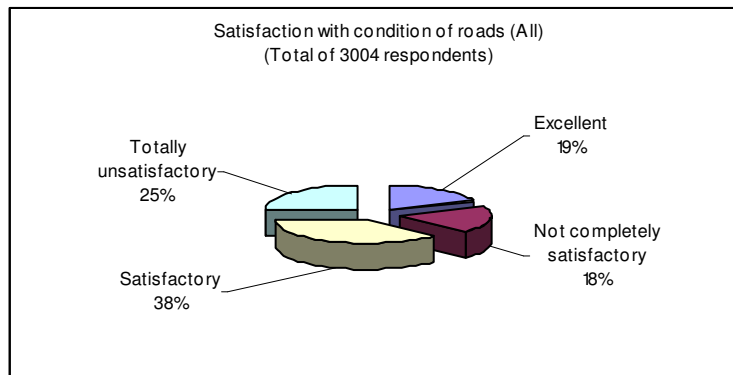


The following figure illustrates the satisfaction level among the 284 respondents who made use of the inoculations service in the tribal areas:

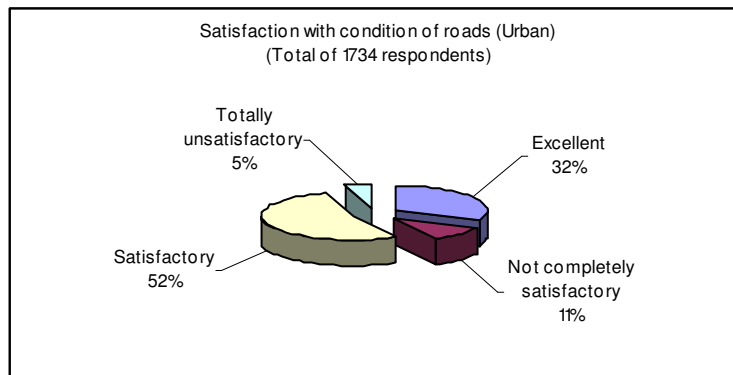


## ROADS

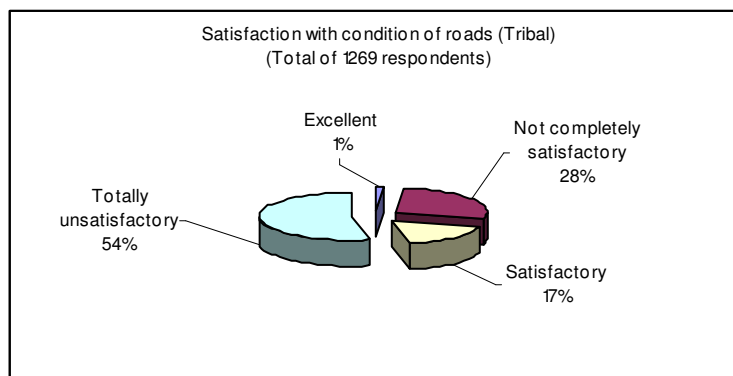
The perception of the community with regard to their satisfaction with the roads infrastructure and condition of roads in their immediate vicinity was measured in general. This included tarred as well as gravel roads and streets. The number of households which responded to this question in the survey was 3004. The following figure illustrates the satisfaction response received.



The following figure illustrates the satisfaction level among the 1734 respondents in the urban areas:



The following figure illustrates the satisfaction level among the 1269 respondents in the tribal areas:

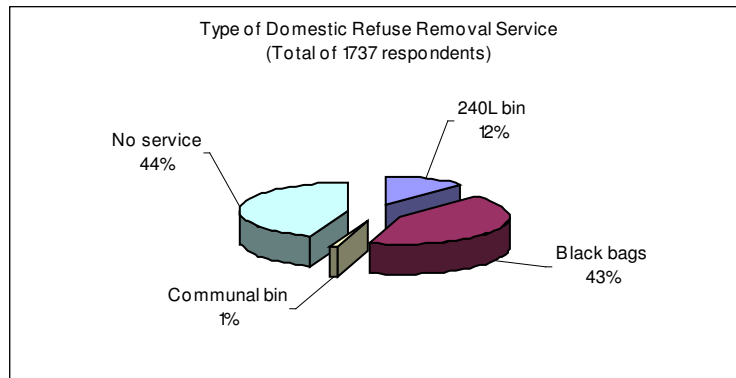


## Comments

There is still a high level of dissatisfaction with roads, particularly in the tribal areas. Respondents to the survey were concerned about: poor maintenance (e.g. potholes); poor access, particularly in tribal areas, where many roads are not tarred, causing additional problems when it rains; the need for speed humps, particularly in the vicinity of schools, pedestrian crossings and sports fields.

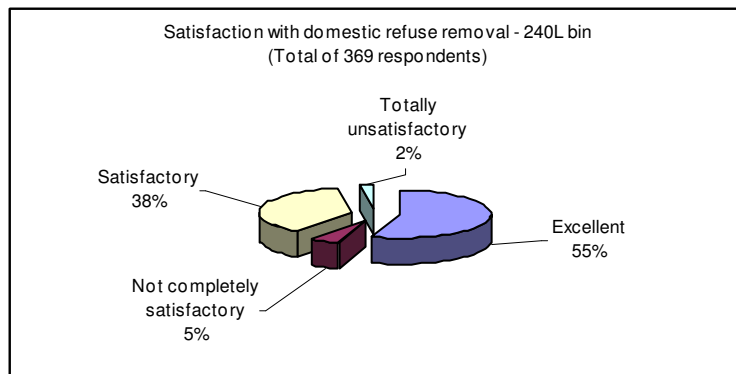
## DOMESTIC REFUSE REMOVAL

The domestic refuse removal service currently delivered by the City of uMhlathuze to households in urban area is either 240 litre bins, black bags or communal bins. The total number of respondents to this question was 3104, of whom 1737 receive a domestic refuse removal service. Distribution of the type of refuse removal service received by these respondents is illustrated below:



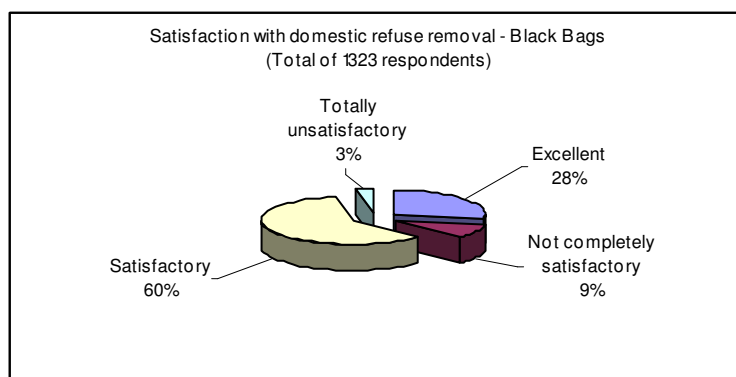
### **240 litre Bin service**

This service is delivered predominantly in the Richards Bay area once per week. The service satisfaction level as experienced by the 369 of the 3104 respondents receiving this service is illustrated below:



### **Black bag service**

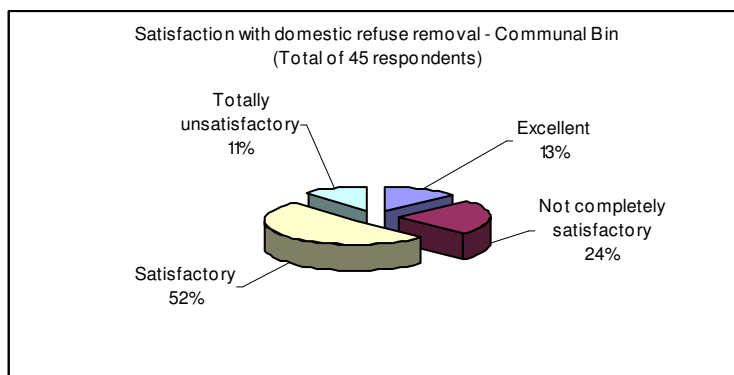
This service is delivered in Empangeni and other municipal areas once per week. The satisfaction level with this service as experienced by 1323 of the 3104 respondents receiving a domestic refuse service is as follows:





### **Communal bin service**

This service is delivered in some of the tribal municipal areas once per week. The satisfaction level with service delivery as experienced by the 45 of the 3104 respondents receiving a domestic refuse service is as follows:



### **No Service**

1367 of the households who participated in the survey receive no domestic refuse removal service. These households are in the tribal areas.

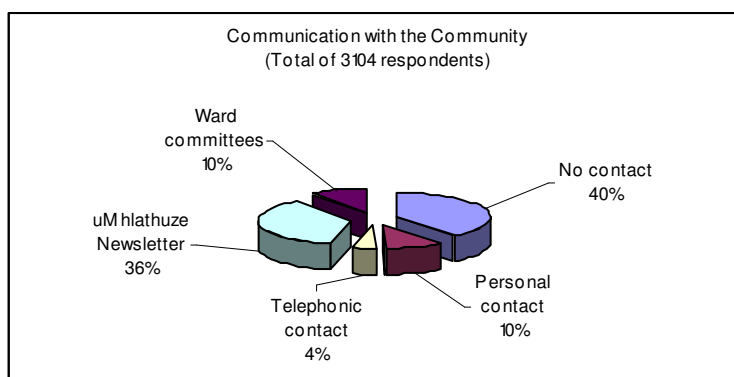
#### **Comments**

Respondents have noted that everyone should be afforded some form of domestic refuse removal. Those respondents who have no refuse removal service presently deal with the problem either by dumping it in their yards and burning it, or by digging holes and burying it.

### **COMMUNICATION WITH THE COMMUNITY**

Communication between the City of uMhlathuze and the community is very important for public participation. The public need to be informed regularly on all issues and their inputs and participation must be obtained to make informed decisions for the future. It is therefore of some concern that 40% of respondents reported having no communication with the municipality.

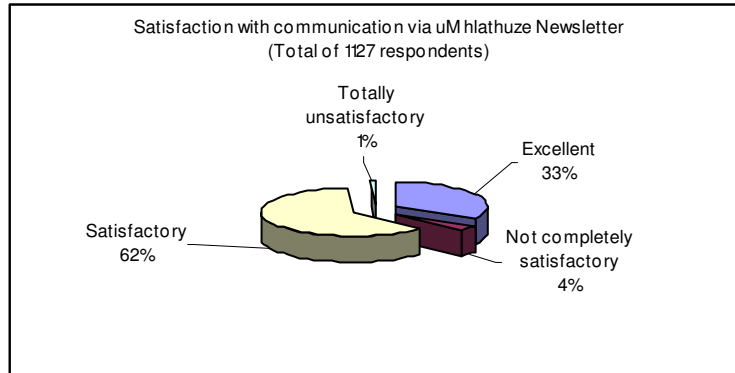
Communication between the Municipality and its inhabitants was classified in the survey as follows: personal contact; telephonic contact; ward committees; the uMhlathuze newsletter; no contact. The following chart illustrates the response distribution per category from the 3104 households which responded to the question:



### ***uMhlathuze newsletter***

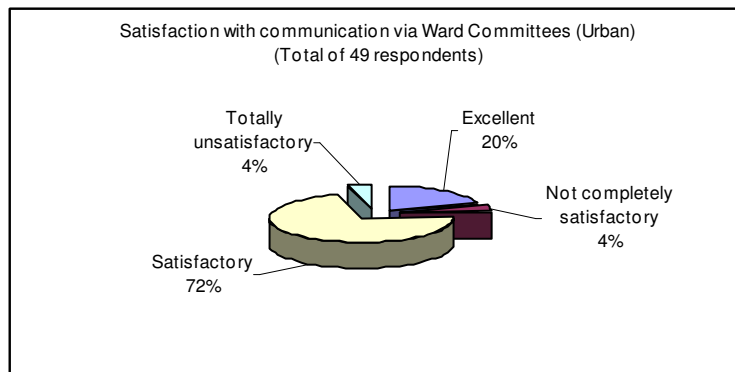
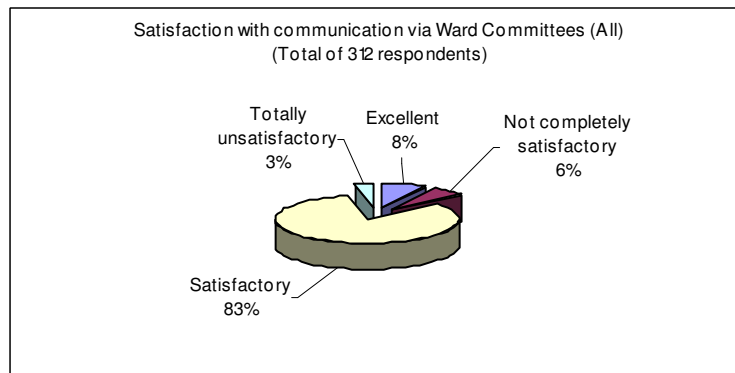
The newsletter seems to be very popular and is generally well accepted. Of the 3104 respondents, 1127 receive their communication via the newsletter. However, 1107 of these are from the urban areas, and only 20 are from the tribal areas.

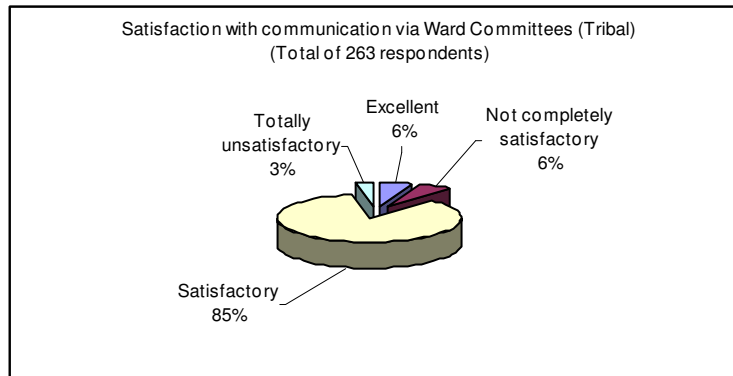
The satisfaction level of the 1127 respondents receiving the newsletter in all areas is as follows:



### ***Ward committees***

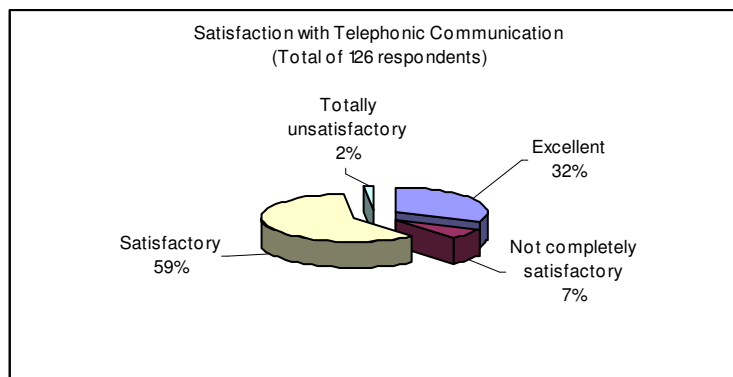
312, of those who responded to the question on communication receive information from the Municipality via the ward committee system. Of these, 49 live in urban areas and 263 live in tribal areas. Satisfaction levels with this system are as follows:





### ***Telephonic Communication***

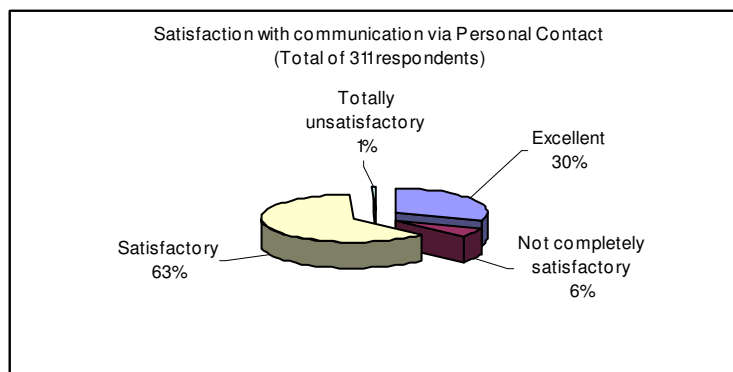
In the survey, 126 of the respondents indicated that they receive communication from the uMhlathuze Municipality telephonically. Of these, 110 live in urban areas and 16 live in tribal areas. Satisfaction levels with this form of communication are recorded below:



### ***Personal Contact***

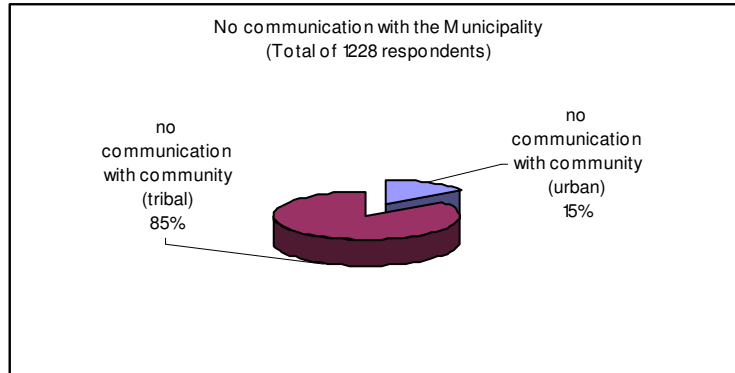
311 respondents cited “personal contact” as the means by which the Municipality keeps in touch with them. Of these, 300 live in urban areas.

Satisfaction levels with this form of communication are recorded below:



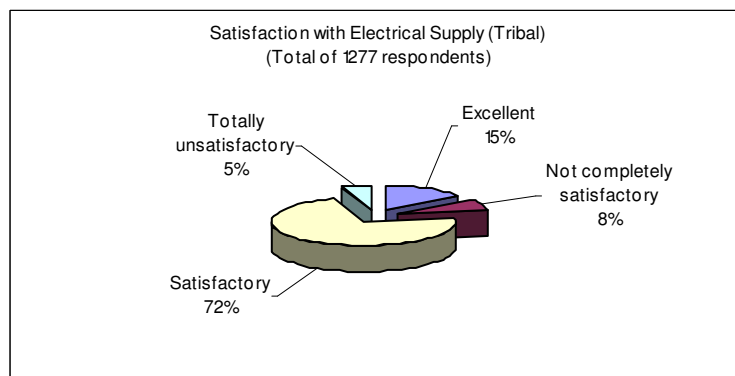
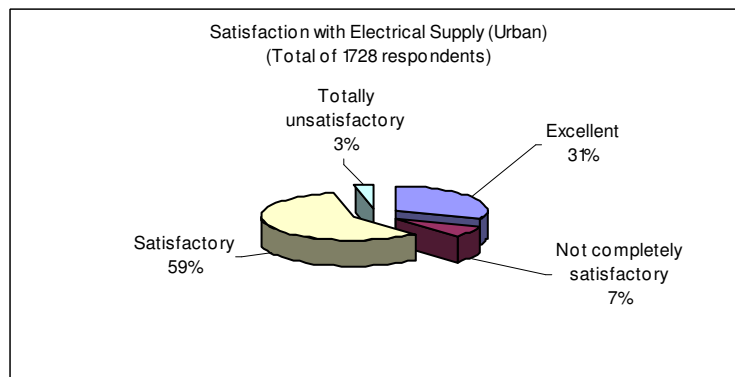
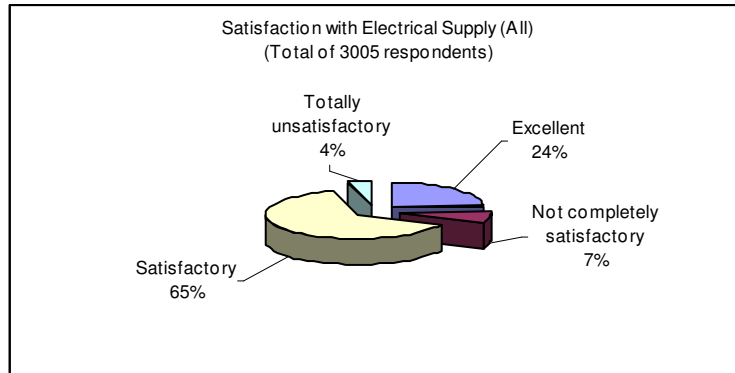
### ***No communication with the municipality***

1228 respondents do not have any communication with the municipality. Of these, 184 respondents are from urban areas and 1044 from tribal areas.



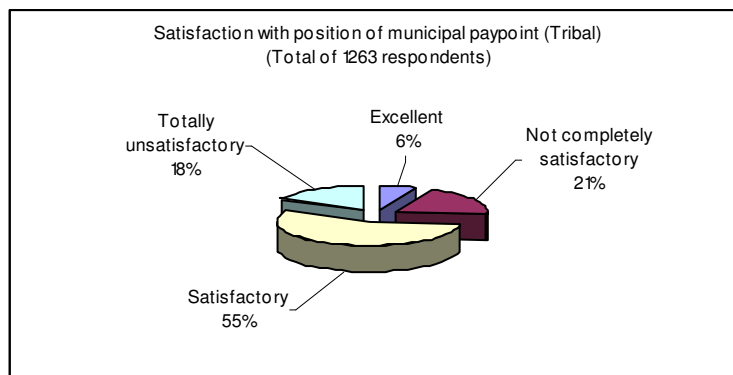
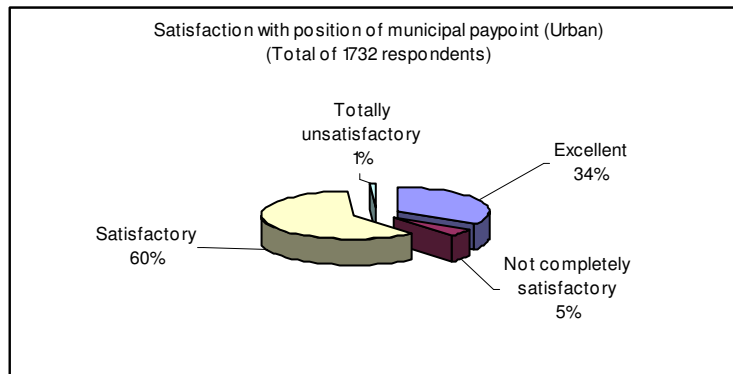
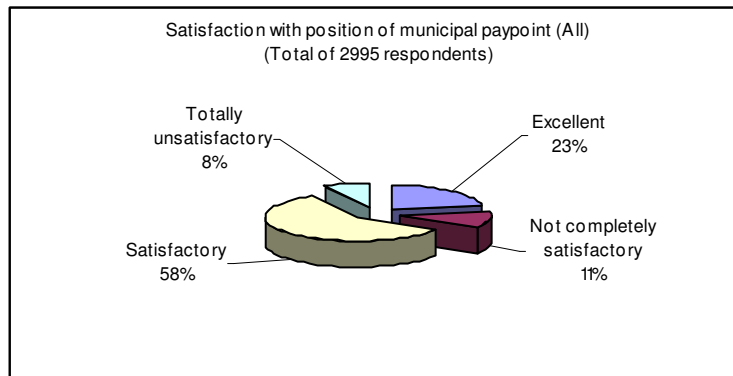
## ELECTRICITY SUPPLY

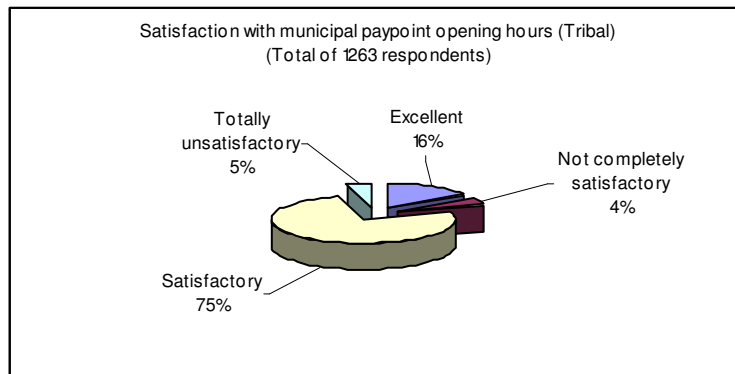
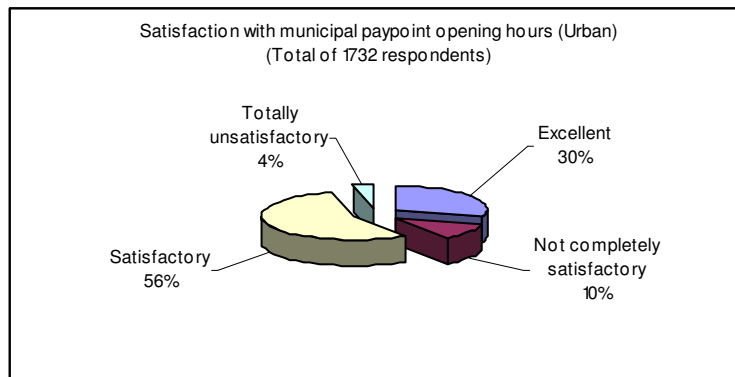
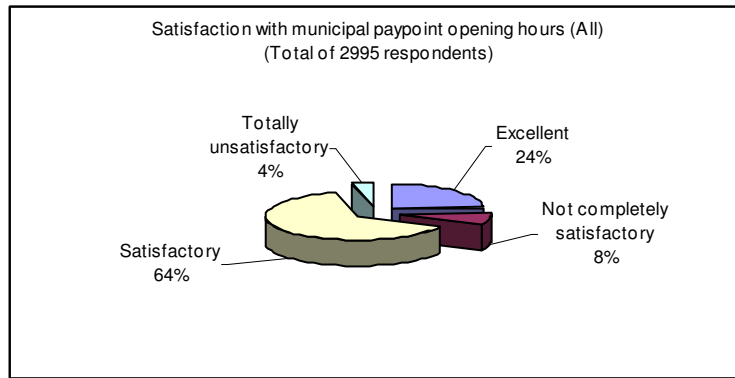
Of the 3104 households surveyed, 3005 reported having electricity. (1728 of these were in the urban areas and 1277 in the tribal areas). Customer satisfaction with the quality of their electricity supply is recorded in the three charts below:



## MUNICIPAL PAYPOINTS

A majority of households surveyed, 2995, make use of Municipal paypoints. Of these, 1732 are urban dwellers. Satisfaction levels with regard to location and opening times of these paypoints are recorded in the charts below:





## Comments

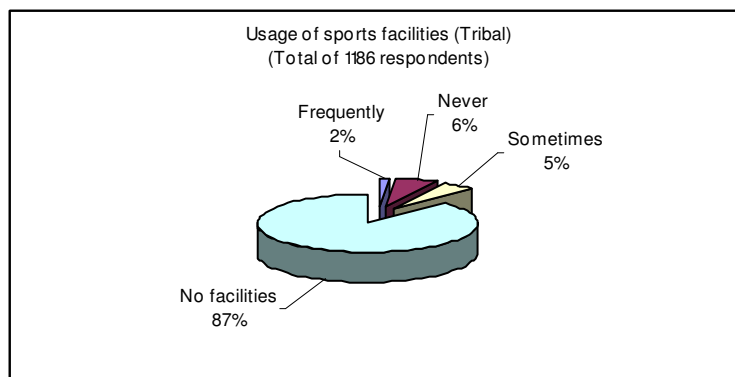
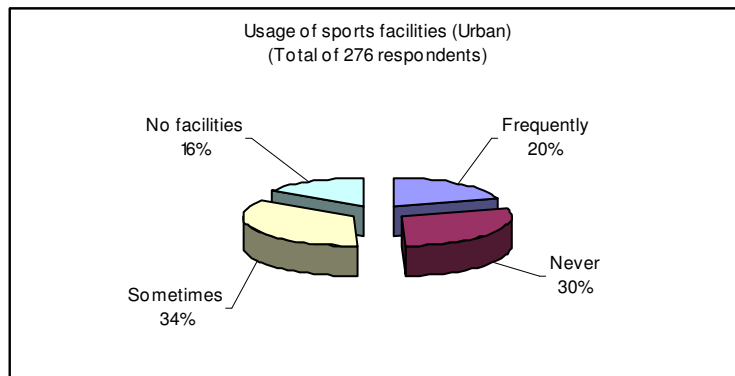
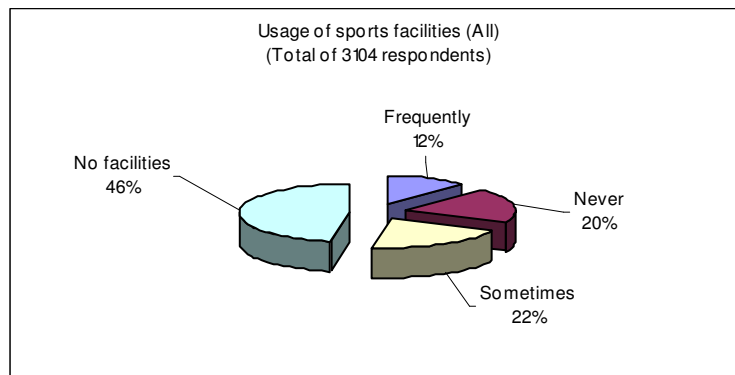
Negative comments on the position and opening times of Municipal pay points include: pay points being too far away from households, necessitating the extra expense of taking a bus or taxi; opening hours not being suitable for those who work all day and/or live far away.

## SPORTS FACILITIES

The following charts illustrate levels of respondent satisfaction with the availability and quality of Municipal sports facilities, and usage thereof.

1462 of respondents indicated that there are no sports facilities in their area. Of these responses, 1186 were from the tribal areas.

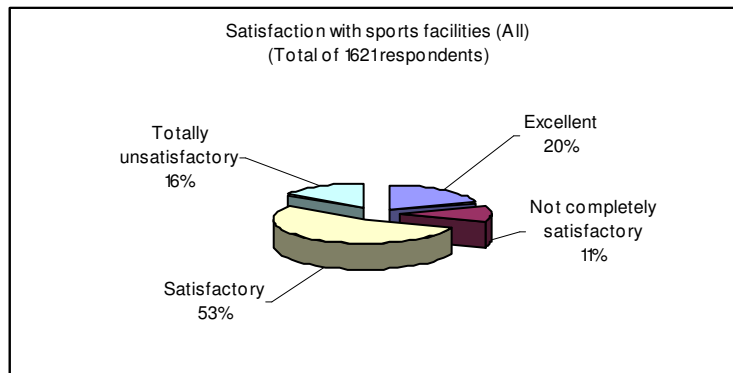
### *Usage of sports facilities*



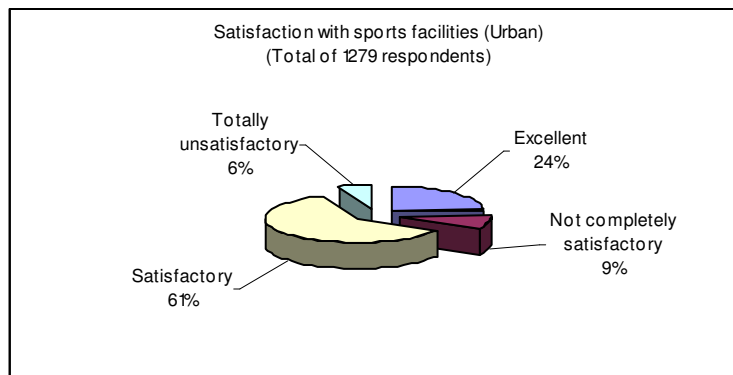


## ***Satisfaction with sport facilities***

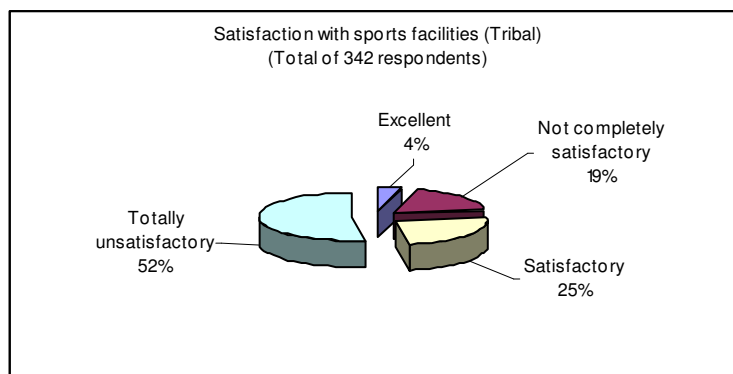
There were 1621 responses regarding the quality of sporting facilities. (1483 respondents did not offer comment, either because there are no facilities, or they do not use them).



The following figure illustrates satisfaction levels among the 1279 respondents in urban areas. (470 respondents did not offer comment, either because there are no facilities, or they do not use them):



The following figure illustrates the satisfaction level among the 342 respondents in the tribal areas. (1013 respondents did not offer comment, either because there are no facilities, or they do not use them):

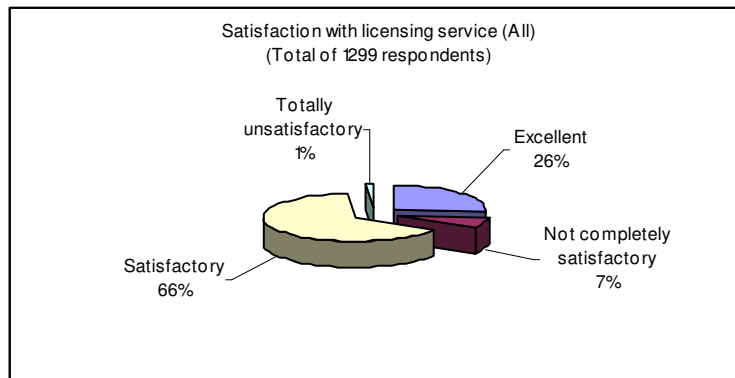


## **Comments**

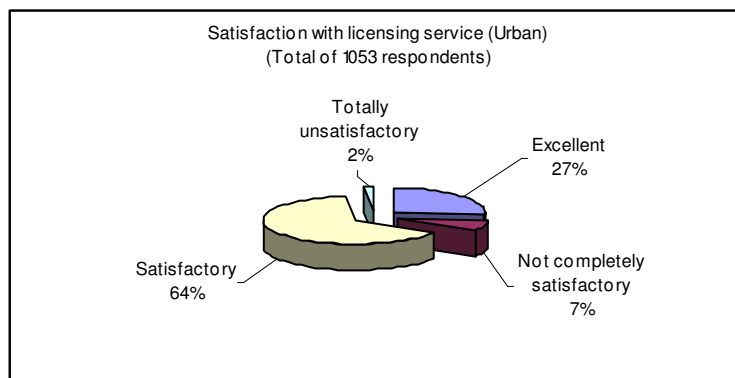
Among the complaints are that: sports grounds are not kept neat and clean and that the grass is not mowed regularly; they are not fenced in properly; they do not have toilet facilities.

## LICENSING SERVICE

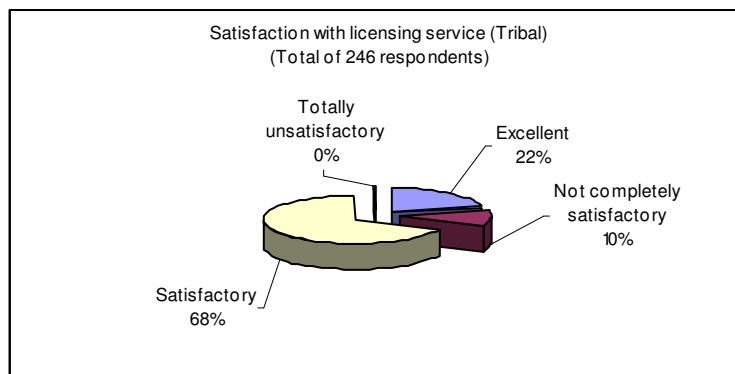
1299 respondents indicated that they had made use of the Municipality's vehicle licensing service. (1805 respondents indicated that they did not make use of the Municipality's vehicle licensing service). Their levels of satisfaction with the service are indicated in the following figure:



The following figure illustrates the satisfaction level among the 1053 respondents from the urban areas. (696 respondents did not make use of this service):

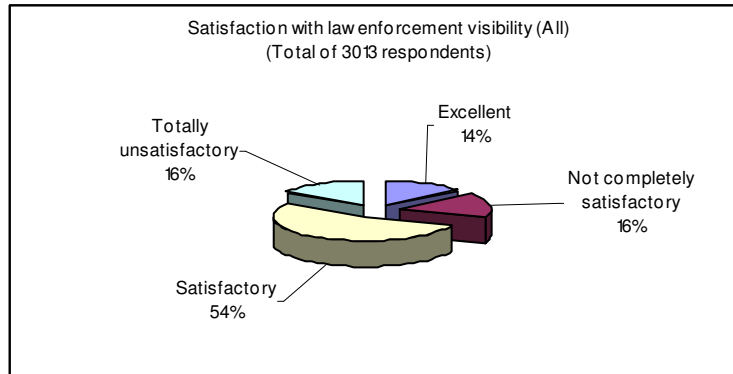


The following figure illustrates the satisfaction level among the 246 respondents from the tribal areas. (1109 respondents did not make use of this service):

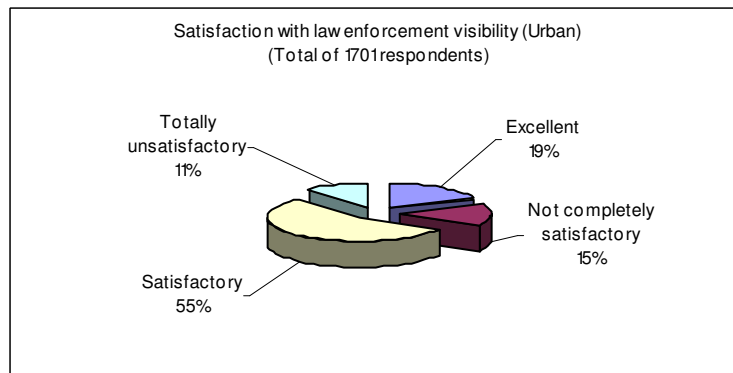


## LAW ENFORCEMENT VISIBILITY

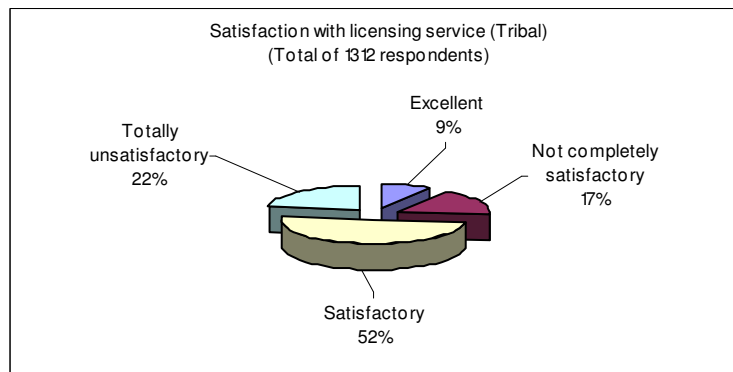
The following figure illustrates the response received from 3013 respondents from all areas expressing their satisfaction level with regard to the visibility of the Municipality's law enforcement service. It is important to note that respondents referred to SAPS personnel as well as to the Municipality's law enforcement service.



The following figure illustrates the satisfaction level among the 1701 respondents of the total above living in the urban areas (48 respondents did not make use of this service):



The following figure illustrates the satisfaction level among the 1312 respondents of the total above living in the tribal areas (43 respondents did not make use of this service):



## Comments

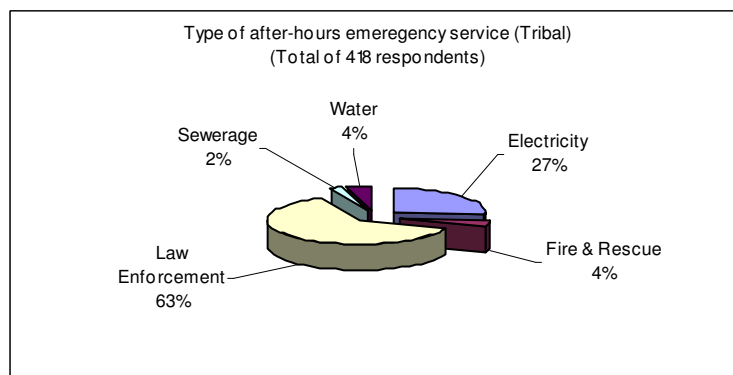
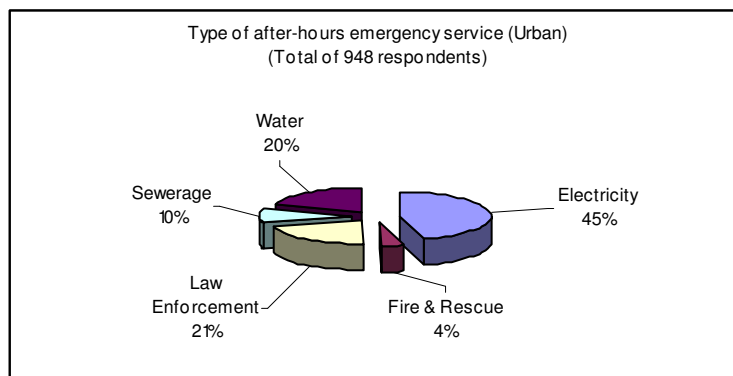
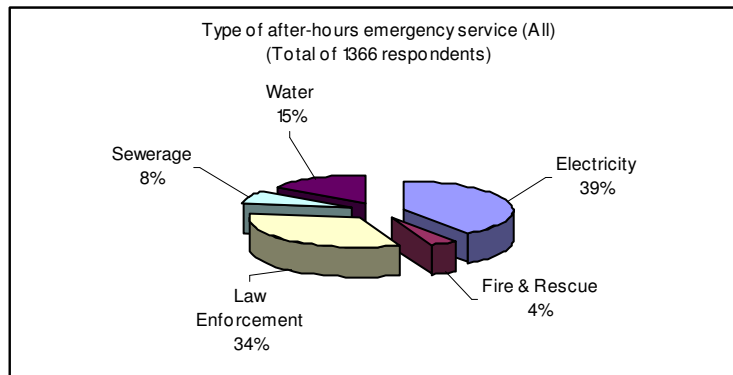
The major complaint by those respondents expressing dissatisfaction is that law enforcement visibility is virtually non-existent, particularly in the tribal areas. In cases where police assistance has been called for, dissatisfied respondents report either that police are not able to attend because of lack of contact, or that their cases are not attended to for days.

## AFTER-HOUR EMERGENCY SERVICES

1366 respondents indicated that they had called upon the Municipality's after-hours emergency services in the past 12 months (1738 respondents did not make use of this service). 948 of the responses were received from the urban areas, and 418 from the tribal areas.

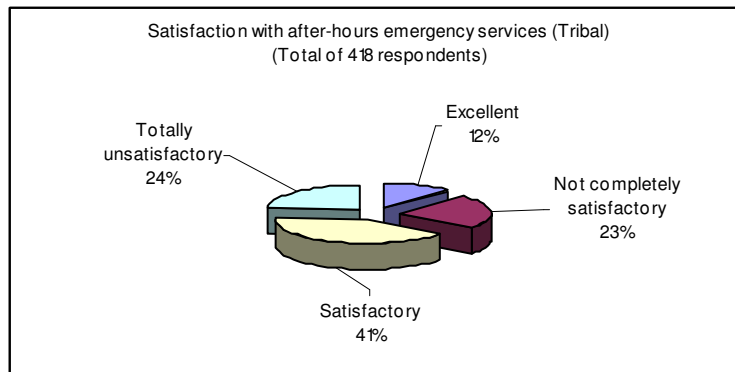
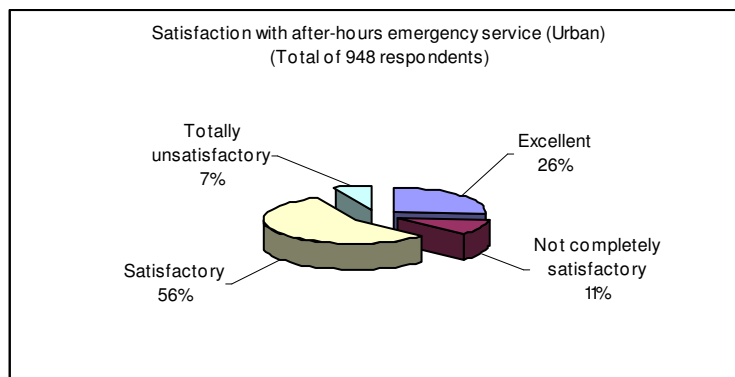
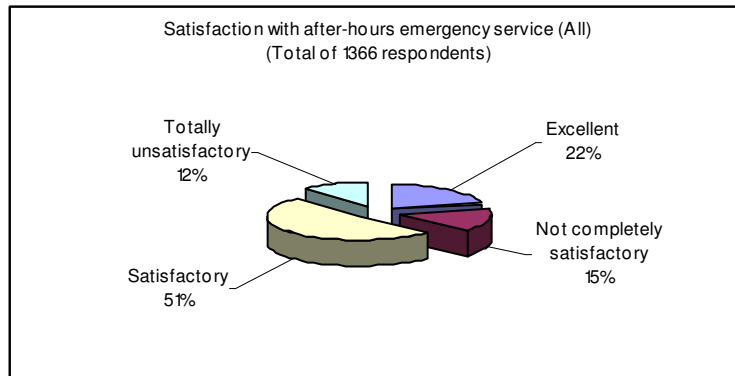
It should be noted that the vast majority, if not all, of the responses with reference to use of after-hours law enforcement emergency services refer to the SAPS rather than to the Municipality's law enforcement.

The following figures illustrate the type of after-hours emergency services called upon:



### ***Satisfaction with after-hours emergency services***

The following figures illustrate the satisfaction level of all responses received, urban and tribal.



### 3. COMMENTS RECEIVED

The following is a summary of the comments received during the survey and number of comments per area against each of the services in question:

	Questions and responses	Aquadene	Arboretum	Birdswood	Brackenham	Dube	Empanjeni	Esikhawini	Khoza	Madlebe	Mandlaziini	Meerensee	Mkhwanazi North	Mkhwanazi South	Mzingazi	Ngwelezane	Nseleni	Veldenvlei	Vulindlela	Wildenweide	Total
	Number of questionnaires per area	40	60	50	61	127	273	627	334	535	39	61	174	185	39	189	150	80	30	50	3104
1	What type of water supply service do you have?	2											1								3
2	How would you rate your water supply service?	33	30	12	27	59	12	36	74	163			45	58	23	14		16			602
	Water supply cut without notice and often for extended periods; water not clean; low pressure; too far away; expensive.																				
3	What type of sanitation/sewerage service do you have?	5				13			103	159	2		24	19		42	30				397
	Some households still have to construct their own toilets.																				
4	How would you rate your sanitation/sewerage service?	34				43		17	139	106		1	24	41		14		9			428
	VIPs falling apart; blocked pipes; poor ventilation.																				
5	What type of domestic refuse removal service do you have?		1		1		1		13						8	1					25
	No service in tribal areas, resulting in rubbish being strewn around, burnt or buried in the ground; unhygienic.																				
6	How would you rate your refuse removal service?	8	5		2		27	81		291	4	3	32	40	6	18	20		8	1	547
	In urban areas, erratic collection (sometimes early, often late, sometimes not at all); black bags not always supplied, and in insufficient quantities.																				
7	Which health care service have you made use of in the past 12 months?													1			1				2
8	How would you rate the health care service received?	5	1		7	16	1	40	42	55	1	2	24	19	10	10	9	2	2	1	247
	Absence of clinics in rural areas, necessitating long and expensive journeys to urban clinics, or use of mobile clinics; where clinics do exist, general criticism that service is poor, slow and insufficient; staff not always courteous.																				
9	How would you rate your electrical power supply service?	3	1	2	2	45	11	69	50	47	3	2	29	26	18	22	39	2	3	1	375
	Power cut off without notice; in rural areas, supply often below strength; power goes off in bad weather; too expensive.																				

	Questions and responses	Aquadene	Arboretum	Birdswood	Brackenham	Dube	Empangeni	Esikhawini	Khoza	Madlebe	Mandlazi	Meerensee	Mkhwanazi North	Mkhwanazi South	Mzingazi	Ngwelezane	Nseleni	Veldenvlei	Vulindlela	Wildenweide	Total
<b>10</b>	What is the condition of roads and streets in your immediate area?	10	9	7	19	86	32	54	276	652	6	1	39	21	51	46	82	2	2	7	<b>1405</b>
	A need for tarred roads in the rural areas, as existing roads are narrow, dusty, bumpy, and impassable in wet weather; need for road humps to reduce excessive speed.																				
<b>11</b>	How does uMhlathuze municipality communicate with you?		1			1	1	1	8								1				<b>13</b>
	Some households report having no contact at all.																				
<b>12</b>	How would you rate communication between the municipality and you?	12			2	14	9	32	104	105	2		16	31	2	2	12	1	1	14	<b>360</b>
	Complaints from the tribal areas that there is no communication from the Municipality.																				
<b>13</b>	How would you rate the position of the municipal pay point?	12	3			52		43	124	176		3	44	66		12	14	5	2	1	<b>564</b>
	For households in the tribal areas (and for some in Esikhawini, Ngwelezane and outlying parts of Empangeni and Richards Bay), paypoints are too far away.																				
<b>14</b>	How would you rate the times that pay points are open?	7	7	2	2	8	12	119	34	45	2	3	2	11	3	13	27	7	7	4	<b>319</b>
	Open too late and close too early; weekend service too limited.																				
<b>15</b>	To what extent do you make use of existing municipal sports facilities?			1		1			7	4									2	1	<b>16</b>
	No facilities in tribal areas.																				
<b>16</b>	How would you rate the standard of existing municipal sports facilities?	15	5	3	1	8	13	62	96	105	5	1	3	26	1	15	33	3	6	7	<b>410</b>
	Existing facilities need to be better maintained (repair and cleanliness)																				
<b>17</b>	How would you rate the standard of motor vehicle licensing services?	3	2	2	1		16	17	2	1	4	1	1	8	3	9	7	6	2	9	<b>96</b>
	Long queues; service sometimes poor.																				
<b>18</b>	How would you rate Law Enforcement visibility?	5	21	1	19	62	78	100	163	179	12	7	63	57	21	45	29	43	5	20	<b>938</b>
	Pervasive perception that there is no police presence; if they do respond to calls, they invariably do so late.																				
<b>19</b>	Have you called upon any of the following after-hours emergency services in the past 12 months?					2	1		1	1			1	1		1	1		1	3	<b>13</b>
<b>20</b>	How would you rate the after-hours emergency services received?	1	3	2	6	27	15	42	40	78	3	2	29	37	6	28	20	2	4	14	<b>363</b>
	Delayed, or no, response; poor service																				

## **4. CONCLUSION**

The survey confirms that in the more developed areas of the Municipality people are, by and large, satisfied with the services they receive. In the less well-developed urban areas, levels of satisfaction drop. Dissatisfaction is greatest in the tribal areas.

A number of respondents in these areas expressed anger that (yet) another survey was being conducted when there had been no noticeable change in response to concerns raised in the previous survey.



# APPENDIX C

## ACHIEVED STATISTICS IN RESPECT OF TRAINING AND SKILLS DEVELOPMENT PLAN AND EMPLOYMENT EQUITY PLAN

2004 / 2005  
Municipal Year



**SECTION 5: EDUCATION AND TRAINING IMPLEMENTED TO ACHIEVE TRAINING AND SKILLS DEVELOPMENT PRIORITIES for the period [please insert]**

Kind and number of beneficiaries			Nature of learning intervention		... if formal, at NQF level									Duration of intervention			
Employment category	Skills Priority No.	No. to receive training	Informal	Formal	1	2	3	4	5	6	7	8	Not NQF linked	Days	Weeks	Months	Indicative spend per level - R
Leadership and Governance SOC100																	
Executive Mayor																	
Mayor																	
Councillors		12		12				12						2			14400
Chairperson																	
Board member																	
Other																	
Senior Officials and Managers SOC100																	
CEO/MD																	
Directors																	
Financial Directors																	
City/Municipal/District Managers																	
Department/Division Heads		14		14					14					2			60000
Plant Managers																	
Information technology																	
Other (specify)																	
Professionals SOC200																	
Health care																	
Public safety/Emergency services		9		9				9						10			20000
LED		5		5				5						10			20000
Water conservation/treatment																	
Waste																	
Client services		4		4				4						5			5000
Parks/community facilities																	
Community development																	
Public transport																	
Land management																	
Housing administration																	
Environmental management																	
Roads																	
Electricity																	
Information technology																	
Core administration		4		4				2	2					2			30000
Core finance																	
Technicians and Associate Professionals SOC300																	
Health care																	
Public safety/Emergency services		8		8				8						28			40000
LED		1		1				1						5			2300
Water conservation/treatment																	
Waste																	
Client services		4		4				4									30000
Parks/community facilities		5		5					5					30			65000
Community development																	
Public transport																	
Land management																	
Housing administration																	
Environmental management																	
Roads																	
Electricity		11		11				11									34000
Information technology																	
Core administration		10		10				10						5			30000
Core finance																	
Skilled Agriculture and Fishery Workers SOC600																	
Health care																	
Public safety/Emergency services																	
LED																	
Water conservation/treatment																	
Waste																	

**SECTION 5: EDUCATION AND TRAINING IMPLEMENTED TO ACHIEVE TRAINING AND SKILLS DEVELOPMENT PRIORITIES for the period [please insert]**

Kind and number of beneficiaries			Nature of learning intervention		... if formal, at NQF level										Duration of intervention			
Employment category	Skills Priority No.	No. to receive training	Informal	Formal	1	2	3	4	5	6	7	8	Not NQF linked	Days	Weeks	Months	Indicative spend per level - R	
Client services																		
Parks/community facilities																		
Community development																		
Public transport																		
Land management																		
Housing administration																		
Environmental management																		
Roads																		
Electricity																		
Information technology																		
Core administration																		
Core finance																		
Clerks SOC400																		
Health care																		
Public safety/Emergency services		6		6				6						5			12000	
LED		2		2				2									5000	
Water conservation/treatment																		
Waste																		
Client services		15		15				15						4			36000	
Parks/community facilities		3		3				3						3			8500	
Community development		4		4				4						4			4800	
Public transport																		
Land management																		
Housing administration																		
Environmental management																		
Roads																		
Electricity		6		6				6						4			18000	
Information technology																		
Core administration		5		5				5						4			16500	
Core finance		24		24				24						5			50000	
Service Workers SOC500																		
Health care																		
Public safety/Emergency services		17		17				17									96000	
LED																		
Water conservation/treatment																		
Waste																		
Client services																		
Parks/community facilities																		
Community development																		
Public transport																		
Land management																		
Housing administration																		
Environmental management																		
Roads																		
Electricity																		
Information technology																		
Core administration		1		1			1							2			1200	
Core finance		1		1			1							2			1200	
Plant and Machine Operators SOC800																		
Health care																		
Public safety/Emergency services		1		1			1							2			1200	
LED																		
Water conservation/treatment																		
Waste																		
Client services																		
Parks/community facilities		12		12	12									10			22800	
Community development																		
Public transport																		





**EVENTUAL EQUITABLE REPRESENTATION FOR LOCAL POPULATION  
IN RESPECT OF  
THE EMPLOYMENT EQUITY PLAN FOR THE CITY OF uMHLATHUZE  
(AS AT 30 JUNE 2005)**

**APPENDIX C**

**DEPARTMENT: CITY OF uMHLATHUZE**

OCCUPATIONAL LEVELS	LEVEL	VACANT POSTS	MALE								FEMALE								DISABLED	TOTAL POSITIONS FILLED	TOTAL POSITIONS PER LEVEL
			AFRICAN		COLOURED		INDIAN		WHITE		AFRICAN		COLOURED		INDIAN		WHITE				
			CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL			
TEMPORARY EMPLOYEES		31	7		0		0		5		8		0		6		13		0	39	70
	TOTAL	31	7	0	0	0	0	0	5	0	8	0	0	0	6	0	13	0	0	39	70
CONTRACTORS	00	5	1		0		1		3		1		0		1		0		0	7	12
	TOTAL	5	1	0	0	0	1	0	3	0	1	0	0	0	1	0	0	0	0	7	12
TOP MANAGEMENT	22	0	0	1	0	0	0	0.33	3	1	0	0.33	0	0	0	0	0.33	0	3	3	
	21	1	1	1	0	0	1	1	2	2	0	1	0	0	0	1	1	0	5	6	
	TOTAL	1	1		0		1		5		0		0		0		1		0	8	9
SENIOR MANAGEMENT	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	19	0	2	7	1	0	1	1	18	6	1	6	0	0	0	1	2	4	0	25	25
	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	17	0	1	2	0	0	2	0	3	2	0	2	0	0	0	0	1	1	0	7	7
	16	1	1	2	0	0	0	0	2	1	0	1	0	0	0	0	1	1	0	4	5
	15	1	5	7	0	0	0	1	9	6	1	5	0	0	0	0	7	4	0	22	23
	TOTAL	2	9		1		3		32		2		0		0		11		0	58	60
MIDDLE MANAGEMENT, PROF QUALIFIED AND EXP SPECIALISTS	14	0	0	0.3	0	0	0	0	0	0	0	0.3	0	0	0	0	1	0	0	1	1
	13	0	1	3	0	0	1	0	6	1	0	3	0	0	0	0	0	1	0	8	8
	12	1	4	7	0	0	1	0	13	3	1	6	0	0	0	0	0	4	0	19	20
	11	10	12	25	2	1	2	3	31	13	8	25	0	1	3	3	17	14	0	75	85
	TOTAL	11	17		2		4		50		9		0		3		18		0	103	114
JUNIOR MANAGEMENT, SUPERVISORS, FOREMEN, SUPERINTENDENTS, SKILLED TECH AND ACADEMIC QUALIFIED WORKERS	10	13	17	30	0	1	4	3	19	9	4	18	1	0	3	2	7	5	0	55	68
	9	16	28	47	2	1	3	5	32	14	3	28	0	1	3	3	20	8	0	91	107
	8	4	18	25	3	1	2	3	23	7	5	14	0	0	0	2	1	4	0	52	56
	7	8	7	22	0	1	2	2	6	7	8	13	2	0	0	1	17	4	0	42	50
	6	17	132	104.33	0	2.33	4	11	7	30	33	61	1	1.33	12	6.33	28	18	0	217	234
	5	29	99	83	1	2	0	9	4	24	23	49	1	1	9	5	21	14	0	158	187
	TOTAL	87	301		6		15		91		76		5		27		94		0	615	702
SEMI-SKILLED AND DISCRETIONARY DECISION MAKING - UNSKILLED AND DEFINED DECISION MAKING	4	30	154	117	0	1	1	3	2	7	65	116	0	1	1	3	2	7	0	225	255
	3	44	310	216	0	1	0	5	2	14	115	215	0	1	0	5	0	14	0	427	471
	2	12	43	34	0	0	0	1	0	2	17	33	0	0	1	1	0	2	0	61	73
	1	12	20	51	0	0.5	0	1	0	3	79	51	0	0.5	0	1	0	3	0	99	111
	TOTAL	98	527		0		1		4		276		0		2		2		0	812	910
TOTAL PERMANENT EMPLOYEES	199	855	0	9	0	24	0	182	0	363	0	5	0	32	0	126	0	0	1596	1795	
TOTAL TEMPORARY EMPLOYEES	31	7	0	0	0	0	0	5	0	8	0	0	0	6	0	13	0	0	39	70	
TOTAL CONTRACTORS	5	1	0	0	0	1	0	3	0	1	0	0	0	1	0	0	0	0	0	7	12
GRAND TOTAL	235	863	0	9	0	25	0	190	0	372	0	5	0	39	0	139	0	0	1642	1877	

NOTE: Where decimal, representation could be 1 person per race / gender

% ACHIEVEMENT AS AT JUNE 2005

1288 (TOTAL PERMANENT EXCLUDING WHITE MALE & FEMALE)

1795 (TOTAL APPROVED POSITIONS)

71.755

# APPENDIX D

## PUBLISHED ANNUAL FINANCIAL STATEMENTS

**2004 / 2005  
Municipal Year**



**PUBLISHED ANNUAL FINANCIAL STATEMENTS**

**uMHLATHUZE MUNICIPALITY**

**30 JUNE 2005**

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## GENERAL INFORMATION

### MEMBERS OF THE EXECUTIVE COMMITTEE:

Alderman DJB Moffatt

Councillor ND Ngobese

Alderman MA Kunene

Councillor EF Mbatha

Councillor AZ Mnyayi

Councillor AB Pierce

Alderman JJP van der Westhuizen

Councillor JR Harvey

Councillor BAE Wood

Councillor M Lourens

Chairman of Executive Committee

Chairman of Finance & Marketing Committee

Chairlady of Community Services & Health

Chairman of Community Facilitation & Housing Committee

Chairman of Administration Committee

Chairman of Electrical Engineering Services Committee

Chairman of Integrated Development Planning Committee

Chairman of Management Services and LLF Committee

Chairman of Civil Engineering Services Committee

Chairlady of Parks Sport & Recreation Committee

### GRADING OF MUNICIPALITY

Grade 11

### AUDITORS

Auditor-General

### BANKERS


ABSA Bank


### REGISTERED OFFICE

Municipal Offices  
5 Mark Strasse  
Central Business District  
**RICHARDS BAY**

Private Bag X1004  
**RICHARDS BAY**  
3900

Telephone: 035-9075000

  
**DR AW HEYNEKE**  
**CHIEF EXECUTIVE OFFICER/**  
**(ACCOUNTING OFFICER)**  
**23 AUGUST 2005**

  
**J PILLAY**  
**CHIEF FINANCIAL OFFICER**  
**REGISTERED MUNICIPAL ACCOUNTANT**  
**(ASSOCIATE)**  
**23 AUGUST 2005**

## FOREWORD

We are pleased to note that the predicted explosion in economic growth has now become a reality with land sales at a record high and the strong possibility of at least two major industries locating to the City. Both of these are well into the Environmental Approval stage and, barring any unforeseen complications, will start earthworks within the next eight months. In addition, the technical issues that have negatively affected progress of the Industrial Development Zone are being resolved and bulk services for phase 1A have been installed. It is hoped that we will see this project becoming a reality during the next year.

It is also pleasing to note that we have managed to once again produce excellent financial statements which, in turn, have underpinned our being able to responsibly source capital in the market.

Furthermore, it is these good results that have enabled us to continue to improve the quality of life for many of our residents.

Local Government requires a strong commitment from its officials if it is to remain financially viable and I would like to both congratulate and thank the Chief Executive Officer, the Chief Financial Officer as well as their colleagues for their dedication. I would also like to thank my council for their support of our policies and vision, putting the financial health of our City ahead of political issues.



**ALDERMAN D J B MOFFATT**  
**MAYOR**  
**CHAIRMAN: EXECUTIVE COMMITTEE**



## **REPORT OF THE AUDITOR-GENERAL TO THE COUNCIL ON THE FINANCIAL STATEMENTS OF UMHLATHUZE MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2005**

### **1. AUDIT ASSIGNMENT**

The financial statements as set out on pages 4 to 28, for the year ended 30 June 2005 have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 92 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2004) (MFMA). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

### **2. NATURE AND SCOPE**

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

I believe that the audit provides a reasonable basis for my opinion.

### **3. AUDIT OPINION**

In my opinion, the financial statements fairly present, in all material respects, the financial position of the uMhlathuze Municipality at 30 June 2005 and the results of

its operations and cash flows for the year then ended, in accordance with prescribed accounting practice (IMFO – 2<sup>nd</sup> Edition 1996) and in the manner required by the MFMA.

#### **4. EMPHASIS OF MATTER**

Without qualifying the audit opinion expressed above, attention is drawn to the following matters:

##### **4.1 Debtor – year-end debtors**

Attention is drawn to note 9 to the annual financial statements disclosing an amount of R27,1 million for year-end debtors. Included in this amount is a debt of R3,6 million in respect of expenditure for the environmental health services(EHS), the responsibility which was devolved to the uThungulu District Municipality.

In terms of Government Notice No. 837 of 13 June 2003 the transfer of assets, rights, liabilities and obligations as well as the transfer of staff and administrative units of the EHS from uMhlathuze Municipality to uThungulu District Municipality should have taken effect on 1 July 2004 but the latter refused to take over these services. After subsequent negotiations in February 2005 the parties involved agreed to devolve the responsibility for EHS with effect from 1 July 2005. This has not transpired and at the date of preparing this report negotiations were still in progress for a service level agreement (SLA) to give final effect to the transfer.

However, in compliance with Government Notice No. 837 uMhlathuze Municipality invoiced the uThungulu District Municipality for these services from the effective date, which resulted in the outstanding debtor balance of R3,6 million at 31 March 2005.

##### **4.2 Non-compliance with laws and regulations**

###### **4.2.1 Irregular investment**

As reported in my previous year's report, investments were not made in accordance with the provisions of section 10G(9)(a) and (b) of the Local Government Transition Act, 2003 (Act No. 209 of 1993). Furthermore, the investment included the equity portion in the form of unit trusts, which the municipality was not permitted to do in terms of section 5 paragraph 10.2 of the Code of Investments Practice of the handbook issued by the Institute of Municipal Finance Officers. This investment amounted to R5,9 million (excluding accumulated interest earned) at year-end. Approval for this investment has still not been received, while the investment matured on 4 August 2005.

#### 4.2.2 Public Improvement Fund – disclosure

The Public Improvement Fund (PIF) balance of R428,9 million (net of fixed asset expenditure) disclosed in note 26 to the financial statements was not recorded in accordance with prescribed accounting practice (IMFO – 2<sup>nd</sup> Edition 1996), which required the full PIF accumulation to be disclosed as statutory funds in appendix A.

#### 4.3 Value added tax liability

Attention is drawn to the output tax payable disclosed in note 11 to the annual financial statements amounting to R11 million, which has not been fully paid at the date of this report and could draw penalties and interest charges by the South African Revenue Service.

#### 4.4 Late submission of audit report

The finalisation of the audit report was delayed due to the follow up audit work required on the final management comments, audit adjustments to the annual financial statements and the compulsory quality review processes of the Auditor-General that had to be completed.

### 5. APPRECIATION

The assistance rendered by the staff of the uMhlathuze Municipality during the audit is sincerely appreciated.

  
H van Zyl for Auditor-General

Pietermaritzburg

2 February 2006



A U D I T O R - G E N E R A L

## CHIEF FINANCIAL OFFICER'S REPORT

The summarised operating results for the 2004/2005 financial year are shown hereunder. The accumulated surplus has reduced from R19,859,594 to R11,522,526. This is mainly attributable to the retention of the funds accounting system for this financial year. The budget for this period was prepared in line with Generally Accepted Municipal Accounting Practise (GAMAP) and Generally Recognised Accounting Practise (GRAP) as it was anticipated that these standards would be applicable in the 2004/2005 financial year. National Treasury Regulations has since deferred the implementation to the 2005/006 financial year. The 2004/005 financial statements will be restated in line with GRAP and GAMAP for comparative purposes for the 2005/006 financial year. This restatement would result in an increase in the surplus of approximately R25m.

The summarised capital expenditure and financing details shown hereunder reflects an excellent level of spending and sound financial management. All financial obligations were met timeously and uMhlathuze Municipality was able to finance the capital expenditure without obtaining any additional external loans.

### 1. OPERATING RESULTS

Details of the operating results per department, classification and object of expenditure are included in Appendix D and E. The overall operating results for the year ended 30 June 2005 are as follows:

	ACTUAL 2004	ACTUAL 2005	VARIANCE 2004-2005 %	BUDGET 2005	VARIANCE ACTUAL / BUDGET %
<b>INCOME</b>					
Opening Surplus	30 533 293	19 859 594			
Operating Income for Year	607 144 421	643 607 138	6.0	629 035 170	2.32
Transfers from Reserves	477 479	191 029			
	638 155 193	663 657 761		629 035 170	
<b>EXPENDITURE</b>					
Operating Expenditure for Year	599 042 385	654 893 920	9.3	629 035 170	4.11
Sundry Transfers	19 246 658	(2 758 685)			
Additional Internal redemption	6 556	-			
Closing Surplus	19 859 594	11 522 526			
	638 155 193	663 657 761		629 035 170	

- The variances against the budget are mainly attributable to the application of differing accounting standards as explained above.

## CHIEF FINANCIAL OFFICER'S REPORT (Continued)

### 1.1 Rate and General Services

	ACTUAL 2004	ACTUAL 2005	VARIANCE 2004-2005 %	BUDGET 2005	VARIANCE ACTUAL / BUDGET %
Income	224 926 006	252 638 214	12.3	231 952 000	8.9
Expenditure	232 022 989	269 153 733	16,0	252 174 320	6.7
Deficit	(7 096 983)	(16 515 519)	132.37	(20 222 320)	(18.3)
Deficit as % of					
Total Income	(3,2)	(6,5)		(8,7)	

- Once again the variances are mainly attributable to the use of differing accounting standards.

### 1.2 Housing Services

	ACTUAL 2004	ACTUAL 2005	VARIANCE 2004-2005 %	BUDGET 2005	VARIANCE ACTUAL / BUDGET %
Income	3 679 056	3 385 542	(8.0)	3 477 440	(2.3)
Expenditure	4 419 706	4 307 126	(2.5)	5 038 720	(14.5)
Deficit	(740 650)	(921 584)	24.4	(1 561 280)	(41.0)
Deficit as % of					
Total Income	(20.1)	(27.2)		(44.9)	

- As a result of Council's initiative to dispose of its' housing stock, income and expenditure decreased in relation to the previous financial year.

### 1.3 Trading Services

#### Electricity

	ACTUAL 2004	ACTUAL 2005	VARIANCE 2004-2005 %	BUDGET 2005	VARIANCE ACTUAL / BUDGET %
Income	298 963 716	300 066 168	0.4	304 945 850	(1.6)
Expenditure	276 471 254	280 459 363	1.4	281 456 350	(0.4)
Surplus	22 492 462	19 606 805	(12.8)	23 489 500	(16.5)
Surplus as % of					
Total Income	7,5	6,5		7,7	

#### Water

	ACTUAL 2004	ACTUAL 2005	VARIANCE 2004-2005 %	BUDGET 2005	VARIANCE ACTUAL / BUDGET %
Income	79 451 312	86 565 583	9.0	87 812 850	(1.4)
Expenditure	85 481 136	100 320 767	17,4	90 331 430	11.1
Deficit	(6 029 824)	(13 755 184)	128.1	(2 518 580)	446.1
Deficit as % of					
Total Income	(7.6)	(15.9)		(2.9)	

- The reduced surplus and increased deficit in the Electricity and Water services respectively is also mainly attributable to the differing accounting standards used for budgeting and for the actuals.
- Increased emphasis has been placed on the supply of water to all consumers, this was evident through increased maintenance work performed on the water reticulation network in order to ensure an uninterrupted water supply to all its' consumers.

## CHIEF FINANCIAL OFFICER'S REPORT (Continued)

### Airport

	ACTUAL 2004	ACTUAL 2005	VARIANCE 2004-2005 %	BUDGET 2005	VARIANCE ACTUAL / BUDGET %
Income	124 328	951 631	665.4	847 030	12.3
Expenditure	647 300	652 931	0.9	34 350	1800.8
Deficit	(522 972)	298 700	(157.1)	812 680	(63.2)
Deficit as % of Total Income	(420.6)	31.4		95.9	

- Once again the variances are mainly attributable to the use of differing accounting standards.

## 2. CAPITAL EXPENDITURE AND FINANCE

The expenditure on fixed assets incurred during the year was as follows:

	ACTUAL 2005	BUDGET 2005	ACTUAL 2004
Land	-	-	-
Buildings	2 455 573	2 733 510	4 707 050
Roads and Stormwater Draining	26 246 320	49 200 440	22 961 585
Other infrastructure	64 883 116	94 180 000	50 785 807
Other fixed assets	53 059 960	66 490 950	12 791 255
	146 644 969	212 604 900	91 245 697

Resources used to finance the fixed assets were as follows:

	ACTUAL 2005	BUDGET 2005	ACTUAL 2004
Capital Development Fund	17 725 625	21 023 900	52 640 060
Public Improvement Fund	11 848 957	45 620 950	6 796 852
Contribution from Income	5 071 215	6 008 790	4 335 058
Public Contributions	2 725 914	16 050 000	-
Consolidated Loan Fund	85 544 221	89 457 900	14 921 243
Grants and Subsidies	23 729 037	34 443 360	12 552 484
	146 644 969	212 604 900	91 245 697

A complete analysis on capital expenditure (budgeted and actual) per department, classification or service is included in Appendix C. More details regarding external loans and internal advances used to finance assets are shown in Appendix B.

## 3. EXTERNAL LOANS, INVESTMENTS AND CASH

External loans outstanding on 30 June 2005 amounted to R67 128 541 (R75 980 438 in 2004) as set out in Appendix B.

During the year loans totalling R8 851 897 were repaid. More information regarding loans is disclosed in note 3 and Appendix B to the financial statements.

Investments and cash on hand at 30 June 2005 amounted to R44 765 201 (R60 738 378 in 2004).



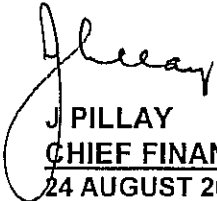
## CHIEF FINANCIAL OFFICER'S REPORT (Continued)

### 4. FUNDS RESERVES AND PROVISIONS

The movement regarding statutory funds, reserves and provisions are given in appendix A. The Bursaries and Pioneerhof reserves were written down to zero during the year, in anticipation of the implementation of GAMAP and GRAP when these reserves and funds would no longer be allowed.

### EXPRESSION OF APPRECIATION

I wish to express my appreciation for the willing co-operation of Councillors, Departmental Heads and staff throughout the year.



**J PILLAY**  
**CHIEF FINANCIAL OFFICER**  
**24 AUGUST 2005**

## **ACCOUNTING POLICIES**

### **1. BASIS OF PRESENTATION**

- 1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Finance Officers of South Africa in its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd edition January 1996, as amended).
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in Accounting Policy, note 3. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis:
  - Income is accrued when collectable and measurable. Certain direct income is accrued when received, such as traffic fines.
  - Expenditure is accrued in the year it is incurred.

### **2. CONSOLIDATION**

The balance sheet includes Rate and General Services, Trading Services and the different funds, reserves and provisions. All inter-departmental charges are set-off against each other, with the exception of assessment rates; refuse removal, electricity and water, which are treated as income and expenditure in the respective departments.

### **3. FIXED ASSETS**

- 3.1 Fixed assets are stated:
  - at historical cost; or
  - at valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use, except in the case of bulk assets, which are written off at the end of their estimated life as determined by the Treasurer.
- 3.2 Depreciation: The balance shown against the heading "Loans Redeemed and other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this "provision" assets are written down over their estimated useful life. Apart from advances from the various council funds, assets may also be acquired through:
  - Appropriations from operating income, where the full cost of the asset forms an immediate and direct charge against operating income, and therefore it is unnecessary to make any further provision for depreciation.
  - Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and other Capital Receipts" account.

## **ACCOUNTING POLICIES (Continued)**

- 3.3 All net proceeds from the sale of land are credited to the Public Improvement Fund. Net proceeds from the sale of all other assets are credited to the relevant Capital Development Fund.
- 3.4 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans and advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time the advance is made.

### **4. INVENTORY**

Inventory (stores and materials) is valued at the lower of cost, determined on the first in first out basis, and net realisable value.

### **5. FUNDS AND RESERVES**

- 5.1 *Capital Development Fund:*  
In accordance with Section 103 (9)(b)(1) of the Local Authorities Ordinance a minimum contribution of three percent of the annual revenue must be paid into the Capital Development Fund, provided that when a capital development fund has reached an amount which is sufficient for the council's immediate or foreseeable needs the council may suspend or reduce payments into such fund for such period as may be provided by the Premier.
- 5.2 *Insurance Reserve:*  
An Insurance Reserve is maintained to cover the excess on claims that may occur. Insurance premiums are not charged to the reserve. Contributions are made on an ad hoc basis depending on the status of the reserve.
- 5.3 *Public Improvement Fund*  
The Council undertakes the development of land. The interest accruing on the cost of developing and acquiring land is capitalised until such time as the area is alienated. The total development costs less accumulated proceeds on alienation, are shown as an asset on the Balance Sheet.

## **ACCOUNTING POLICIES (Continued)**

### **6. PROVISIONS**

Provisions are created for legal or constructive liabilities, which are known at the date of the balance sheet but for which the amounts involved, cannot be determined with substantial accuracy.

The leave pay provision represents the estimated cost of accumulated leave due to employees and is reflected as a separate provision.

A provision is made for estimated doubtful debts based on an assessment of their recovery. This provision is reflected as a deduction from Debtors.

### **7. SURPLUSES AND DEFICITS**

It is the policy of the Council that trading services, be self-sufficient. These services contribute to Rate and General Services during this financial year on the following basis:

Electricity        -        10% of Sales

### **8. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES**

The cost of internal support services is transferred to the different services in accordance with the IMFO's Report on Accounting for Support Services (June 1990).

### **9. INCOME RECOGNITION**

#### **9.1 *Electricity and water billings:***

All meters are read and billed monthly. Where meters cannot be read during a particular month, they are provisionally billed with the necessary adjustments made in the month in which they are read.

#### **9.2 *Assessment Rates:***

Assessment rates are levied on the land value of property, and rebates are granted to needy aged owners of property.

#### **9.3 *Other Income:***

All other income is recognised when due.

### **10. CONSOLIDATED LOANS FUND**

The capital resources of the Consolidated Loans Fund consist of both external and internal loans. Advances are made to borrowing departments at an interest rate equal to the cost of servicing the Fund's capital and are repaid over the useful life of the assets acquired.

## **ACCOUNTING POLICIES (Continued)**

### **11. RETIREMENT BENEFIT**

City of uMhlathuze and its employees contribute to the Natal Joint Municipal Pension Fund, City of uMhlathuze and its Councillors contribute to the Municipal Councillors Pension Fund, which are governed by the Pension Funds Act, 1956 (Act No.24 of 1956). Contributions are charged against operating income on the basis of current service costs. Full actuarial valuations are performed at least every three years.

### **12. INVESTMENTS**

Investments are recorded at cost on date of acquisition plus accumulated interest.

# CITY OF UMHLATHUZE

## BALANCE SHEET AT 30 JUNE 2005

	NOTE	2005 R	2004 R
<b>CAPITAL EMPLOYED</b>			
FUNDS AND RESERVES		337,765,011	304,048,233
Statutory funds	1	337,067,674	302,051,714
Reserves	2	697,337	1,996,519
ACCUMULATED SURPLUS	14	11,522,526	19,859,594
		349,287,537	323,907,827
LONG TERM LIABILITIES	3	61,794,947	71,656,493
CONSUMER DEPOSITS: SERVICES	4	18,512,590	27,182,540
TOTAL CAPITAL EMPLOYED		429,595,074	422,746,860
<b>EMPLOYMENT OF CAPITAL</b>			
FIXED ASSETS	5	436,469,619	378,632,583
INVESTMENTS	6	-	5,857,300
LONG TERM DEBTORS	7	8,051,207	11,216,103
		444,520,826	395,705,986
NET CURRENT ASSETS		(14,925,752)	27,040,874
CURRENT ASSETS		136,488,689	152,583,591
Inventory	8	9,004,110	7,120,776
Bank		34,311,934	19,881,078
Short-term investments	6	10,453,267	35,000,000
Debtors	9	81,222,445	88,821,401
Current portion of long term debtors	7	1,496,933	1,760,336
CURRENT LIABILITIES		(151,414,441)	(125,542,717)
Provisions	10	11,635,951	13,365,670
Creditors	11	134,444,896	107,853,102
Current portion of long term liabilities	3	5,333,594	4,323,945
TOTAL EMPLOYMENT OF CAPITAL		429,595,074	422,746,860

CITY OF uMHILATHUZE

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

2004 Actual Income	2004 Actual Expenditure	2004 Surplus / (Deficit)	2005 Actual Income	2005 Actual Expenditure	2005 Surplus / (Deficit)	2005 Budget Surplus / (Deficit)
R	R	R	R	R	R	R
224,926,006	232,022,989	(7,096,983)	252,638,214	269,153,733	(16,515,519)	(20,222,320)
RATES AND GENERAL SERVICES						
157,260,855	146,572,956	10,687,899	168,442,228	171,918,985	(3,476,757)	(3,093,890)
3,169,813	27,053,798	(23,883,985)	6,040,625	30,365,316	(24,324,691)	(30,486,340)
64,495,338	58,396,235	6,099,103	78,155,361	66,869,432	11,285,929	13,357,910
3,679,059	4,419,706	(740,647)	3,385,542	4,307,126	(921,584)	(1,561,280)
378,539,356	362,599,690	15,939,666	387,583,382	381,433,061	6,150,321	21,783,600
607,144,421	599,042,385	8,102,036	643,607,138	654,893,920	(11,286,782)	-
Appropriations, for the year (refer to (18,775,735) note 14)						
Net Deficit for the year						
Accumulated surplus at beginning of the year						
ACCUMULATED SURPLUS AT THE END OF THE YEAR						

(Refer to Appendix D and E for more detail)

# CITY OF uMHLATHUZE

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

	NOTE	2005 R	2004 R
<b>CASH RETAINED FROM OPERATING ACTIVITIES:</b>		139,523,689	88,891,458
Cash generated by operations	17	68,642,154	64,583,474
Interest income	13	8,775,463	7,835,811
Increase in working capital	18	23,746,830	15,630,647
		101,164,447	88,049,932
Less : External interest paid	13	(12,383,651)	(16,443,490)
<b>Cash available from operations</b>		88,780,795	71,606,442
Decrease in Long Term Debtors		3,428,299	1,157,861
Cash contributions from the Public and State		41,280,191	14,751,894
Net proceeds on disposal of fixed assets		6,034,404	1,375,261
<b>CASH UTILISED IN INVESTING ACTIVITIES:</b>			
Investment in Fixed Assets		(146,644,969)	(91,245,697)
<b>NET CASH FLOW</b>		<u>(7,121,280)</u>	<u>(2,354,239)</u>
<b>CASH EFFECTS OF FINANCING ACTIVITIES:</b>			
Decrease in long term liabilities (external)	19	(8,851,897)	(5,181,836)
Decrease in investments	20	30,404,033	4,144,836
(Increase)/decrease in cash resources	21	(14,430,856)	3,391,239
<b>NET CASH GENERATED</b>		<u>7,121,280</u>	<u>2,354,239</u>



# CITY OF uMHLATHUZE

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005

	2005 R	2004 R
<b>1 STATUTORY FUNDS</b>		
Consolidated Capital Development Fund	320,874,414	299,425,606
Housing	16,193,260	2,626,108
Total Statutory Funds	<u>337,067,674</u>	<u>302,051,714</u>
(Refer to appendix A for more detail)		
<b>2 RESERVES</b>		
Bursaries	-	1,149,996
Insurance	697,337	655,494
Other Reserves	-	191,029
Total Reserves	<u>697,337</u>	<u>1,996,519</u>
(Refer to appendix A for more detail)		
<b>3 LONG TERM LIABILITIES</b>		
Annuity Loans	67,128,541	75,980,438
Less: Current portion transferred to Current Liabilities	(5,333,594)	(4,323,945)
Total long term liabilities	<u>61,794,947</u>	<u>71,656,493</u>

(Refer to appendix B for more detail on long term liabilities)

### ANNUITY LOANS

Bear interest at rates of between 12,0% and 16,16% per annum and are repayable over periods of between 10 years and 20 years

An annuity loan from Rand Merchant Bank for R2 649 318 is secured by an electrical substation with a book value of R21 979 011, as indicated in note 5.

An Electrical substation, owned and financed by the RB Equipment Trust is leased by the City of uMhlathuze. This asset has been capitalised in the records of the City of uMhlathuze.

A loan of R26 428 038 (2004: R27 063 601) by Rand Merchant Bank to RB Equipment Trust is secured by a sinking fund deposit with Rand Merchant Bank of R27 753 328 (2004: R23 492 860)

### 4 CONSUMER DEPOSITS - SERVICES

Electricity	11,107,554	16,309,524
Water	7,405,036	10,873,016
	<u>18,512,590</u>	<u>27,182,540</u>

Guarantees in lieu of electricity and water deposits were R41 463 703  
(2004 : R41 925 644)

# CITY OF uMHLATHUZE

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (Continued)

	2005 R	2004 R
<b>5 FIXED ASSETS</b>		
Fixed assets at the beginning of the year	1,188,631,721	1,098,504,589
Capital expenditure during the year	146,644,969	91,245,697
Less : Assets written off, transferred or disposed of during the year	(1,277,042)	(1,118,565)
<b>Total fixed assets</b>	<u>1,333,999,648</u>	<u>1,188,631,721</u>
Less : Loans redeemed and other capital receipts	(897,530,029)	(809,999,138)
<b>Net fixed assets</b>	<u>436,469,619</u>	<u>378,632,583</u>
(Refer to appendix C)		

An electrical substation with a book value of R21 979 011 is encumbered by an external loan, as indicated in note 3.

## 6 INVESTMENTS

### UNLISTED

Long term deposit	-	5,857,300
Short term deposits	10,453,267	-
Call deposit	-	35,000,000
	<u>10,453,267</u>	<u>40,857,300</u>

Managements' valuation of unlisted investments is as follows:

	<u>10,453,267</u>	<u>40,857,300</u>
--	-------------------	-------------------

Average interest rate on investments - gross

6.67%	6.75%
-------	-------

No investments have been written off during the year

## 7 LONG TERM DEBTORS

Sale of erven	86,577	142,833
Housing loans	1,331,797	1,633,155
Study loans	5,664,763	6,186,450
Sport & Welfare Organisations	6,499	8,731
Car loans	2,458,504	5,005,270
	<u>9,548,140</u>	<u>12,976,439</u>
Less: Current portion transferred to Current Assets	(1,496,933)	(1,760,336)
<b>Total Long Term Debtors</b>	<u>8,051,207</u>	<u>11,216,103</u>

# CITY OF uMHLATHUZE

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (Continued)

	2005 R	2004 R
<b>8 INVENTORY</b>		
Consumable Stores	<u>9,004,110</u>	<u>7,120,776</u>
<b>9 DEBTORS</b>		
Current debtors (consumer and other)	78,353,220	81,678,080
Year end debtors	27,140,430	31,127,540
Amounts paid in advance	<u>907,819</u>	<u>1,304,169</u>
	106,401,469	114,109,789
Less: Provision for bad debts	<u>(25,179,024)</u>	<u>(25,288,388)</u>
Total Debtors	<u>81,222,445</u>	<u>88,821,401</u>

An amount of R3 889 141 was written off as bad debts during the year (2004 : R807 369)

There were no outstanding arrears owed by individual councillors for more than 90 days during 2004/2005 financial year.

The amount of R 18 898 094 was owed beyond 30 days, by national or provincial departments and public entities.

<b>10 PROVISIONS</b>		
Provision for leave payments	<u>11,635,951</u>	<u>13,365,670</u>
	<u>11,635,951</u>	<u>13,365,670</u>
(Refer to Appendix A for more detail)		

## 11 CREDITORS

Trade Creditors	53,802,719	37,713,099
Year end Creditors	57,272,582	48,473,321
Deposits - Other	928,115	263,857
VAT	12,618,067	3,081,649
-Output Suspence	9,951,801	9,438,801
-Input Suspence	(7,578,550)	(6,273,863)
-Output Payable	11,028,190	-
-Input Claim	(783,374)	(83,289)
Staff Pro-rata Bonuses	4,603,426	-
Amounts received in advance	<u>5,219,987</u>	<u>18,321,176</u>
Total Creditors	<u>134,444,896</u>	<u>107,853,102</u>

All VAT returns have been submitted by the due date throughout the year

# CITY OF uMHLATHUZE

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (Continued)

### 12 ASSESSMENT RATES

	Land Valuation as at 1/7/2005	Actual Income 2005	Actual Income 2004
	R	R	R
Residential	742,804,500	26,921,597	24,817,292
Commercial	1,236,997,650	51,111,753	48,141,118
State	142,395,500	6,409,945	4,394,128
Municipal	298,167,400	2,336,743	2,425,832
Totals	<u>2,420,365,050</u>	<u>86,780,038</u>	<u>79,778,370</u>

#### Richards Bay Administrative Unit

Valuations of land are performed at least every five years and the last general valuation came into effect on 1 July 1998. The basic rate of 3,005c per Rand for residential land and 5,999c per Rand for land other than residential, was charged to landowners (2004 - 3,005c and 5,999c)

#### Empangeni Administrative Unit

Valuations of land are performed at least every five years and the last general valuation came into effect on 1 July 1996. The basic rate of 3,939c per Rand for residential land and 5,073c per Rand for land other than residential, was charged to landowners (2004 - 3,939c and 5,073c)

### 13 FINANCE TRANSACTIONS

	2005 R	2004 R
Total external interest earned or paid:		
Interest earned	(8,775,463)	(7,835,811)
Interest paid	12,383,651	16,443,490
Net external interest paid	<u>3,608,188</u>	<u>8,607,679</u>
Capital charges debited to operating account:		
Interest : Internal	37,472,145	38,847,310
Redemption: Internal	29,881,042	20,755,847
	<u>67,353,187</u>	<u>59,603,157</u>

# CITY OF uMHLATHUZE

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (Continued)

	2005 R	2004 R
<b>14 APPROPRIATIONS</b>		
Accumulated surplus at the beginning of the year	19,859,594	30,533,293
Operating (deficit)/surplus for the year	(11,286,782)	8,102,036
Appropriations for the year:	2,949,714	(18,775,735)
Contribution to Bad debts provision	-	(1,105,411)
Contribution to Leave provision	-	(11,190,714)
Additional Internal Capital Redemption	-	(6,556)
Transfers from Reserves	191,029	711,300
Transfers to Reserves	-	(233,821)
Prior year adjustments*	2,758,685	(6,950,533)
Accumulated surplus at end of the year	<u>11,522,526</u>	<u>19,859,594</u>

### \*PRIOR YEAR ADJUSTMENTS

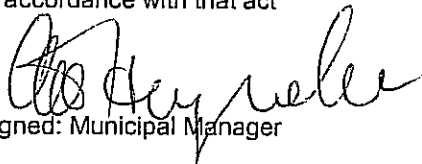
The major prior year adjustments are inter alia accumulated interest on a long term investment which will mature in the 2005/06 financial year. (2004- Payment of backdated salaries in terms of the task evaluation exercise and the adjustment of airport concession fees)

## 15 COUNCILLORS' REMUNERATION

Mayor's allowances	434,123	316,181
Deputy Mayor's allowances	361,203	259,988
Speaker's allowance	364,391	266,797
Executive Committee Members	2,714,418	1,983,148
Councillors	<u>5,371,217</u>	<u>4,047,558</u>
<b>Total Councillors' Remuneration</b>	<u>9,245,352</u>	<u>6,873,672</u>

Certification by the Municipal Manager

I certify that the remuneration of Councillors and in-kind benefits are in accordance with the Public Officers Bearers Act and the Minister of Provincial and Local Government's determination in accordance with that act

  
Signed: Municipal Manager

**CITY OF uMHLATHUZE**

**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (Continued)**

	2005 R	2004 R
<b>16 AUDITORS' REMUNERATION</b>		
Audit fees		
-Current year	890,004	780,247
	<u>890,004</u>	<u>780,247</u>
<b>17 CASH GENERATED BY OPERATIONS</b>		
(Deficit)/surplus for year	(11,286,782)	8,102,036
Adjustments in respect of:		
Previous years' operating transactions	2,758,685	(6,950,533)
Appropriations charged against income:	8,241,495	4,335,058
Fixed Assets	5,071,215	4,335,058
Reserves	3,279,644	-
Transferred from Bad debt provision	(109,364)	-
Internal charge against income:	48,004,290	40,609,216
Interest	37,472,145	38,847,310
Redemption of Loans	29,881,042	20,755,847
Interest Received	(19,348,897)	(18,993,941)
Internal interest charged to:	3,109,001	5,076,218
Public Improvement Fund	2,046,079	3,965,421
Other	1,062,922	1,110,797
Sale of Erven and Sand	27,046,923	23,836,840
Non-operating expenditure:		
Expenditure charged against provisions and reserves	(9,231,458)	(10,425,360)
Total Cash generated by operations	<u>68,642,154</u>	<u>64,583,474</u>

**CITY OF uMHLATHUZE**

**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (Continued)**

	2005 R	2004 R
<b>18 INCREASE IN WORKING CAPITAL</b>		
Increase in inventories	(1,883,334)	(193,739)
Decrease/(Increase) in debtors	7,708,320	(8,522,418)
Increase in creditors, consumer deposits	17,921,844	24,346,804
Total increase in working capital	<u>23,746,830</u>	<u>15,630,647</u>
<b>19 DECREASE IN LONG TERM LIABILITIES (EXTERNAL)</b>		
Loans repaid	<u>(8,851,897)</u>	<u>(5,181,836)</u>
<b>20 DECREASE IN INVESTMENTS</b>		
Investment matured	35,000,000	39,144,836
Investment made	<u>(4,595,967)</u>	<u>(35,000,000)</u>
Net decrease in investments	<u>30,404,033</u>	<u>4,144,836</u>
<b>21 (INCREASE)/DECREASE IN CASH RESOURCES</b>		
Balance at the beginning of the year	19,881,078	23,272,317
Less : Balance at the end of the year	<u>(34,311,934)</u>	<u>(19,881,078)</u>
Net (increase)/decrease in cash resources	<u>(14,430,856)</u>	<u>3,391,239</u>

# CITY OF uMHLATHUZE

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (Continued)

	2005 R	2004 R
<b>22 CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS</b>		
Guarantees by City of uMhlatuze in respect of building society and commercial bank housing loans to officials.	<u>953,886</u>	<u>1,379,642</u>
Guarantee by City of uMhlatuze in respect of Postal services.	<u>80,000</u>	<u>50,000</u>
<b>23 CAPITAL COMMITMENTS</b>		
Commitments in respect of capital expenditure:		
Approved and contracted for	74,906,109	30,224,724
Approved but not yet contracted for	<u>195,230,991</u>	<u>182,380,176</u>
Total capital commitments	<u>270,137,100</u>	<u>212,604,900</u>
This expenditure will be financed from:		
Internal Sources	107,150,800	72,653,640
External Sources	<u>162,986,300</u>	<u>139,951,260</u>
	<u>270,137,100</u>	<u>212,604,900</u>



# CITY OF uMHLATHUZE

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (Continued)

	2005 R	2004 R
<b>24 CONSOLIDATED LOANS FUND</b>		
External loans (See Appendix B)	67,128,541	75,980,438
Internal investments (surplus funds)	<u>186,678,984</u>	<u>124,904,169</u>
	253,807,525	200,884,607
Less:	(62,669,701)	(86,087,814)
Cash and Bank Balances	34,311,934	19,881,078
External Investment	10,453,267	40,857,300
Debtors	-	-
Advance to Public Improvement Fund	-	16,368,636
Temporary advances to Trading Services	<u>17,904,500</u>	<u>8,980,800</u>
Advances to Trading Services	<u>191,137,824</u>	<u>114,796,793</u>
(Refer to Appendix B for more detail)		
Net interest charged to borrowing services at an average rate of 10,03%		
Interest paid on external loans	12,383,651	16,443,490
Interest paid on internal investments	9,916,950	10,861,560
Less : Interest earned on external investments	(7,774,094)	(7,835,811)
Interest charged to Trading Services	<u>14,526,507</u>	<u>19,469,239</u>

## 25 CONSOLIDATED CAPITAL DEVELOPMENT FUND

### Outstanding advances to borrowing services

Accumulated fund	320,874,414	299,425,606
Less : Internal investments in Consolidated Loans Fund	(72,438,694)	(47,742,046)
External Investments		
Loans to Trading Services	<u>248,435,720</u>	<u>251,683,560</u>
(See Appendix B for more detail)		

The contribution to the Capital Development Fund was suspended for the 2004/2005 (2003/2004) financial years. The suspension was authorised by the Department of Local Government and Housing

# CITY OF uMHLATHUZE

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (Continued)

	2005 R	2004 R
<b>26 PUBLIC IMPROVEMENT FUND</b>		
Fixed Assets	429,635,690	417,786,733
Debtors	86,577	142,833
Creditors	(4,475,305)	(82,536)
Internal Advance	-	(16,368,636)
Internal Investment	3,632,155	-
Accumulated fund	<u>428,879,117</u>	<u>401,478,394</u>
Represented by:		
Sale of erven and sand, interest income and rental income	406,391,897	379,344,973
Grants and subsidies	12,712,671	12,712,671
Public contributions	9,774,549	9,420,750
	<u>428,879,117</u>	<u>401,478,394</u>

## 27 RETIREMENT BENEFITS

The last actuarial valuations of the Natal Joint Municipal Pension Funds (Superannuation and Retirement) was done at 31 March 2003. These valuations disclosed a deficit for past service of R228,017 million and a deficit for past service of R224,155 million

This shortfall will be met by increased employer contributions, implemented from July 2004.

The last actuarial valuation of the Municipal Councillors Pension Fund was done at 30 June 2003. This valuation indicated that the fund is in a sound financial position.

**CITY OF uMHLATHUZE**

**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (Continued)**

	2005 R	2004 R
<b>28 ADDITIONAL DISCLOSURES IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT</b>		
<b>Contributions to Kwanaloga</b>		
Council subscriptions	245,907	212,772
Amount paid	245,907	212,772
<b>PAYE and UIF</b>		
Current year payroll deductions	28,802,887	28,633,905
Amount paid - current year	(28,802,887)	(28,633,905)
<b>Pension and Medical Aid Deductions</b>		
Opening balance	90,354	11,146
Current year payroll deductions	45,988,112	39,186,538
Amount paid - current year	(45,881,505)	(39,096,184)
Amount paid - previous year	(90,354)	(11,146)
<b>Balance unpaid (included in creditors)</b>	<u>106,607</u>	<u>90,354</u>

The balance represents continued members contributions  
received in advance

# CITY OF uMHLATHUZE

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (Continued)

	2005 R	2004 R
<b>Bank accounts</b>		
The municipality has the following bank accounts:		
<b>Current Account (Primary Account)</b>		
ABSA Bank - Richards Bay		
Current /Cheque Account number 2150000028		
Cash book balance at beginning of year	4,195,924	(2,722,852)
Cash book balance at end of year	6,097,664	4,195,924
Bank statement balance at beginning of year	23,355,429	850,070
Bank statement balance at end of year	12,906,015	23,355,429
<b>Deposit Account</b>		
ABSA Bank - Richards Bay		
Current/Deposit Account number 2150000095		
Cash book balance at beginning of year	(1,029,592)	12,952,886
Cash book balance at end of year	9,445,582	(1,029,592)
Bank statement balance at beginning of year	50,000	12,102,475
Bank statement balance at end of year	8,518,679	50,000
<b>Hostel Account</b>		
ABSA Bank - Richards Bay		
Current/Deposit Account number 90 8291 6767		
Cash book balance at beginning of year	15,015,040	13,738,426
Cash book balance at end of year	16,016,409	15,015,040
Bank statement balance at beginning of year	15,015,040	13,738,426
Bank statement balance at end of year	16,016,409	15,015,040
<b>Housing Account</b>		
ABSA Bank - Richards Bay		
Current/DepositAccount number 91 2361 5121		
Cash book balance at beginning of year	2,558,887	-
Cash book balance at end of year	2,730,079	2,558,887
Bank statement balance at beginning of year	2,558,887	-
Bank statement balance at end of year	2,730,079	2,558,887

# CITY OF uMHLATHUZE

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (Continued)

	2005 R	2004 R
<b>SALARIES,ALLOWANCES AND BENEFITS OF:</b>		
<b>Municipal Manager</b>		
Annual Remuneration	690,566	640,302
Performance Bonus	129,486	96,045
<b>Total</b>	<u>820,052</u>	<u>736,347</u>
<b>Executive Directors</b>		
<b>Chief Finance Officer</b>		
Annual Remuneration	536,042	558,996
Performance Bonus	107,476	50,530
<b>Total</b>	<u>643,518</u>	<u>609,526</u>
<b>City Engineer</b>		
Annual Remuneration	536,042	515,103
Performance Bonus	109,352	-
<b>Total</b>	<u>645,394</u>	<u>515,103</u>
<b>Director Management Services</b>		
Annual Remuneration	536,042	493,753
Performance Bonus	25,194	23,514
<b>Total</b>	<u>561,236</u>	<u>517,267</u>
<b>Director Integrated Development Plan</b>		
Annual Remuneration	536,042	501,576
Performance Bonus	80,406	-
<b>Total</b>	<u>616,448</u>	<u>501,576</u>
<b>Director Community Facilitation &amp; Marketing</b>		
Annual Remuneration	530,424	493,799
Performance Bonus	26,642	-
<b>Total</b>	<u>557,066</u>	<u>493,799</u>
<b>Director Community Services &amp; Health</b>		
Annual Remuneration	523,256	456,766
Performance Bonus	26,642	-
<b>Total</b>	<u>549,898</u>	<u>456,766</u>

# CITY OF uMHLATHUZE

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (Continued)

	2005 R	2004 R
<b>Director Corporate Services</b>		
Annual Remuneration	526,316	589,829
Performance Bonus	26,642	-
<b>Total</b>	<u>552,958</u>	<u>589,829</u>
<b>City Electrical Engineer</b>		
Annual Remuneration	520,072	452,918
Performance Bonus	26,642	-
<b>Total</b>	<u>546,714</u>	<u>452,918</u>
<b>Director Parks, Sports &amp; Recreation</b>		
Annual Remuneration	497,273	468,012
Performance Bonus	26,642	-
<b>Total</b>	<u>523,915</u>	<u>468,012</u>

**Municipal entities under the sole or shared control of this Municipality**  
None

## UNAUTHORISED,IRREGULAR,FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

### Unauthorised expenditure

Reconciliation of unauthorised expenditure

Opening balance

Unauthorised expenditure current year

Approved by Council or condoned

Unauthorised expenditure awaiting authorisation

-	-
53,713,164	27,098,351
53,713,164	27,098,351
-	-

### Irregular expenditure

None

### Fruitless and wasteful expenditure

None

### Material losses recovered or written off

None

### Non-compliance with the Municipal Finance Management Act

None

## 29 EVENTS AFTER THE REPORTING DATE

None

## STATUTORY FUNDS, RESERVES AND PROVISIONS

	Balance at 30/6/2004	Contributions during the year	Interest on Investment	Other Income	Expenditure during the year	Balance at 30/6/2005
	R	R	R	R	R	R
<b>ACCUMULATED FUNDS</b>						
Consolidated Capital	299,425,606	-	30,828,834	6,034,404	15,414,430	320,874,414
Development Fund	2,626,108	-	1,274,446	14,471,437	2,178,731	16,193,260
Housing	302,051,714	-	32,103,280	20,505,841	17,593,161	337,067,674
	Balance at 30/6/2004	Contributions during the year	Consolidating	Other Income (Interest)	Expenditure during the year	Balance at 30/6/2005
	R	R	R	R	R	R
<b>RESERVES</b>						
Bursaries	1,149,996	-	-	-	1,149,996	-
Insurance	655,494	-	-	43,721	1,878	697,337
Pionierhof Reserve	191,029	-	(191,029)	-	-	-
	1,996,519	-	(191,029)	43,721	1,151,874	697,337
	Balance at 30/6/2004	Contributions during the year	Consolidating	Other Income	Expenditure during the year	Balance at 30/6/2005
	R	R	R	R	R	R
<b>PROVISIONS</b>						
Leave	13,365,670	3,279,644	-	891,490	5,900,853	11,635,951
	13,365,670	3,279,644	-	891,490	5,900,853	11,635,951

## CITY OF uMHLATHUZE

## EXTERNAL LOANS AND INTERNAL ADVANCES

	Balance at 30/6/04	Received during the year	Redeemed or written off during the year	Balance at 30/6/05
	R	R	R	R
<b>EXTERNAL LOANS</b>				
Annuity Loans	75,980,438	-	8,851,897	67,128,541
	<u>75,980,438</u>	<u>-</u>	<u>8,851,897</u>	<u>67,128,541</u>
	Balance at 30/6/04	Received during the year	Redeemed or written off during the year	Balance at 30/6/05
	R	R	R	R
<b>INTERNAL ADVANCES TO TRADING SERVICES</b>				
Consolidated Loans Fund	114,796,793	85,544,221	9,203,190	191,137,824
Capital Development Fund	251,683,560	17,725,625	20,973,465	248,435,720
(Refer to notes 24 & 25)	<u>366,480,353</u>	<u>103,269,846</u>	<u>30,176,655</u>	<u>439,573,544</u>



## CITY OF UMHLATHUZE

## ANALYSIS OF FIXED ASSETS

Expenditure 2004	Service	Budget Expenditure 2005	Balance at 30/06/04	Expenditure 2005	Written off transferred redeemed or disposed of during the year	Balance at 30/06/05
R		R	R	R	R	R
39,728,923	RATES AND GENERAL SERVICES	79,564,420	411,067,658	75,820,139	1,185,797	485,702,000
27,918,076	Community Services	46,569,740	219,489,589	44,219,217	1,115,995	262,592,811
-	Land	-	3,581,500	-	-	3,581,500
29,930	City Engineer	109,760	2,472,196	103,756	255	2,575,697
96,521	City Secretary	21,450	3,097,206	382,122	7,674	3,471,654
83,514	City Treasurer	449,220	3,044,693	723,047	1,785	3,765,955
5,092	Civil Defence	35,700	88,333	27,015	-	115,348
36,626	Community Facilitation & Marketing	73,700	657,670	33,393	-	691,063
586,711	Health Services	662,500	3,921,062	487,839	675	4,408,226
980,784	Integrated Development Planning	1,082,000	6,020,318	763,853	-	6,784,171
373,672	Management Services	4,613,710	24,454,772	4,481,429	29,414	28,906,787
-	Museum	136,000	1,053,076	119,050	-	1,172,126
548,430	Plant and Equipment	354,510	8,124,616	351,002	20,360	8,455,258
-	Protection Services	-	2,553,538	-	-	2,553,538
23,107,527	Public Works	23,068,760	124,388,053	22,201,775	11,943	146,577,885
99,170	Staff Housing	-	6,282,289	-	245,020	6,037,269
133,064	Traffic Services	49,000	2,101,065	66,113	2,768	2,164,410
1,837,035	Vehicles	15,913,430	27,649,202	14,478,823	796,101	41,331,924
6,478,026	Subsidised Services	8,066,730	147,861,704	4,876,832	69,802	152,668,734
4,505,490	Civil Buildings	2,733,510	95,842,146	2,456,713	391	98,298,468
372,409	Fire	460,600	2,065,916	275,628	-	2,341,544
245,782	Library	1,073,900	4,378,381	446,672	-	4,825,053
1,354,345	Parks and Recreation	3,798,720	45,575,261	1,697,819	69,411	47,203,669
5,332,821	Economic Services	24,927,950	43,716,365	26,724,090	-	70,440,455
211,932	Cleansing	3,426,900	7,455,092	2,550,702	-	10,005,794
5,120,689	Sewerage	21,501,050	36,261,273	24,173,388	-	60,434,661
0	HOUSING SERVICE	9,295,000	2,321,938	376,690	-	2,698,628
-	Umhlathuze low cost	-	1,426,277	-	-	1,426,277
-	Esikhawini Hostel	9,295,000	-	376,690	-	376,690
-	Pioneer Court	-	895,661	-	-	895,661
44,719,922	TRADING SERVICES	78,124,530	357,455,392	58,599,183	91,245	415,963,330
7,068,207	Electricity	34,357,810	180,685,036	16,383,941	91,245	196,977,732
-	Airport	-	10,126,327	-	-	10,126,327
37,651,715	Water	43,766,720	166,644,029	42,215,242	-	208,859,271
6,796,852	PUBLIC IMPROVEMENT FUND	45,620,950	417,786,733	11,848,957	-	429,635,690
91,245,697	TOTAL FIXED ASSETS	212,604,900	1,188,631,721	146,644,969	1,277,042	1,333,999,648
LESS : CAPITAL REDEEMED AND OTHER CAPITAL RECEIPTS			(809,999,138)	(88,807,933)	(1,277,042)	(897,530,029)
Loans redeemed and advances repaid			215,457,564	29,881,041	1,171,742	244,166,863
Contributions from Income			51,147,039	5,071,215	105,300	56,112,954
Provisions and reserves			35,122,114	-	-	35,122,114
Grants and subsidies			96,674,705	24,082,840	-	120,757,545
Public contributions			28,634,944	2,725,914	-	31,360,858
Sale of erven			379,381,272	27,046,923	-	406,428,195
Surplus on revaluation on land			3,581,500	-	-	3,581,500
NET FIXED ASSETS			378,632,583	57,837,036	-	436,469,619

## CITY OF uMHLATHUZE

## ANALYSIS OF OPERATING INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2005

Actual 2004 R		Actual 2005 R	Budget 2005 R
<b>INCOME</b>			
30,725,963	Government and Provincial grants and subsidies	46,409,832	39,163,500
576,418,458	Income from tariffs, service charges, etc.	597,197,306	589,871,670
<u>607,144,421</u>		<u>643,607,138</u>	<u>629,035,170</u>
<b>EXPENDITURE</b>			
172,994,978	Salaries, Wages and Allowances	200,188,988	203,987,920
417,407,106	General Expenses	442,409,439	440,228,540
94,611,513	Repairs and Maintenance	106,771,404	103,071,160
59,603,157	Capital Charges	67,353,187	31,080,360
4,335,058	Contributions to Fixed Assets	5,071,215	5,654,760
28,865,976	Contributions in Relief of Rates	28,909,246	39,900,100
0	Contributions	3,279,644	7,483,250
<u>777,817,788</u>	Gross Expenditure	<u>853,983,123</u>	<u>831,406,090</u>
(178,775,403)	Less : Transfer from provisions	(109,364)	(5,720,570)
	Less : Amounts charged out	(198,979,839)	(196,650,350)
<u>599,042,385</u>			
	Net Expenditure	<u>654,893,920</u>	<u>629,035,170</u>

## CITY OF uMHLATHUZE

DETAILED INCOME STATEMENT FOR THE YEAR ENDED  
30 JUNE 2005

2004 Actual income R	2004 Actual expenditure R	2004 Surplus/ (Deficit) R		2005 Actual income R	2005 Actual expenditure R	2005 Surplus/ (Deficit) R	2005 Budget Surplus/ (Deficit) R
224,926,006	232,022,989	(7,096,983)	RATE AND GENERAL SERVICES	252,638,214	269,153,733	(16,515,519)	(20,222,320)
157,260,855	146,572,956	10,687,899	Community Services	168,442,228	171,918,985	(3,476,757)	(3,093,890)
79,778,370	-	79,778,370	Assessment rates	86,780,038	-	86,780,038	85,760,610
199,907	4,510,780	(4,310,873)	Beach facilities	70,362	5,327,199	(5,256,837)	(5,069,480)
-	631,899	(631,899)	Bus terminus	-	1,131,416	(1,131,416)	(1,359,230)
193,359	103,955	89,404	Caravan park	203,299	103,972	99,327	161,950
494,836	2,079,379	(1,584,543)	Cemetery	539,260	2,346,409	(1,807,149)	(1,199,070)
-	240,165	(240,165)	Chief executive officer	-	311,761	(311,761)	(283,220)
212,193	7,382,242	(7,170,049)	City engineer	336,912	8,690,958	(8,354,046)	(7,867,540)
-	1,021,053	(1,021,053)	City secretariat	-	1,275,453	(1,275,453)	(1,975,490)
49,879,870	3,806,499	46,073,371	City treasurer	54,995,699	7,151,952	47,843,747	37,745,080
-	354,601	(354,601)	Civil defence	-	490,418	(490,418)	(524,900)
797,722	7,478,487	(6,680,765)	Community Facilitation & Marketing	1,009,247	9,307,677	(8,298,430)	(9,131,980)
8,482,540	11,172,038	(2,689,498)	Council's general expenses	2,888,100	7,549,684	(4,661,584)	(5,734,690)
1,953,882	1,151,136	802,746	Distribution accounts	1,641,744	2,092,896	(451,152)	(2,389,740)
-	(5)	5	Human resources	-	37,564	(37,564)	(102,000)
1,332,321	10,384,302	(9,051,981)	Integrated development planning	1,683,740	12,408,262	(10,724,522)	(10,410,010)
-	977,642	(977,642)	Management services	-	903,318	(903,318)	(1,217,720)
3,087,481	3,480,649	(393,168)	Municipal Buildings	3,016,551	2,710,500	306,051	2,269,140
378,051	3,336,516	(2,958,465)	Municipal Halls	383,210	3,934,770	(3,551,560)	(3,310,560)
2,288,102	20,947,408	(18,659,306)	Parks and gardens	1,849,857	26,403,903	(24,554,046)	(19,647,880)
-	1,626,243	(1,626,243)	Parks and recreation	-	1,850,837	(1,850,837)	(1,902,930)
-	-	-	Project Management	1,426,419	934,466	491,953	(805,690)
-	548,430	(548,430)	Public conveniences	-	687,091	(687,091)	(634,430)
390,329	390,329	-	Railway siding	461,481	461,481	-	-
437,530	991,229	(553,699)	Refuse site	37,048	(144,400)	181,448	5,020
-	27,239,322	(27,239,322)	Roads, streets and stormwater drainage	-	32,474,075	(32,474,075)	(19,914,530)
-	6,424,524	(6,424,524)	Sports grounds	10,365	7,274,034	(7,263,669)	(5,749,520)
-	7,494,667	(7,494,667)	Street cleansing	-	9,905,193	(9,905,193)	(9,881,380)
193,710	4,795,170	(4,601,460)	Swimming pools	214,357	5,556,911	(5,342,554)	(4,388,460)
2,661,537	2,624,722	36,815	Traffic licenses	3,000,978	3,313,936	(312,958)	(1,060,030)
4,456,350	15,340,774	(10,884,424)	Traffic services	7,553,615	17,024,258	(9,470,643)	(14,475,210)
42,765	38,800	3,965	Workshop/stores	339,946	402,993	(63,047)	-
3,169,813	27,053,798	(23,883,985)	Subsidised services	6,040,625	30,365,316	(24,324,691)	(30,486,340)
1,312,768	4,304,222	(2,991,454)	Clinics	1,280,202	5,275,275	(3,995,073)	(4,738,590)
1,192,185	12,869,393	(11,677,208)	Fire protection	446,392	14,313,127	(13,866,735)	(15,188,560)
304,274	4,643,733	(4,339,459)	Health services	3,878,128	4,811,015	(932,887)	(4,734,680)
275,098	4,759,668	(4,484,570)	Library	341,455	5,432,978	(5,091,523)	(5,297,190)
85,488	476,782	(391,294)	Museum	94,448	532,922	(438,474)	(527,320)
64,495,338	58,396,235	6,099,103	Economic Services	78,155,361	66,869,432	11,285,929	13,357,910
-	16,742,919	(16,742,919)	Sewerage	-	25,500,017	(25,500,017)	(25,514,310)
40,902,370	17,284,069	23,618,301	Sewerage works	48,707,892	15,241,446	33,466,446	35,738,090
515,298	152,937	362,361	Vacuum tank removal	470,615	487,058	(16,443)	56,750
-	1,424,084	(1,424,084)	Township Development	1,176,862	1,076,555	100,307	515,000
23,077,670	22,792,226	285,444	Refuse removal	27,799,992	24,564,357	3,235,635	2,562,380
3,679,059	4,419,706	(740,647)	HOUSING SERVICES	3,385,542	4,307,126	(921,584)	(1,561,280)
3,245,118	3,874,004	(628,886)	Housing rental schemes	2,901,900	3,778,981	(877,081)	(1,399,280)
-	-	-	Housing	38,354	199,854	(161,500)	(162,000)
433,941	545,702	(111,761)	Pioneer court	445,288	328,291	116,997	-

## CITY OF uMHLATHUZE

DETAILED INCOME STATEMENT FOR THE YEAR ENDED  
30 JUNE 2005 (CONTINUED)

2004 Actual income R	2004 Actual expenditure R	2004 Surplus/ (Deficit) R		2005 Actual income R	2005 Actual expenditure R	2005 Surplus/ (Deficit) R	2004 Budget Surplus/ (Deficit) R
378,539,356	362,599,690	15,939,666	TRADING SERVICES	387,583,382	381,433,061	6,150,321	21,783,600
298,963,716	276,471,254	22,492,462	Electricity	300,066,168	280,459,363	19,606,805	23,489,500
79,451,312	85,481,136	(6,029,824)	Water	86,565,583	100,320,767	(13,755,184)	(2,518,580)
124,328	647,300	(522,972)	Airport	951,631	652,931	298,700	812,680
607,144,421	599,042,385	8,102,036	TOTAL	643,607,138	654,893,920	(11,286,782)	-
		(18,775,735)	Appropriations for this year (refer to note 14)			2,949,714	
		(10,673,699)	Net Surplus for the year			(8,337,068)	
		30,533,293	Accumulated surplus at the beginning of the year			19,859,594	
		19,859,594	ACCUMULATED SURPLUS AT THE END OF THE YEAR			11,522,526	

**CITY of uMHLATHUZE  
STATISTICAL INFORMATION**

	2004/2005	2003/2004	2002/2003
<b>a) General Statistics</b>			
i Population	447185	447185	325000
	R	R	R
ii Valuation of "Rateable" and "non-Rateable" property:			
- Rateable	1,710,672,550	1,693,308,950	1,390,474,600
- Non-Rateable	709,692,500	723,855,100	848,480,950
	R	R	R
iii Valuation of Residential and Commercial property:			
- Residential	742,804,500	725,814,700	745,373,650
- Commercial	1,236,997,650	1,103,759,150	1,115,337,400
Date of Valuation	Richards Bay Admin. Unit: 01/02/1998 Empangeni Admin. Unit: 01/05/1996		
iv Number of Commercial and Residential Properties	24847	23920	23920
v Assessment Rates: Cents in the Rand:			
- Residential: Richards Bay Admin unit	3.51	3.01	2.73
Empangeni Admin unit	4.46	3.94	3.58
- Commercial: Richards Bay Admin unit	6.97	5.00	5.45
Empangeni Admin unit	5.89	5.07	4.61
vi Number of Employees of the local council	1672	1672	1656
<b>b) Electricity Statistics</b>			
	Mwh	Mwh	Mwh
i Units bought/generated	1188489	1208811	1157738
ii Units sold	1136171	1155993	1098460
iii Units lost in distribution (i - ii)	52318	52818	59278
iv Units lost in distribution, as a % of (i)	4.4%	4.4%	5.1%
v Cost per unit sold (operating expenditure ÷ ii)	242.02	233.09	218.67
<b>c) Water Statistics</b>			
	kl	kl	kl
i Units bought/purified	35285136	34435529	31033735
ii Units sold	27862378	27574016	24041305
iii Units lost in distribution (i - ii)	7422758	6861513	6992430
iv Units lost in distribution, as a % of (i)	21.0%	19.9%	22.5%
v Cost per unit sold (operating expenditure ÷ ii)	3.59	3.10	3.02