



# Annual Report

## 2012/2013



CITY OF  
**UMHLATHUZE**  
VISION INTO ACTION





## City of uMhlathuze Contact Details

### Richards Bay Office

Tel: +27 (0) 35 907 5000

Fax: +27 (0) 35 907 5444/5

### Empangeni Office

Tel: +27 (0) 35 907 5000

Fax: +27 (0) 35 792 5750

### Sub Offices

eSikhaleni – Tel: +27 (0) 35 907 5855

eNseleni – Tel: +27 (0) 35 907 5875

Ngwelezane – Tel: +27 (0) 35 907 5829

Vulindlela – Tel: +27 (0) 35 907 5816

### Main Address

Private Bag X1004, Richards Bay, 3900

Email: [reg@umhlathuze.gov.za](mailto:reg@umhlathuze.gov.za) | Web: [www.umhlathuze.gov.za](http://www.umhlathuze.gov.za)

### Physical Address

Head Office: 5 Mark Strasse, Richards Bay

Empangeni Office: Union Street, Empangeni

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# Mayor's Foreword

CLLR EF MBATHA  
MAYOR, CITY OF uMHLATHUZE

## Introduction

We have almost passed the halfway mark since the commencement of my term of office in 2011. The 2012/2013 financial year remains one of South Africa's - and indeed the world's - most challenging years. During 2013, South Africa lost its greatest son: our world icon and the first democratic President of South Africa, Nelson Mandela. This was indeed a great loss to South Africa and the world, however, we shall always hold his legacy dear and the indelible role he played during his lifetime.

2013 marked 100 years since the 1913 Land Act, which saw the vast majority of indigenous Africans being removed from their land of birth. As a result, all spheres of government need to address the legacy of apartheid and colonialism as a matter of urgency. This Council is committed to redressing the imbalances of the past, particularly as South Africa celebrates 20 years of democracy.

All spheres of government have committed themselves to fighting corruption and we as the City of uMhlathuze have implemented measures to ensure the prevention of corrupt activities.

We are also committed to working closely with the provincial treasury to improve our spending patterns, particularly aspects relating to service delivery. The Municipality is financially stable and we have implemented measures to ensure that we remain financially stable and viable.

The core business of the Municipality is to provide basic services to its ratepayers and residents, and we are confident that we did our best with limited financial resources during the past financial year to provide these basic services.

Over the past three years of my term of office, we have been able to improve public participation in the affairs of

the Municipality. One remarkable programme takes Council to the community, which capacitates communities to interact with Council in a formal Council setting. Attendance at my State of the City address increased to more than 3 000 attendees and we anticipate that this attendance will increase. One-hundred-and-forty public meetings were also well attended, including the IDP and Budget roadshows and 362 ward committee meetings.

It is also pleasing to note that the ward committees are fully capacitated and functional in all thirty wards.

## Basic Service Delivery

In terms of delivering basic services to our community, I wish to report on remarkable achievements by Council and I am proud to be part of the team that has delivered in these fundamental services for our community.

## Human Settlements

During the financial year, we refurbished the following hostels: Madala, Sinqobile, Sokesimbone, Impala, King Cetshwayo and Chief Albert Luthuli. We have overachieved on the annual target by building 2 200 low cost houses as opposed to the target of 720 in the following areas: Mkhwanazi (952), Madlebe (934) and Kwadube (297). This is a clear indication that we are committed to restoring dignity to our community.

I am happy to report the achievement of a level 2 accreditation by the Department of Human Settlements. This is indeed confirmation of the excellent work we have done in bringing hope to our community.

## Access to Water

Almost 85% of our community is receiving potable water and I am proud to report that we have overachieved on the annual target of 1 000 new water connections: 1 953 new water connections were logged, which was mainly due to an upgrade of water delivery service from the RDP service standard to yard connections. The annual target for new water connections will at least be doubled in the next financial year.

## Access to Sanitation

Almost 62% of our community has access to basic sanitation services and we have overachieved on the annual target of 4 000 Ventilated Improved Pits (VIPs) by constructing 5 617. The target for the new financial year will be increased to ensure the eradication of backlog in sanitation services.

## Domestic Electricity Supply

Almost 100% of households are provided with domestic electrical supply within the uMhlathuze municipal electricity licenced area and new connections are dependent on consumer applications received. During this financial year, the City connected 247 households with electricity. These connections included low cost houses and normal domestic connections. Eskom delivers electricity to households in the previous R295 towns as well as in rural areas.

## Domestic Solid Waste Removal

Almost 69% of households are provided with weekly domestic refuse removal services. Households in the urban areas receive a domestic refuse disposal service by a weekly collection of 240 litre trolley bins, whereas the other areas receive the weekly collection of domestic refuse via strategically placed communal skips. The aim in reducing the backlog in domestic solid waste removal services is to provide additional communal skips in areas not previously serviced.

## Integrated Development Plan (IDP)

In the preceding financial year, numerous achievements in infrastructure development were made in a bid to address the critical backlogs on basic services that were raised by numerous communities in the IDP roadshows. The Municipality has progressed well in terms of development. I'm pleased to report that through the IDP, the City has aligned its policies in accordance with the development strategies of the Provincial and National Government.

## Operation Sukuma Sakhe

As a result of the citizens of South Africa still being beset by numerous social ills such as poverty, unemployment, inequality and communicable diseases, the call was made by provincial government to address these. Thus, Operation Sukuma Sakhe was developed. This municipality is fully committed to supporting and implementing the programmes as required by Provincial Government and a unit of Council has been dedicated to attend to these matters.

## Education

National Government has made education a number one priority, and despite the understanding that education is in the realm of the Department of Education, this Council has established mechanisms to afford the youth of our City access to higher education. This Council has been able to pay bursaries to more than three needy and academically deserving students through the proceeds of the Mayoral Annual Charity Golf Day.

## Focus into the Future

Over the past 20 years, the Council has ensured an improved lifestyle of our residents. However, we are mindful of the fact that there is still a lot more that we can and need to do. As we celebrate 20 years of democracy, our community needs to exercise their democratic right to vote to ensure effective and efficient services are rendered to them.

Council remains committed to improving the lives of our citizens and we have identified tourism as one of our critical economic projects. A programme to improve the beach area for all our citizens is underway at present and we should derive all the benefits from this project shortly. I will continue to engage with investors to come and invest in our City.

I want to thank all our citizens who have continuously contributed to the sustainability of our City through paying rates. I want to thank business for their continued efforts in the creation of jobs for all our people. I wish to reassure all residents, business communities and investors that we shall continue to strengthen our relations. I thank the collective, dedicated Council for their visionary leadership and for doing a sterling job in creating harmony through their political oversight role.

I thank all the employees of the Municipality who worked tirelessly for the betterment of the lives of our citizens.

**MAYOR**  
**CITY OF uMHLATHUZE**  
CLLR EF MBATHA



**DR NHLANHLA J SIBEKO**  
MUNICIPAL MANAGER

# Municipal Manager's Foreword

**It is that time of the year where we have to report on the performance of the Municipality. I am pleased to report that generally speaking, the Municipality has performed very well on many fronts, as highlighted below. One can say, notwithstanding the challenges we faced last year, that there is a great deal of stability in the Municipality.**

**T**here is no doubt that there are other areas that need special attention, such as under-expenditure on the capital budget. The administration is working very hard to turn this around and we acknowledge and admire the collective role played by councillors and administration.

As administration, we are very mindful of the powers vested in local government by sections 155/156 of the Constitution as well as the Municipal Finance Management Act (Chapter 3). We thus strive to create capacity within our Municipality in order to deliver on our mandate. As local government, we are proud to have ratepayers who are able to honour their obligations to pay their rates. That is why as uMhlathuze we are second to none in terms of rate collection. This is why we will continue to provide good service to the best of our ability. We will continue to grow the City in order to expand our revenue base and sustain the services we provide. For two years in a row we narrowly missed a clean audit. As part of the strategy to achieve a clean audit, we put together an 'Operation Clean Audit' Team represented by all departments. We are pleased to announce that we received a clean audit in the year we are reporting.

## What Does a Clean Audit Mean for the Municipality?

In terms of the office of the Auditor-General, a clean audit outcome means that "The financial statements are free from material misstatements (in other words a financial unqualified audit opinion) and there are no material findings on reporting on performance objectives or non-compliance with legislation."

**"Based on the annual external audit conducted by the Office of the Auditor-General, it is gratifying to see that the improved internal controls are starting to bear fruit. It is also important to acknowledge the efforts made by the administration in dealing with all issues that were raised..."**

Achieving a clean audit for the Municipality was the result of much dedication and hard work. Although a clean audit is supposed to be a way of life for municipalities, not just a target that needs to be met, the impetus for achieving a clean audit came right from the top: from Council to all other municipal officials. We are pleased and excited about this achievement and the challenge is to maintain the clean audit in the years to come.

It is also pleasing to note that on the IDP front, there was also a great deal of improvement on the quality of the document we produced which culminated in the award by COGTA for the Most Credible IDP 2012/2013. We also had a very successful programme of taking Council to the people and the State of the City Address, which was attended by more than 3 000 people. The Municipality has also established a Risk Management Unit, which should assist in mitigating against risk and thereby improve our performance. We now have a fully functional Enterprise Risk Management Committee.

On the financial front, the results are generally considered to be acceptable and improving. Much appreciation goes to all staff members and councillors, and particularly the role played by the Chief Financial Officer and his team. In order to sustain this situation, the maintenance of sound financial management practices is required as well as mitigating the risks that impact on financial sustainability by instituting appropriate measures to address such risks.

Based on the annual external audit conducted by the Office of the Auditor-General, it is gratifying to see that the improved internal controls are starting to bear fruit. It is also important to acknowledge the efforts made by the administration in dealing with all issues that were raised in the 2012 audit report and management letter, which culminated in an improved performance in 2013.

During the 2013 financial year, the Municipality's cash flow from operating activities showed a positive improvement of R294 million (R195 million in 2012). This, in essence, means the Municipality has been able to generate sufficient cash through its normal operating activities to meet the related payments. There was also an improvement on the cash flow from investing activities with an increase to R115 million (R75 million in 2012). There was no borrowing in 2013.

The cash balance improved in the year under review to R243 million (R157 million in 2012). Although the liquidity ratio is gradually improving, there is still room for improvement, especially as the drive is for municipalities to have three times their normal creditors in the bank account.

It must be noted though that the issue of Regulation 44 has caused a number of problems for municipalities, including uMhlathuze. Although we were able to manage this challenge in 2013, the risk is still there that a company with its members in the service of the state can still be appointed due to non-availability of a verification system. This is a nation-wide challenge and the National Treasury, CoGTA, the Provincial Treasury, the Office of the Auditor-General and the Institute of Municipal Finance Officers are aware of this. We are hopeful that a solution will be found soon.

We will strive to improve on this year's performance for 2013/2014. We are confident that we can always do better.

**MUNICIPAL MANAGER**  
**CITY OF uMHLATHUZE**  
Dr Nhlanhla J Sibeko



# CHAPTER 2

## Governance Integrated Development Plan

### Background

The Final 2012/2013 adopted Integrated Development Plan (IDP) of uMhlathuze Municipality signified the start of the third uMhlathuze's five-year IDP cycle (2012-2017). The ultimate objective within each cycle remains the improved implementation of the said dispensation's five-year strategy, as well as ensuring improved responsiveness to community needs over that time. The aim of the new five-year IDP for the City of uMhlathuze was to present a coherent plan to improve the quality of life for people living in the uMhlathuze area, also reflecting on issues of national and provincial importance. One of the key imperatives was to seek alignment with national and provincial priorities, policies and strategies.

The new leadership after the 2011 Local Government Elections emphasised that it is imperative that as the Municipality strides towards the next five years of planning and development, from 2012/2013 to 2016/2017 financial year, it remains mindful of the fact that the foremost purpose of the IDP is to map out the core issues that affect the people and to collectively concur on the manner in which each one of these will be addressed. It is in this context that the City of uMhlathuze's leadership believes that the IDP has to be construed and applied.

In the preceding financial years, numerous achievements in infrastructure development were made in a bid to address the critical backlog of basic services that were raised by many of our communities in the IDP. It can be reported in this regard that the Municipality has progressed in terms of development. This is confirmed by the constant outstanding performance of the Municipality through audit reports and the service delivery level. Although progress has been made, we recognise that more work still lays ahead in terms of addressing all the needs and expectations of the community.

It remains critically important that the Municipality remains conscious of the fact that it cannot be business as usual. The people have waited so long for basic services. Accordingly, uMhlathuze Municipality has taken the Turnaround Strategy for local government literally. We

have to report in this regard that the City has structured its Budget and IDP in a manner that will ensure that indeed we make our business models consistent with the national guidelines and provincial priorities to ensure that we hasten the pace of service delivery in our communities.

### Legislative Process and Compliance

All legislative requirements and timeframes in respect of the IDP Process Plan and in terms of the Municipal Systems Chapter 5 section 32 (review & adoption) and submission of the five-year IDP were successfully complied with, and the final IDP for 2012/2013 was adopted in June 2012 by uMhlathuze Council.

The City of uMhlathuze remains one of the municipalities with the most improved Integrated Development Plan within the province, hence uMhlathuze's IDP is still compiled 100% in-house according to the guidelines provided by CoGTA, and MSA requirements.

The third cycle of the IDP is more outcome based, since it considers the District Legotla's outcomes, the State of the Nation Address (SONA) by President Zuma, the State of the Province Address (SOPA), Provincial Spatial Economic Development Strategy (PSEDS), Municipal Turn Around Strategy (MTAS) and other national and provincial programmes that impact on planning and development in the local sphere. The importance of developing an outcome based IDP it is to ensure that planning is done in a coordinated manner, that we as a local municipality do not plan in silos but consider the rest of the country's initiatives towards development because a significant change in uMhlathuze is a statistical change in the rest of South Africa.

The South African Constitution is underpinned by principles of good governance and highlights the importance of public participation as an essential element of successful good local governance. Section 152 of the Constitution of the Republic of South Africa, 1996 confirms a number of citizen rights and more specifically, the rights of communities to be involved in local governance. Chapter 4 of the Municipal

Systems Acts provides for the involvement of communities in municipal affairs, hence more than twelve consultation meetings were conducted (September to November 2012) to engage with communities on their priority issues, and to ensure that they participate in the initial stage of the development of the IDP. All stakeholders have also been involved in the development process through stakeholders meetings that were held.

All meetings and notices were advertised as per MSA, Chapter 5, Sec 28 (3). The process plan, the draft IDP and the final IDP were also advertised for community input.

## Strategic Plan – Strategic Framework

The local elections that took place in May 2011 changed the configuration and composition of the uMhlathuze Council as new players were added at a political level. Given this development, coupled with the commitment to improve service delivery, a need arose for a strategic planning workshop, which was held in June 2012 prior to the adoption of the IDP. The inherent factors and external challenges facing the City of uMhlathuze necessitated an integrated approach to transforming organisational performance.

Below is the new Strategic Framework as confirmed by councillors in a strategic planning of the Municipality. These priority issues are informed by various critical imperatives such as National Priorities, Provincial Priorities, Provincial Growth and Development Strategy, uThungulu District Priorities and the 2012 State of the Nation Address.

## 2012/2013 IDP Strategies

### Development Strategy 1: Good Governance

#### Goal/s:

Ensure compliance and implementation of Provincial and National legislation, policies, resolutions and programmes in performing functions and duties.

#### Objectives:

1. Provide transparency to the community and stakeholders regarding any developments in the Municipality;
2. Ensure an appropriate municipal structure is in place with distinctive functions and responsibilities for ease in carrying out the constitutional mandate;
3. Apply legislative compliant land sale and lease policies;
4. Ensure legal vetting of contracts to avoid ambiguity;
5. Ensure alternative arrangements for delivery of services during industrial strike action; and
6. Apply the Fraud, Corruption, Theft, Misuse and Damage to Council Property Policies.

## Development Strategy 2: Infrastructure & Service Delivery

### Goal/s:

Development of an environmentally friendly, efficient and integrated city with sustainable municipal infrastructure provision and service delivery.

### Objectives:

1. Promote sustainability through timeous planning, implementation and monitoring;
2. Support/encourage proactive planning and decision making for the provision, upgrading and maintenance of infrastructure for growth and investment attraction;
3. Strive to enhance service levels through effectiveness and efficiency and always maintain high quality standards;
4. Develop an Asset Management Policy, Strategies, Infrastructure Asset Management Plans, Comprehensive Systems & Infrastructure Asset Management Registers;
5. Promote integrated and efficient land development s in both rural and urban areas in terms of land development Principles;
6. Hierarchy of development plans to be informed by guidelines for land use management;
7. Undertake housing development in terms of sustainable human settlement requirements;
8. Vigorously promote higher density developments to increase revenue base;
9. Support environmentally sustainable developments; and
10. Improve and promote public transport such that land transport planning is integrated with land development plans to enhance the functioning of the City.

## Development Strategy 3: Social and Economic Development

### Goal/s:

- To create opportunities through economic growth and development to increase economic stability by creating new functional linkages with other economic activities; and
- To promote social cohesion and the creation of a safe and healthy living environment.

### Objectives:

1. Create an enabling environment to grow and become locally and globally competitive;
2. Develop priority nodes and corridors for growth and economic development;
3. Facilitate and guide informal and SMME development;
4. Stimulate economic growth through strategic economic interventions;
5. Promote and encourage exceptional and unique developments for attractions using our strategic advantages to draw tourists and to grow our tourism sector;
6. Provide appropriate and valuable social facilities within communities; and
7. Promote the development and management of a clean, safe, secure and friendly city for people to work, live and play in.

## Development Strategy 4: Institutional Development

### Goal/s:

- Establishment and maintenance of an environment characterised by the development of skills for all personnel (workers and management), to have a properly structured employment equity process that will benefit the organisation including sound labour relation practices, as well as enhanced employment standards underpinned by employee rights.

### Objectives:

1. Create a safe clean working environment;
2. Create a positive and attractive organisational climate for the attraction of critical skills and for the retention of skills;
3. Promote the well-being of the employee, their development and growth path;
4. Promote working smart and keeping abreast with new legislation; and
5. Acquire and implement innovative Information Management System/s for better planning, decision making and management.

## Development Strategy 5: Sound Financial Management

### Goal/s:

Sustainable and sound management of the fiscal and financial affairs of the Municipality.

### Objectives:

1. Ensure that Financial Planning, Budgeting and Expenditure aligns with the priorities of the current IDP;
2. Improve communications with user departments on roles and responsibilities regarding financial management;
3. Ensure accurate and timeous revenue budget input data;
4. Ensure that a GRAP compliant fixed asset register is maintained;
5. Ensure the optimization of regulatory and sundry income;
6. Ensure that over a five-year period the Municipality has in place cash-backed statutory reserves as well as a working capital reserve equal to two times the average monthly financial commitment;
7. Maintain high levels of credit control and debt collection;
8. Review SCM policy and ensure adherence to policy;
9. Ensure status of internal controls is reliable, compliant and continuous;
10. Ensure compliance and quality of grant reporting (S71) is maintained to ensure complete spending; and
11. Provide assistant to Technical Services Department to identify possible electricity and water tampering and losses in order to ensure that accurate consumptions are recorded.

# CHAPTER 3

## Service Delivery Performance

### Organisational Performance Management System

#### Legislative Requirements

Outlined in Section 40 of the Municipal Systems Act of 2000 (MSA), municipalities must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and employee levels. Section 34 of the MSA also points out that the Integrated Development Plan (IDP) has to be reviewed on an annual basis, and that during the IDP review process the Key Performance Areas, Key Performance Indicators and Performance Targets be reviewed. This review will form the basis for the review of the Organisational Performance Management and Performance Contracts of Senior Managers.

The Municipal Planning and Performance Management Regulations (2001) stipulates that a “municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players” (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

Section 46 of the Municipal Systems Act (Act 32 of 2000), stipulates the following:

#### Annual Performance Reports

46. (1) “A municipality must prepare for each financial year a performance report reflecting:
- the performance of the municipality and of each external service provider during that financial year;
  - a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
  - measures taken to improve performance.

- (2) An annual performance report must form part of the municipality’s annual report in terms of Chapter 12 of the Municipal Finance Management Act.”

### Introduction

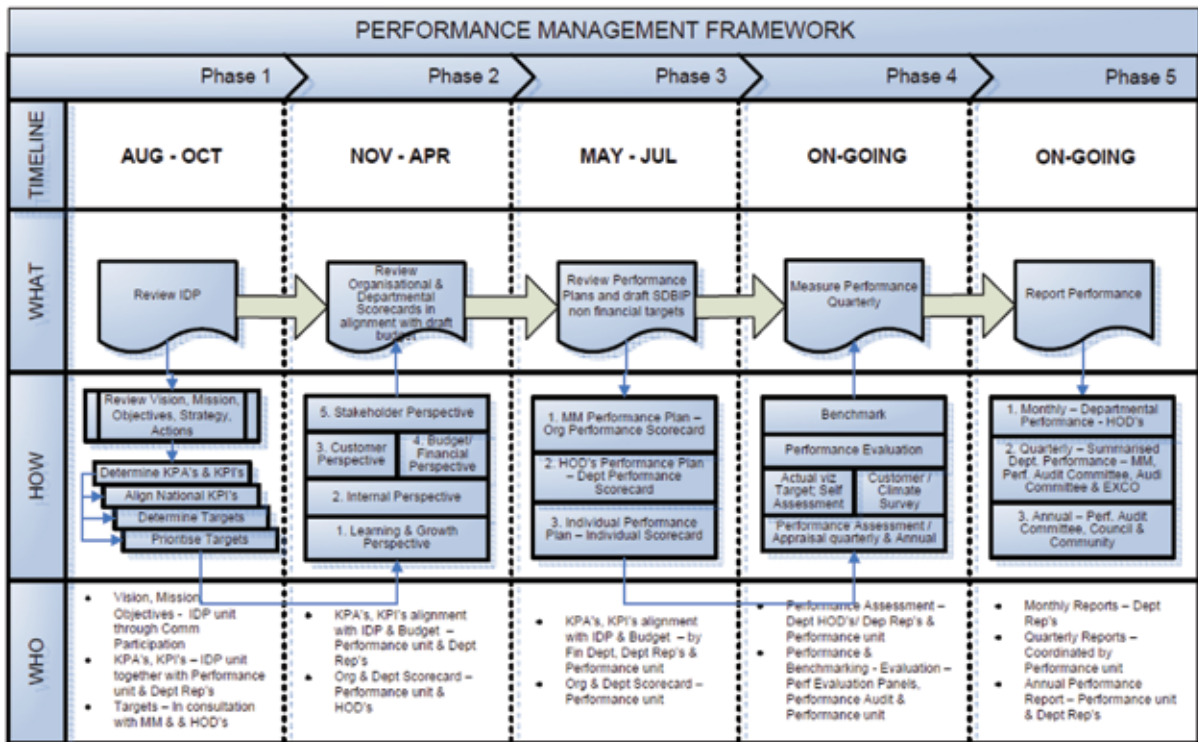
The first performance management framework was adopted by the uMhlathuze Municipality on 28 May 2002. The framework was reviewed and amended during the 2006/2007 financial year to align with the best practice guidelines suggested by the then Department of Provincial and Local Government and Traditional Affairs of Kwazulu-Natal.

The Performance Management function of uMhlathuze Municipality was previously outsourced to an external service provider and Council resolved during the 2009/2010 financial year to create an internal Performance Management Unit within the Office of the Municipal Manager. The Performance Management unit was capacitated during the 2010/2011 financial year as from 1 October 2010 by the appointment of two permanent employees: one post of Manager: Performance Management and one post of Performance Management Specialist. During the 2010/2011 financial year, the Performance Management Unit prepared a new Performance Management Framework and Policy which was adopted for the 2011/2012 financial year by Council item RPT 150202 and policy on DMS 692062.

The Performance Management Framework and Policy Review for the 2012/2013 financial year was adopted by Council per item RPT 152031 and Council resolution 8593 and is available on Council’s official website ([www.umhlathuze.gov.za](http://www.umhlathuze.gov.za) under the ‘Performance Management’ quick link).

### Organisational Performance Management Process

Key performance indicators have been refined in support of the Municipality’s development priorities and objectives as set out in the revised IDP framework (aligned with the organisational structure and Council’s priorities) for the new five-year IDP period to ensure consistency in measuring and reporting on long-term strategies and projects. Measurable performance targets with regard to each of these



**uMhlathuze Performance Management Framework diagram**

development priorities and objectives were established and are reflected on the 2012/2013 OPMS Scorecard. A process to ensure regular reporting is in place and gets reported quarterly to the Council via the Performance Audit Committee.

Individual performance agreements and performance plans were prepared in line with provisions prescribed in the Performance Regulations (Notice 805, published on 1 August 2006 in the official gazette) and signed by the Municipal Manager and Deputy Municipal Managers (Heads of Department). These agreements are fully implemented and aligned with the Service Delivery and Budget Implementation Plan as required in terms of the Municipal Finance Management Act.

The diagram above illustrates a summary of the newly developed performance management framework for the City of uMhlathuze for performance measurement and reporting, adhering to the guidelines suggested by KwaZulu-Natal Province, Department for Cooperative Governance and Traditional Affairs.

## Performance Audit Committee

The Performance Audit Committee for the 2012/2013 financial year was re-affirmed in terms of Section 14(2) (a) of

the Local Government: Municipal Planning and Performance Management Regulations of 2001 per Council item RPT 152029, Resolution 8010 dated 7 August 2012. The members are as follows:

- Mr SW Kunene – Chairperson (external member)
- Dr EMS Ntombela (external member)
- Ms JJ Sithole (external member)
- Cllr EF Mbatha (Mayor)
- Cllr NV Gumbi (Deputy Mayor)
- Mr D Govender (PWC Observer).

Mr SW Kunene, the Chairperson, sadly passed away in December 2012 and was subsequently replaced by Mr PC Oosthuizen per Council item RPT 153287, Resolution 8377, dated 26 February 2013.

The Performance Audit Committee has met quarterly on 16 August 2012, 15 November 2012, 28 March 2013 and 27 June 2013, and finally on 29 August 2013 to consider the reported annual performance achievements reported on the OPMS scorecard as well as the performance achievements reported in terms of the Service Delivery Budget Implementation Plan on the completed 2012/2013 financial year. The minutes of meetings are available on the GroupWise electronic document management system.

## Performance Evaluation Panels

Performance Evaluation Panels have initially been established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager per Council Resolution 4120 of 10 October 2006. The Performance Evaluation Panels were again confirmed during the 2011/2012 financial year by Council per item RPT 150133, Resolution 7331 on 14 June 2011 and subsequently to the passing of Mr SW Kunene, the appointment of Mr PC Oosthuizen per Council item RPT 153287, Resolution 8377, dated 26 February 2013.

For purposes of evaluating the annual performance of the Municipal Manager, an evaluation panel constituted of the following persons was established:

- (i) Executive Mayor or Mayor;
- (ii) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
- (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type municipality, another member of Council;
- (iv) Mayor and/or Municipal Manager from another municipality; and
- (v) Member of a Ward Committee as nominated by the Executive Mayor or Mayor.

Cllr EF Mbatha	Mayor/Chairperson
Cllr NV Gumbi	Deputy Mayor
Mr SW Kunene	Chairperson of the Performance Audit Committee (until December 2012)
Mr PC Oosthuizen	Chairperson of the Performance Audit Committee (since February 2013)
Cllr T Mchunu	A Mayor from another Municipality (uThungulu)
Mr VN Khuzwayo	Ward Committee member (nominated by the Mayor)

For purposes of evaluating the annual performance of managers directly accountable to the Municipal Manager, an Evaluation Panel constituting the following persons was established:

- (i) Municipal Manager;
- (ii) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
- (iii) Member of the Mayoral or Executive Committee or in

respect of a plenary type Municipality, another member of Council; and

- (iv) Municipal Manager from another Municipality.”

Dr NJ Sibeko	Chairperson
Cllr EF Mbatha	Mayor
Cllr NV Gumbi	Deputy Mayor
Mr SW Kunene	Chairperson of the Performance Audit Committee (until December 2012)
Mr PC Oosthuizen	Chairperson of the Performance Audit Committee (since February 2013)
Mr M Nkosi	A Municipal Manager from another Municipality (uThungulu)

Performance Evaluation sessions were performed on 1 and 2 November 2012 covering the first quarter of the 2012/2013 financial year on progress over the first three months from 1 July 2012 to 30 September 2012. Formal evaluation sessions covering the first six-month period of 1 October 2012 to 31 December 2012 were held on 24 and 25 April 2013. An informal performance evaluation was again performed on 6 June 2013 on progress on performance over the third quarter covering the period 1 January 2013 to 31 March 2013 of the 2012/2013 financial year. The final and formal performance evaluation sessions of the Municipal Manager and managers directly accountable to the Municipal Manager covering the completed 2012/2013 financial year were performed on 19 and 20 November 2013 to allow sufficient time for validation and auditing of information reported on in the completed financial year. The minutes of all meetings are available on the GroupWise electronic document management system. The final performance evaluation results and scores are reported via the Performance Audit Committee to the Executive Committee and Council before submission of the 2012/2013 Annual Financial Statements and the 2012/2013 Annual Report.

## Auditing of Performance Information

The Municipal Systems Act, 2000, Section 45 requires that the results of performance measurements in terms of section 41 (1)(c), must be audited as part of the internal auditing process and done annually by the Auditor-General. All auditing must comply with section 14 of the Municipal Planning and Performance Management Regulations, 2001 (Regulation 796).

PriceWaterHouseCoopers previously performed the internal audit function to uMhlathuze Municipality and their contract subsequently expired in August 2012. Council has during 2012 created an internal post of Internal Audit Executive within the office of the Municipal Manager to coordinate and manage the Internal Audit function within the Municipality. Umnotho Business Consulting was appointed by uMhlathuze Municipality as the Internal Auditors commencing their services on 1 December 2012. As part of their scope, auditing of the Performance Management System and Audit of Performance Information was performed and reports were received for each quarter in terms of the following:

Project	Focus Area
Review of Performance Information – Quarter 1	<ul style="list-style-type: none"> <li>• Consistency in reporting;</li> <li>• Measurability and reliability;</li> <li>• Performance report reviews;</li> <li>• Performance score verification (Municipal Manager and Deputy Municipal Managers);</li> <li>• Compliance with relevant laws and regulations.</li> </ul>
Review of Performance Information – Quarter 2	<ul style="list-style-type: none"> <li>• Consistency in reporting;</li> <li>• Measurability and reliability;</li> <li>• Performance report reviews;</li> <li>• Compliance with relevant laws and regulations.</li> </ul>
Review of Performance Information – Quarter 3	<ul style="list-style-type: none"> <li>• Consistency in reporting;</li> <li>• Measurability and reliability;</li> <li>• Performance report reviews;</li> <li>• Compliance with relevant laws and regulations.</li> </ul>
Review of Performance Information – Quarter 4 (Annual Report)	<ul style="list-style-type: none"> <li>• Consistency in reporting;</li> <li>• Measurability and reliability;</li> <li>• Performance report reviews;</li> <li>• Compliance with relevant laws and regulations.</li> </ul>

The Auditor-General performed a complete auditing of information submitted in this report together with all achievements reported in the Organisational Performance Management System Scorecard.

## Customer Satisfaction

Council has appointed Urban Econ Development Economists to conduct the 2013 Customer Satisfaction Survey. The comprehensive feedback and analysis report was received in November 2013. The results were communicated to

Council via the Performance Audit Committee per Council Resolution 9014, RPT 155166 dated 3 December 2013. The comprehensive analysis feedback report is available on Council's official website. ([www.umhlathuze.gov.za](http://www.umhlathuze.gov.za) under the 'Performance Management' quick link.

## Annual Organisational Performance Information

The annual performance reporting on the 2012/2013 financial year has been completed and reflected in the Organisational Performance Scorecard in a table format (as prescribed by KZN CoGTA). The Draft Organisational Performance report is herewith presented to the Auditor-General for auditing together with the Annual Financial Statements on 30 August 2012.

This Annual Performance Report (Tables), once finalised and approved should be read in conjunction with the uMhlathuze Annual Report, including the Annual Financial Statements as well as Auditor-General Report on the Annual Financial Statements and Performance Information for 2012/2013.

The table on the next page reflects the organisational performance targets and achievements as reflected in the Integrated Development Plan, in relation to the achievements of the previous financial year, as well as reflecting corrective measures to be taken in the 2013/2014 financial year in cases of under achievement.

The number of households served with basic services as reflected in the table on the next page also includes the performance of external service providers delivering basic services to the community as reflected in section 46(1)(a) of the Municipal Systems Act (No. 32 of 2000). Water distribution to the community by uMhlathuze is delivered through water purification by WSSA and through purified water purchased from the uMhlathuze Water Board. Electricity is distributed to communities by uMhlathuze Municipality through purchasing electricity from Eskom. The remainder of basic services to communities, i.e. solid waste removal (refuse collection) and sanitation is delivered in-house by the uMhlathuze Municipality. The uMhlathuze municipality is fortunate not to be reliant on external service providers, i.e. water, sanitation, solid waste removal services delivered by the district municipality like most other local municipalities do.

The information reflected on the next page has been subjected to the Internal Auditing process (in line with Umnotho Business Consulting and the Municipal Public Accounts Committee) as well as Audited by the Auditor-General and reported via the Performance Audit Committee on 29 August 2013, the Executive Committee on 31 July 2013 and Council on 27 August 2013. Reports are available for inspection.





## Organisational Performance Scorecard 2012/2013

IDP Ref	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure/ Unit of Measure	Baseline 2011/2012 DMS 716929	
					Target	
1.1.4	Good Governance, Community Participation and Ward Committee Systems	Public Participation	Public meetings (IDP and Budget meetings)	Number of meetings	330	
1.1.4		Public Participation	Number of ward committee management meetings held	Number of meetings	New	
1.1.4		Stakeholder Liaison	Stakeholder meetings	Number of meetings	3	
1.2.2		Policy Development	Compliance with all legal prescripts	Percentage of compliance	100%	
2.1	Basic Service Delivery and Infrastructure Development	Access to water	Households with access to basic water	Number of households (82 972 revised in Jan 2013 to 86 609)	72 660	
2.1			% Households with access to basic water	% households with access to basic water (82 972 revised in Jan 2013 to 86 609)	87.57%	
2.1			Households without Basic Water services (backlog)	Number of households (82 972 revised in Jan 2013 to 86 609)	New	
2.1			New water connections	Number of new connections	458	
2.1	Basic Service Delivery and Infrastructure Development	Access to sanitation	Households with access to basic sanitation	Number of households (82 972 revised in Jan 2013 to 86 609)	49 013	
2.1			% households with access to basic sanitation	% households of with access to basic sanitation (82 972 revised in Jan 2013 to 86 609)	59.07%	
2.1			Households without basic sanitation services (backlog)	Number of households (82 972 revised in Jan 2013 to 86 609)	NEW	
2.1			New sanitation connections	Number of new connections	4 500	
2.2	Basic Service Delivery and Infrastructure Development	Access to electricity	Households with access to electricity (uMhlathuze municipal supply)	Number of households	32 996	
2.2			New electrical connections	Number of new connections	120	

	Baseline 2011/2012 DMS 716929	Annual 2012/2013			Planned Measures for improvement	2013/2014 Annual Target
	Actual	Approved Target 2013	Adjustment Target	Actual		
	341	147	147	140	Target not fully achieved. Ward Committee system was not finalised within the first quarter but since quarter two, the Ward Committee system is in place and Committee members are being capacitated.	147
	New	330	330	362	Target achieved and exceeded. Ward Committee system is in place and Committee members are being capacitated.	330
	4	17	17	17	Target achieved, will formalise the portfolio of evidence in 2013/2014.	17
	100%	100%	100%	100%	The target was achieved and all policies in place.	100%
	71 660	72 660	72 660	73 613	Target achieved and exceeded as a result of a carry over project from the previous financial year. Total of 82 972 households amended to 86 609 to align with 2011 Census figures. Most new connections contributed to upgrade of service and not additional households served.	83 342
	86.37%	87.57%	83.89%	84.99%	Target achieved and exceeded as result of carry over project from previous financial year. Most new connections contributed to upgrade of service and not additional households served.	96.23%
	New 11 312	10 312	13 949	12 996	Target achieved and exceeded as result of carry over project from previous financial year. Most new connections contributed to upgrade of service and not additional households served.	3 267
	0	1 000	1 000	1 953	Target achieved and exceeded as result of carry over project from previous financial year. Most nNew connections contributed to upgrade of service and not additional households served.	2 000
	48 050	52 050	52 050	53 667	Target achieved and exceeded as result of carry over project from previous financial year. Total of 82 972 households amended to 86 609 to align with 2011 Census figures.	71 822
	57.91%	62.73%	60.10%	61.96%	Target achieved and exceeded as result of carry over project from previous financial year.	82.93%
	New 34 911	30 922	34 559	32 942	Target achieved and exceeded as result of carry over project from previous financial year.	14 787
	3 537	4 000	4 000	5 617	Target achieved and exceeded as result of carry over project from previous financial year.	5 000
	31 483	31 617	31 617	31 667	Target achieved and exceeded.	32 367
	599	134	134	247	Target achieved and exceeded. Connections dependent on applications received. Infrastructure is in place to deal with applications received.	700

IDP Ref	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure/ Unit of Measure	Baseline 2011/2012 DMS 716929		
					Target		
2.4.1	Basic Service Delivery and Infrastructure Development	Access to solid waste	Households with access to waste disposal services	Number of households (82 972 revised in Jan 2013 to 86 609)	56086		
2.4.1			% Households with access to waste disposal services	% households (82 972 revised in Jan 2013 to 86 609)	68%		
2.4.1			Households without solid waste removal services (backlog)	Number of households (82 972 revised in Jan 2013 to 86 609)	New		
			New households with access to weekly waste disposal services	Number of new households	1 200		
2.1		Free basic services	Households with access to free basic water	Number of households	72 660		
2.1			Households with access to free basic sanitation	Number of households	19 908		
			Households with access to free electricity	Number of households (Municipal supply)	570		
2.2				Number of households (Eskom supply)	New		
2.3		Basic Service Delivery and Infrastructure Development	Access to roads	Kilometres of tarred roads established	Number of km	0	
2.3				Kilometres of gravel roads established	Number of km	24	
2.3	Kilometres of roads maintained (grading)			Number of km	800		
2.5.5		Community and public facilities	New facilities provided	Number of facilities	3		
2.5.5			Upgraded facilities provided	Number of facilities	0		
3.2.4	Local Economic Development	Human settlements	Number of hostel units refurbished	Number of units	90		
3.2.4			Number of new low-cost houses built (uMhlathuze Village and Rural housing projects)	New	360	72	

	Baseline 2011/2012 DMS 716929	Annual 2012/2013			Planned Measures for improvement	2013/2014 Annual Target
	Actual	Approved Target 2013	Adjustment Target	Actual		
	58 894	60 894	60 894	59 494	Target not achieved as result of funds approved on the adjustments budget in January to provide skips. The SCM process resulted in the late appointment of a service provider to manufacture skips. The target will only be achieved in the 2013/2014 financial year and R6.1m has been approved for additional skips over the next two financial years.  The following are the plans to improve compliance in the 2013/2014 financial year: 1. Procure more skips and repair the damaged and place those in the Community. 2. Purchase a special skip vehicle that will ease the load of the current fleet. 3. Get an extra driver for the truck. All three actions above have been budgeted for the 2013/2014 financial year, unlike last year where there was no budget for skips and extra staff. All new applications for refuse service will get the service, but only the rural community will be provided with communal skips.	61 826
	71.0%	73.4%	70.3%	68.7%		71.39%
	New 24 078	25 715	25 715	27 115		24 783
	332	2 000	2 000	600		2 000
	71 660	72 660	72 660	73 613	Target achieved and exceeded.	83 342
	15 445	19 445	19 445	21 061	Target achieved and exceeded.	28 754
	602	632	632	573	Target not achieved, however dependent on indigent applications received.	632
	New	New	1 523	1 472	Target not achieved, however dependent on indigent applications received.	1 523
	0	0	0	0	No new tarred roads planned. A new target will be included in the 2013/2014 financial year for the maintenance of 600km of tarred roads.	0
	6.1	12	12	50	Target achieved and exceeded.	36
	995	600	600	609	Target achieved and exceeded.	600
	1	0	0	0	No funds budgeted for new facilities.	4
	2 sports facilities in process	10	10	4 completed 5 in progress	Target not achieved. Four halls completed as per specifications and budget. Three sports fields were upgraded by sponsored funds and the municipality has no control over such projects. In future, sponsored projects (outside the control of the Municipality) will not be included in the target.	3
	0	90	90	36	Target not achieved. Project not completed in time due to poor performance by contractor. One new contractor has been appointed (on site) for one block. One new contractor will be appointed through the SCM process to complete work not done by previous contractor and also include new block of hostel units. Completion of outstanding work as well as new refurbishment is expected by December 2013.	90
20	2 200	360	720	2 200	Target achieved and exceeded.	1 050

IDP Ref	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure/ Unit of Measure	Baseline 2011/2012 DMS 716929	
					Target	
3.1.1	Local Economic Development	Development of Prioritised Groups	Capacity building Initiatives undertaken	Number of initiatives	4	
3.1		Special Projects	Special projects planned	Number of projects	6	
3.1		Promotion of Local Economy	Jobs created through the Municipality's LED initiatives	Number of jobs	265	
3.1			Jobs created through the Municipality's Capital Projects	Number of jobs	750	
4.1	Municipal Transformation and Institutional Development	Human Resources Management	Number of black staff employed in management (level 15 >)	Number of black staff	79	
4.1			Women employed by the Municipality	Number of women	881	
4.1			Youth employed by the Municipality	Number of youth	TBA	
4.1			Disabled staff employed by the Municipality	Number of staff	40	
4.1			Budget Spent on Workplace Skills Plan (cumulative)	Percentage Spent on budgeted amount	100%	
4.1			% Operating Budget spent on implementing Workplace Skills Plan	Skills levy/Salaries budget x 100 = percentage (Target 1.00% p.a.)	1.00%	
1.1.3.3		Batho Pele Principles	Community surveys conducted	Number of surveys	0	
1.1.3.2	Performance Management Systems	S57 Performance Agreements	Number of agreements	6		
1.1.3	Municipal Turnaround Strategy	Implementation of the National Municipal Turnaround Strategy	% implemented	100%		

	Baseline 2011/2012 DMS 716929	Annual 2012/2013			Planned Measures for improvement	2013/2014 Annual Target
	Actual	Approved Target 2013	Adjustment Target	Actual		
	9	2	2	2	Target achieved	1
	1	2	2	1	Target not achieved. Limited availability of funds resulted in only one special project being conducted. The annual target in future will be only one special project.	1
	119	120	120	0	Target not achieved. Target included and reported in jobs created through the EPWP programme.	Combined with EPWP programme
	238	520	520	1 201	Target achieved and exceeded by far. Target for new financial year combined with LED initiatives.	669
	77	85	85	87	Target achieved and exceeded.	103
	656	659	659	703	Target achieved and exceeded.	723
	558	598	598	655	Target achieved and exceeded.	679
	3	5	5	10	Target achieved and exceeded.	12
	59.33%	100%	100%	<u>698 622.25/</u> 897 500 = 78%	Target not achieved. Obtain quotations at the beginning of the financial year for all approved training as per the WSP to fast track the SCM process for appointment of training services providers.	100%
	0.79%	<u>3 324 100</u> 448 465 000 =0.74%	<u>3 324 100/</u> 448 465 000 =0.74%	<u>3 686 647/</u> 448 465 000 = 0.82%	Target achieved and exceeded.	<u>3 704 400/</u> 50 536 380 = 0.73%
	0	1	1	0 In progress	Target not achieved. Will be concluded in August 2013. The SCM process will in future be initiated earlier in the financial year, with additional motivation during the budget process not to cut the provision of funds based on historical expenses for such surveys.	0
	6	6	6	6	Target achieved	6
	100%	100%	100%	100%	Target achieved	100%

IDP Ref	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure/ Unit of Measure	Baseline 2011/2012 DMS 716929		
					Target		
5.2	Financial Viability and Financial Management	Revenue enhancement	Cash collected from customers	R value of revenue collected	1 500 000 000		
5.2			Amount invoiced/billed to customers	R value of invoices raised	1 559 000 000		
5.1.2		Financial management	Debt service payments	R value (non-cumulative)	182 648 857		
5.2			Total revenue received from grants and subsidies	R value	266 485 000		
5.1.2			Total of grants and subsidies spent	Total grants and subsidies spent / Total grants and subsidies received x 100 = percentage spent	100%		
5.1.1.2			Financial Viability and Financial Management	Debt control	Debt coverage ratio (cumulative)	(Total operating revenue received – operating grants) / debts service payments (interest and redemption due for the year) (x 1 000)	9.26 revised to 9.40
5.2.1.2	Outstanding service debtors to revenue	Outstanding service debtors / revenue actually received for services			$\frac{130\,000\,000}{1\,392\,000\,000} = 0.09$		
5.1.2.1	Cost coverage ratio (cumulative)	(Available cash at particular time + Investments) / Monthly fixed operating expenditure			0.36 Full year revised to 0.23		
5.1.1.2	Total operating budget (revenue)	R value Quarterly			1 861 269 600		
5.1.2.2	Total salaries and wages budget (including benefits)	R value Quarterly			407 860 500		
5.	Compliance with MFMA requirements	Percentage compliance			100%		
5.1.2	Expenditure control	Percentage capital budget spent on capital project i.t.o. IDP			Capital budget amount spent on capital projects / total capital budget x 100 = percentage spent YTD	90%	
5.1.2		Total operating expenditure			R value Quarterly	1 859 685 200	



	Baseline 2011/2012 DMS 716929	Annual 2012/2013			Planned Measures for improvement	2013/2014 Annual Target
	Actual	Approved Target 2013	Adjustment Target	Actual		
	100%	100%	100%	100%	Target achieved	100%
	1 471 349 126	1 575 200 000	1 575 200 000	1 683 349 716	Target achieved and exceeded.	1 703 131 000
	164 515 632	374 517 000	187 258 000	176 643 000	Target is achieved and Exceeded. This is a positive outcome as finance costs were less than budgeted.	184 629 000
	256 277 639	306 434 300	313 934 300	321 429 027	Target is fundamentally achieved as only a marginal shortfall. Grants are governed by the DORA allocations. No improvements can be made besides ensuring that departments spend their respective allocations.	313 332 400
	107%	100%	100%	79%	Target not achieved. The Capital Grant component mainly made up of MIG funding is the reason for the target not been met. MM is overseeing the required improvement in performance by the ITS Dept in adhering to SDBIP. All project plans for 2013/2014 were initiated as from May and June 2013 and are in place in order for the SCM process to commence early in the 2013/2014 financial year.	100%
	$\frac{1\,773\,193\,000 - 167\,258\,000}{164\,515\,632} = 9.77\%$	$\frac{1\,838\,068 - 204\,891}{177\,232} = 9.22\%$	$\frac{1\,876\,526 - 204\,991}{177\,232} = 9.44\%$	$\frac{1\,904\,060 - 195\,157\,000}{177\,237} = 9.64\%$	Target has been achieved. No future improvement required as Municipality's gearing ratio of Debt to Equity is less than 50% – sitting at 21% which implies there is room for greater gearing, hence a reduction in this ratio would be acceptable.	9.63
	$\frac{121\,700\,000}{1\,414\,000\,000} = 0.09$	0.09	0.09	$\frac{154\,843\,895}{1\,647\,668\,296} = 0.094$	This target has been fundamentally achieved. Although marginally below target, its current status is the best in South Africa for all Metros and the 17 Secondary Cities.	$\frac{159\,761\,024}{1\,669\,068\,380} = 0.10$
	$\frac{188716000}{1563993000/12} = 1.45$	$\frac{123896000}{123000000} = 1.01$	$\frac{201247000}{138861000} = 1.45$	$\frac{280396000}{150278000} = 1.87$	Target has been achieved. Target for the 2013/2014 year is twice.	2.13
	1 773 193 429	193 611 100	1 876 525 999	2 040 074 844	Target Achieved & Exceeded	2 091 453 700
	391 065 574	451 428 000	449 751 000	437 125 880	Target Achieved & Exceeded	508 764 400
	100%	100%	100%	100%	Target Achieved	100%
	41,00%	100%	$\frac{175\,821\,000 - 50\,726\,000}{233\,547\,000} = 97\%$	$\frac{115\,037\,000}{233\,547\,000} = 49.26\%$	Target not achieved. The Municipality is seriously underperforming in this environment. The Municipal Manager will ensure an improvement in the planning, administration of the Bid Committees and adherence to the SDBIP for 2013/2014. All project plans for 2013/2014 were initiated as from May and June 2013 and are in place in order for the SCM process to commence early in the 2013/2014 financial year.	338 713 300 =100%
	1 785 072 917	1 812 293 800	1 829 596 730	2 092 074 844	The target was fundamentally achieved. An element of expenditure beyond the Municipality's control is the inconsistent usage/purchase of electricity by large industries. Large industry purchased R36m more than expected. This amount includes the total depreciation cost.	1 989 414 100

## Key for the Measurable Objectives

### Priority

VUNA

Additional/Departmental

#### Comments:

**Access to electricity (new connections):** The quarterly targets and achievements for this KPI are dependent on the number on applications received.

**Free basic service (households with access to free electricity):** The quarterly targets and achievements for this KPI are dependent on the number on applications received.

**Basic services backlogs:** New KPIs were added for households without access to basic water, sanitation and refuse removal services as from March 2013.

**Total number of households:** The annual targets as reflected in the approved IDP have been revised to adjust the total number of households previously reported from 74 269 to the total of 82 972 in 2011/2012 aligned with KZN CoGTA statistics and revised in Feb 2013 to **86 609** based on Stats SA (Census 2011) figures.

**Achievements:** The annual achievements as reported in the Actual (June 2013) column were audited by the Internal Auditors (Umnotho Business Consulting) and the Auditor-General, and final adjustments made together with the Annual Financial Statements and AG Report to KPIs reflected in different shaded backgrounds in the Final Annual Report that will be submitted to Council.





# CHAPTER 4

## Organisational Development Performance

### Department of Corporate Services

#### Diverse Administration

##### Secretariat

The Secretariat Services Section ensured that the Portfolio, Executive Committee and Council meetings were efficiently and effectively managed and administered. The past year's achievement of 'Taking Council to the Community' by Secretariat Services, together with the Public Participation and Councillor Support Sections encouraged and re-affirmed Council's role in representing the people in a transparent and participatory manner culminating in a very successful Council meeting held on 26 March 2013 at the Umzuvukile Sports Field, eNseleni. The intense planning leading to this high profile meeting and the positive response from the residents was very encouraging for both Council and the communities at large.

All meetings of Council were well attended by Councillors with firm resolutions recorded and executed. Of note was a significant increase in Bid Committee meetings which met over and above the scheduled meetings resulting in

reports being processed by committees at breakneck speed. The schedule below reflects the number of meetings held during the year and the number of reports served at the various committees.



**MBALI NDLOVU**  
DEPUTY MUNICIPAL MANAGER  
- CORPORATE SERVICES

#### Printing and Distribution Functions

The centralised bulk printing function, which is managed by this unit and operated by two incumbents in the Printing Room was very productive during the period under review. Four delivery personnel ensure that Councillors receive their agendas, minutes and official correspondences on time by executing numerous after hour deliveries to Councillors' residences. The massive cost involved in printing and distributing agendas and minutes is no simple matter and plans are underway to minimise the use of paper through E-Councillor, to be implemented in the not- too-distant future.

	Council	Executive Committee	Portfolio	Bid	M Team	Other	Total
<b>Jul 12 – Sep 12</b>							
Meetings held	3	6	18	28	2	16	73
Agenda items	147	179	142	75	40	141	724
<b>Oct 12 – Dec 12</b>							
Meetings held	3	6	11	59	4	11	94
Agenda items	248	163	81	132	88	72	784
<b>Jan 13 – Mar 13</b>							
Meetings held	3	8	16	48	3	14	92
Agenda items	130	150	124	147	24	87	662
<b>Apr 13 – Jun 13</b>							
Meetings held	3	6	24	43	6	12	94
Agenda items	169	163	131	109	100	55	727
<b>Total for the year</b>							
Meetings held	12	26	69	178	15	53	353
Agenda items	694	646	478	463	252	355	2897

## Support Services

The control and usage of the various Committee Rooms in the Council Chamber complex as well as the auditorium and restaurant at the Richards Bay Civic Centre falls under the ambit of the Secretariat Services Unit. As such, meetings held in these venues are coordinated by officials in this unit. These venues have hosted numerous departmental award ceremonies, Independent Electoral Commission meetings and training sessions, Human Resources Relationship Building Programmes, sports meetings, budget meetings and many more.

A great number of events by external organisations ranging from the, Uthungulu District Municipality sessions, BEE Training Workshop, Tourism Workshops by the Department of Economic Affairs and Tourism, Birdlife Zululand Workshops, SAPS Workshops, Districts Men Dialogue and numerous seminars and exhibitions, have been hosted in the auditorium. The auditorium is also one of Council's revenue streams and has seen an increase in paying customers over recent months, generating an income in the region of R26 000 for the year under review. In all these instances and more, support from the secretariat staff has been vital in ensuring the smooth running of all these events and functions insofar as guidance in the use of electronic and audio visual equipment as well as the maintenance and upkeep of these venues is concerned.

## Telecommunications

Telecommunications is manned by three staff members. Restrictions imposed on staff to reduce the telephone account to the minimum, have increased the number of outgoing calls handled by the switchboard in addition to an already large number of incoming calls.

The telecommunications operators are the first point of contact with the Municipality and they render a sterling service to the public and the staff. Figures below are an indication of how occupied these operators are in a day.

July 2011 – June 2012	
Incoming calls: 400 491	Outgoing calls: 718 551

Plans are at an advanced stage to turn the Switchboard into a Call Centre and to introduce a toll free number to handle complaints, thereby relieving the Fire Brigade from attending normal service delivery complaints to focus on emergency calls only.

## Airport

The municipal-owned Richards Bay Airport was upgraded through funding received from the KwaZulu-Natal Treasury Department. A new bypass was laid and the taxiways and aprons widened to allow for easy landing, turning and taxiing of the newly acquired SA Express Dash Q400.

In addition, maintenance work was carried out to replace air conditioners and flooring. A screening area was built for privacy when searching passengers. The entrance doors were automated and the municipal logo placed at the entrance. The leaking roof was attended to before the end of November 2012.

## Registry

The purpose of Records Management is to ensure that the management of all the municipal records are in accordance with the records management principles contained in the National Archives and Records Service Act 196.

The Records Section handles all incoming and outgoing mail and is responsible for ensuring that there is proper records management in place. Mail is received through various means, i.e. daily postal collections, email, facsimile and hand deliveries. Before any of the mail can be attended to, it is circulated to the Deputy Municipal Manager: Corporate Services for allocation to various departments and also circulated to Municipal Manager to note and comment on. This process takes a day or two, depending on the availability of senior management.

From the statistical information below, it is evident that this section, manned by six personnel, is fully occupied in ensuring that the mission of the department to ensure efficient and effective records management services are fulfilled.

	Jul 12 – Sep 12	Oct 12 – Dec 12	Jan 13 – Mar 13	Apr 13 – Jun 13	Total for the year
Incoming Mail	1 661	1 228	1 635	2 846	7 370
Cheques received	231	187	180	141	739
Outgoing Mail	5 703	5 348	5 386	5 982	22 419
Emails	9 488	9 866	9 524	11 464	40 342
Faxsimiles	1 900	1 743	1 654	1 975	7 272
Total items handled	18 983	18 372	18 379	22 408	78 142

## Access to Information

The following is the statistical information of Access to Information applications received in terms of the Promotion of Access to Information Act 2 of 2000 for the reporting period 1 April 2012 to 31 March 2013 as per legislative requirement.

### Report in Terms of Section 32 Report

Reporting Period: 1 April 2012 to 31 March 2013	Total Number	Comments
(a) Number of PAIA requests received	13	13 standard applications received
(b) Number of requests granted in full	9	9 applications granted in full
(b) (1) Number of applications not finalised	1	1 applicant did not follow through with the request
(c) Number of requests granted despite there being a ground for refusal	Nil	Nil
(d) Number of requests: (1) Refused in full	1	As the investigations and legal proceedings surrounding the matter had not been finalised the request was declined
(2) Refused partially	1	Part of the request contained third party information
(3) Number of times a provision of PAIA was relied on to refuse a request in full/partially	1	As per above
(4) Number of requests not granted due to their being no record	1	Nil
(e) Number of instances where the 30-day period to deal with a request was extended	Nil	Nil
(f) Number of internal appeals: (1) Lodged with the relevant authority	Nil	Nil
(2) Number of cases where the requests were granted as a result of an internal appeal	Nil	Nil
(g) Number of internal appeals lodged on account of a deemed refusal	Nil	Nil
(h) Number of applications to court on the grounds that the internal appeal was dismissed by the relevant authority failing to give advice of its decision during the timeframes stated in section 77 (3)	Nil	Nil
Comments including those relating to implementation, application, requests, or areas of the Act for which reforms are recommended	Nil	Nil

## Public Participation and Councillor Support

Section 152 of the Constitution of the Republic lists the objects of local government. Among them is to provide democratic and accountable government for local communities and to encourage the involvement of communities and community organisations in the matters of local government.

Pursuant to these noble objectives as set out in the Constitution, Council has taken a deliberate decision to strengthen and intensify its public participation drive. The Councillor Support and Public Participation Unit is charged

with ensuring that there is an organised and structured manner in which the Municipality communicates and/or consults the community on their developmental needs so that intervention programmes can target real community needs.

We are happy to report that over the past two financial years, we have seen a steady increase in the participation of community members in our IDP and Budget road shows. One other programme that we are proud to have been involved in is the Phelophepha Health Care Train in partnership with Transnet, which was stationed at the Empangeni Railway from 5 to 15 August 2013, providing free services such as

diabetes screening, pap smears, eye tests and dental check-ups. About 500 people were seen and received treatment each day, giving much needed healthcare to thousands of our community members.

## Councillor Support

The Councillor Support Section is dedicated to the capacitation of Councillors in order for them to better assist the community. In the 2012/2013 financial year many workshops were held for the benefit of Councillors. This included a workshop on ARV Treatment and an HIV Presentation facilitated by the Municipal Clinic, numerous workshops on Council policies, MPAC training, a workshop on Supply Chain Management, a Human Settlement Workshop, and a Municipal Governance, Administration and Finance Workshop.

In early January 2013, Circular No. 30 of 2012 was received from the Department of Cooperative Governance, which included a section on Tools of Trade for Councillors. In order to adhere to these new requirements, laptops were procured for all Councillors. The ultimate intention of this is for a new 'greener' e-Council, which will ensure paperless meetings, benefiting the environment.

## State of the City Address

His worship the Mayor Cllr EF Mbatha hosted the annual State of the City Address on 20 April 2013, which saw more than 3 000 members of the community in attendance from all corners of the Municipality.

In his speech which covered a range of critical issues, the Mayor emphasised the importance of good governance and service delivery. He noted that when the new Council came into office, the Municipality was on the verge of collapsing, yet we have managed to turn that around through sound financial management and are happy to report that as a result the Municipality has received a clean audit.

On 15 January 2013, the Mayor again hosted a breakfast for Matriculants (class of 2012) who had excelled academically, during which the Mayor awarded six bursaries to the value of R6 000 to the needy but academically deserving students.

## Ward Committees

The Municipality has 30 wards, each of which have Ward Committees comprising 10 members, which means we have 300 Ward Committee members in total. We recently acquired the services of an external service provider to conduct two-day capacity building on Community Based Planning, which is the second module in our six-module

curriculum. Subsequent training of community members on the module for five days will result in a Ward Based Plan being produced. As part of Council's commitment to motivate Ward Committee members, the stipend has now increased from R750 to R1 000.

## Taking Council to the Community

In ensuring that we foster enduring partnerships with our community, Council on 26 March 2013 held its second Taking Council to the Community in Enseleni at Mzuvukile Sports Field, which saw more than 2000 community members in attendance. It again surpassed the attendance of our inaugural meeting which was held in uMfolozi FET in Eskhaleni, which was attended by more than 1 700 community members.

These meetings give both the community and councillors an opportunity to interact closely with each other, and in particular gives the community a bird's eye view of what goes on in Council meetings, while also affording them an opportunity to engage their councillors on critical matters within their various wards.

## Synergistic Partnership with Amakhosi

Over the past few years, Council has in its public participation schedule of meetings, ensured that it conducts sessions exclusively targeting traditional leadership whenever dealing with integrated development plan reviews, as well as the annual budget.

There have also been extensive engagements on other topical issues such as cooperating on ensuring the successful implementation of Government-approved human settlement projects, water and sanitation programmes etc. Council does also now and then facilitate other engagements between Amakhosi and other stakeholders.

There is an acceptable level of cooperation between the two parties, although there is much room for improvement, particularly with regard to integrated development plans and the budget to ensure highly interactive and meaningful participation so that both programmes are continually enriched and advanced.

The City of uMhlathuze has five Traditional Councils within its jurisdiction: Mkhwanazi, Madlebe, Kwa Dube, Kwa Bhejane and a section of Mandlanzini Agri Village under Kwa Mthiyane (Mambuka). As from 30 October 2013 the Traditional Councils will be represented by two Amakhosi who sit as members of Council but will not have voting powers; their role is to bring issues related to their communities to the attention of the Council. We trust that

this will be a very successful initiative that will ensure efficient and responsive services to our community. The two Amakhosi are Inkosi MM Mkhwanazi and Inkosi ZK Zungu, but so far only Inkosi MM Mkhwanazi has been inaugurated. We are hoping to finalise this process very soon.

## Special Programmes

### Operation Sukuma Sakhe

Number of people reached with different kinds of campaigns mainly meant for behavioural change	4 094
Number of people who received different services after intervention, services such as ID documents, birth certificates, learnerships and agricultural services.	2 698
Report writing workshop conducted for Ward Task Teams Office Bearers	87 WTT members were trained
Workshop for people living with HIV/AIDS forum was conducted	15 members were trained
2 Local AIDS Council Meetings were held	
Hosted the District World AIDS Day	100 males were circumcised 50 inmates were circumcised 3 200 were reached with the HIV/AIDS message on testing and prevention delivered by the Premier of KwaZulu-Natal Mr ES Mchunu
Youth Ambassadors trained on behavioural change	87 ambassadors were trained Survey on intergenerational relationships was conducted School youth camps were held at eNseleni Anti-Sugar Daddy material developed for both print and electronic media
Mandela Day	R450 000 was disbursed to three ECD centres as well as other working tools
Hosted Transnet Phelophepha Train for two weeks where health services were provided	2 179 patients were treated for different ailments 1 749 patients received eye services 858 patients received dental services 54 patients received psychological services 1 480 people were reached through community outreach programmes 1 688 people received diabetic education 1 461 learners were screened for different diseases 13 185 pharmacy items were dispensed

### People with Disabilities

On 26 May 2012 a campaign was launched with the aim of championing the interests of people with disabilities. Since then, this sector has developed partnerships with fraternal departments (Social, Education, Health, Transport to mention a few). The motive behind the partnerships was to, amongst other things, address the discrimination that disabled people encounter on a daily basis in that they do not have conducive transport facilities. An intervention is underway to procure our own specially equipped vehicle for the disabled, which will serve as a model for public transport.

### Women Sector

Building from a conference held on 7 October 2012, Council resolved to have a sector that focuses on women's emancipation both in the Municipality and in the community of uMhlathuze at large. Council has thus set aside funds which will assist this sector and ensure that no financial constraints frustrate the fast tracking of women initiatives. This is clear indication of Council's commitment to addressing the imbalances of the past, particularly for women, since they were the most affected by oppression in comparison with other sectors.

By May this year the Municipality will have a fully-fledged Women Structure/Council where women can have



a permanent platform in the Municipality where they can address issues themselves and advise Council on how they wish to tackle them.

## Youth Sector

Since the establishment of a Youth Council, the Municipality's approach has always been to organise youth events. The youth summit held on 19-20 June 2013 resolved that a new approach be followed, which will implement a more programmatic stance than just hosting events. To this end, Council has committed to procuring the services of a suitably qualified consultant to facilitate a strategic planning session to help develop an Integrated Youth Development Policy for the Municipality in line with national strategy.

## Inter Cultural Intergenerational Dialogue

Council resolved to change its strategy by shifting from its event based strategy to a more focused programme that deals with moral regeneration which the Municipality celebrates on 27 April every year or soon thereafter. However, we encourage our communities to practice this ideal 365 days a year.

## Senior Citizens

The Municipality has also developed a Senior Citizens Forum where, among other things, it assists the aged on issues of their well-being. Consequently we have begun discussions with the Social Department (SASSA) to enter into a strategic partnership to ensure that we take better care of our beloved senior citizens. This also includes other stakeholders in the private sector.

## Legal Services

Legal Services is one of the most essential units in the Municipality, providing support to both Administration and Council. The functions and responsibilities of the Municipal Legal Services Unit includes the following key performance areas:

- Institutional corporate legal compliance;
- Giving advice and opinions;
- Labour Law services;
- Coordinate and re-align Municipal By-laws;
- Litigation;
- Providing a contracts management service; and
- Property Legal Services.

Below is the list of documents drafted and vetted and other legal services performed:

Item	Total for Financial Year
Lease agreements	9
Encroachments/Indemnities	8
Sale agreements	3
Other	10
Litigation instituted against Council	5
Litigation instituted by Council	7
Arbitration matters	3

The following by-laws were reviewed and amended during the 2012/2013 financial year:

1. Solid waste by-laws
2. Advertising sign by-laws
3. Street trading by-laws
4. Credit control and debt collection by-laws
5. Funeral undertakers by-laws
6. Cemetery by-laws
7. By-laws relating to flammable liquids
8. By-laws relating to the lease of halls and conference facilities
9. By-laws relating to the control of parking attendants/car guards
10. By-laws relating to public libraries
11. By-laws relating to municipal swimming pools
12. By-laws relating to childcare services
13. Electricity supply by-laws
14. Standing orders for Council and its Committees
15. Nuisance by-laws
16. Bed & Breakfast by-laws

## Business Licences

Business licences issued for the financial year 2012/2013:

Licence Category	Total
Licences issued item 1	96
Licences issued item 2	20
Copy Licences issued	0
Temporary Licences issued	5
Renewals	262

## Human Resources

### Human Resource Administration

Statistics reflect Council's ongoing commitment to work towards achieving its numerical goals in terms of the Employment Equity Act.

### Recruitment, Selection and Placement

#### Appointments (Period 1 July 2012 - 30 June 2013)

During the year 2012/2013, 137 permanent employees were appointed of which 130 were African, three were Indian, two were White and two were foreign nationals.

### Breakdown per Race and Gender

Tabled below is a breakdown of appointments made in Council per occupational level during the 2011/2012 period:

#### Breakdown per Occupational Level

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	3	0	0	0	1	0	0	0	1	0	5
Professionally qualified and experienced specialists and mid-management	4	0	0	0	1	0	0	0	1	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	13	0	1	1	10	0	0	0	0	0	25
Semi-skilled and discretionary decision-making	24	0	1	0	34	0	1	0	0	0	60
Unskilled and defined decision-making	23	0	0	1	17	0	0	0	0	0	41
<b>TOTAL PERMANENT</b>	<b>67</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>63</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>137</b>

#### Promotions (Period 1 July 2012 – 30 June 2013)

During the year 2012/2013, 56 permanent employees were promoted, of which 48 were African, five were Indian and three were White.

Tabled below is a breakdown of promotions in Council per occupational level during the 2012/2013 period:

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	1	0	0	0	2	0	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management	1	0	1	0	3	0	0	0	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	9	0	1	1	3	0	3	1	0	0	18
Semi-skilled and discretionary decision-making	19	0	0	1	10	0	0	0	0	0	30
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PERMANENT</b>	<b>30</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>18</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>56</b>

### Terminations (Period 1 July 2012 – 30 June 2013)

During the 2012/2013 period, there were 130 terminations, of which 67 were African, three were Indian and 17 were White.

Tabled below is a breakdown of terminations in Council per occupational level during 2012/2013 period:

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	7	0	0	6	1	0	0	0	0	0	14
Professionally qualified and experienced specialists and mid-management	2	0	0	0	4	0	0	3	0	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	21	0	1	5	6	1	2	3	0	0	39
Semi-skilled and discretionary decision-making	8	0	0	0	2	0	0	0	0	0	10
Unskilled and defined decision-making	10	0	0	0	6	0	0	0	0	0	16
<b>TOTAL PERMANENT</b>	<b>48</b>	<b>0</b>	<b>1</b>	<b>11</b>	<b>19</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>88</b>

### Terminations Breakdown

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Resignation	18	0	1	4	11	1	1	0	0	0	36
Non-renewal of contract	0	0	0	0	0	0	0	0	0	0	0
Retrenchment – operational requirements	0	0	0	0	0	0	0	0	0	0	0
Dismissal – misconduct	4	0	0	0	1	0	0	0	0	0	5
Dismissal – incapacity	1	0	0	2	0	0	0	0	0	0	3
Retirement	11	0	0	4	4	0	1	6	0	0	26
Death	14	0	0	1	3	0	0	0	0	0	18
<b>TOTAL</b>	<b>48</b>	<b>0</b>	<b>1</b>	<b>11</b>	<b>19</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>88</b>

## Human Resource Maintenance and Development

### Training and Development

The vision of the Training and Development Section is to ensure that Council has a skilled and capable workforce to support inclusive growth and development of skills within the City.

This is achieved through the co-ordination and provision of quality assured skills development and training to Council employees to ensure that they function at an optimal level thus contributing to effective and efficient service delivery.

Developing the skills of Council employees and Councillors is achieved through relevant training interventions and sustainable development initiatives that cascade skills to all disciplines on all levels within the organisation.

The Workplace Skills Plan (WSP) serves as the strategic document that gives direction to training and development within the Municipality. The WSP is aligned to the National Skills Development Strategy, the Skills Development Act 97 of 1998 as well as the Skills Levies Act 09 of 1999. The WSP and Annual Training Report are submitted annually to the LGSETA. Submission of these reports ensures that the Municipality receives its mandatory grant.

Council also has a Bursary Policy which caters for its employees, their children and members of the Community.

During the 2012/2013 financial year, Council employees were trained in the following;

- Conflict management;
- Ride on mowers;
- Safety Representative Training (SHE Rep);
- Fire extinguisher operation;
- Brushcutter operation;

- Tree pruning;
- Customer care;
- Chainsaw operation;
- Demarcation and signage;
- National road traffic legislation;
- Disciplinary procedure and collective agreements;
- Enterprise risk management;
- Municipal Public Accounts Committee (MPAC);
- Method validation;
- Separate, handle, store, treat and transport waste;
- Supervisory training;
- Handle and dispose of waste;
- High angle rope rescue;
- Induction for new employees;
- Minimum competency training;
- MS Excel intermediate;
- Trace and repair auto electrical circuits;
- Bricklaying skills programme;
- Project management;
- General conditions of contracts;
- Basic electrical training; and
- Hazmat.

During the 2012/2013 financial year, Councillors were trained on the following;

- Operation Clean Audit;
- Municipal Public Accounts Committee (MPAC);
- Councillor Induction conducted by Cogta; and
- Women Councillor Training.

It is commendable to note that Council placed 83 learners in in-service training, Graduate Development Programmes and Internships during the 2012/2013 financial year.



## In-service Training

A Memorandum of Agreement (MOA) was signed between the City of uMhlathuze and the Umfolozi FET College wherein Umfolozi FET College provided off-the-job training and Council provided in-service training for learners to be able to graduate.

Council offered in-service training to learners from various training Institutions and also placed learners from the Umfolozi FET College at the Municipality for a period of ten days. Learners were placed in the following departments: Financial Services, Community Services and Corporate Services.



## Internships

Council hosted six interns within the Financial Services department on a Finance Internship Programme. This internship programme is over a two-year period and is funded by National Treasury.

Council also partnered with the Services Seta to provide an internship programme for five human resource and five office administration learners for a period of six months. The learners received stipends paid by the Services Seta. The majority of the learners were from the Umfolozi FET College.



## Graduate Development Programmes

Council also embarked on a Graduate Development Programme that was funded by National Treasury. Twenty-six were graduates placed on this programme within the following departments: Infrastructure and Technical Services, Corporate Services and City Development. These graduates are paid a salary that has been funded by National Treasury.

## Employee Assistance Programme (EAP)

### Supervisory and Management Workshop

Sixty-six Supervisors were trained during this workshop which was facilitated by SANCA. It gave clear guidelines on the role of managers and supervisors in EAP (conducting formal referrals).

## Spiritual Upliftment Programme (Prayer Day)

A prayer day was convened during which various religious leaders together with Peer Educators were invited to pray for the organisation. The main objective is to pray for protection of employees during the holidays. This is a continuous effort.

## Employee Wellness Week

An EAP Wellness Week was held in September 2012 in three consecutive sessions and was attended by 900 employees. These sessions boosted employees' morale and willingness to participate in different sporting codes and activities.

## Emotional Intelligence for the Executive

This workshop was aimed at top management, and emphasised self-emotional awareness, which is an important tool in managing people in the workplace.

## Service Providers Appreciation Ceremony

An appreciation ceremony was held to thank service providers for partnering with Council's Wellness Programme (EAP) in improving quality of work performance and employee well-being.



## UNIZULU Students

A three-day programme was arranged for 53 University of Zululand (UNIZULU) Human Resources and Industrial Psychology students in order to expose them to the different HR roles in the workplace. This is a joint initiative between the various HR sections: EAP, Training, SHE Risk Management, Labour Relations and Personnel Administration. On the third day, Zululand Life-Line and SANCA presented basic counselling skills to the learners.

## Labour Relations

The main focus of Labour Relations is to manage and strengthen relations between Organised Labour and Management. Council is currently engaged in a facilitation process under the auspices of the South African Local Government Bargaining Council (SALGBC). Labour Relations also provides sound and effective, day-to-day advisory services to all supervisors and managers.

## Disciplinary Procedures

All disciplinary processes and grievance processes are dealt with in terms of the collective agreements as agreed upon

by SALGA and Organised Labour. Appeals are also dealt with in terms of the same collective agreement until cases are referred to the Bargaining Council.

Management is always kept abreast of labour related developments as clearly stipulated in collective agreements, the Organisational Rights Agreement, BCEA and LRA by means of workshops with supervisors, which are conducted on a quarterly basis.

Below is a table displaying the number of disciplinary cases handled by the Labour Relations department.

	Matters Received	Finalised	Pending
Disciplinary cases	26	21 (8 dismissals)	0
Bargaining council cases	15	8	7
Labour Court cases	1	1	0

LLF meetings	5
Team building exercises	2
Road shows/information sessions	1

# Safety, Health and Environmental (SHE) Risk Management

## Vision

A work environment where hazards and associated risks are eliminated and/or mitigated through our SHE solutions, support and training, thereby ensuring that all employees are equipped to work together in order to achieve a safe and healthy working environment for all.

## Mission

Our mission is to provide effective SHE solutions to every sector of operations of the Municipality to eliminate and or mitigate any potential risks through:

- Setting and adhering to a SHE Policy;
- Organising the workforce by adopting a positive health and safety culture;
- Planning and setting standards;
- Measuring performance; and
- Learning from experience through effective audit and review.

## Strategic Priorities/Aims

1. To build 'Sensible Health and Safety' into Council's health and safety culture.
2. To ensure that Council is a 'learning' organisation by improving the way health and safety incidents are recorded and investigated, and how lessons learnt from internal and external organisations are communicated.
3. To improve the way that health and safety performance is measured and monitored.
4. To develop leadership skills for managers to improve health and safety performance.
5. To ensure that all people involved in delivery of Council services have the appropriate levels of competency to address their health and safety responsibilities.
6. To ensure that where Council contracts out work to other organisations or works in partnership with other organisations, the occupational health and safety risks are properly and satisfactorily addressed.

In-house safety workshops/training during the 2012/2013 year, included:

1. Contractor safety induction;
2. Employee safety induction;

3. Incident investigation;
4. Demarcation and signage workshops;
5. Portable fire extinguisher training;
6. SHE representative workshops;
7. Property damage workshops;
8. SHE awareness for supervisors; and
9. Alcohol and drugs awareness roadshow.

Training delivered by external providers during the 2012/2013 year, included:

1. Root Cause Analysis Technique (RCAT);
2. Compensation for Occupational Injuries and Diseases Act (COIDA);
3. Hazard Identification Risk Assessment (HIRA) Training;
4. First Aider level 1 and level 2; and
5. SHE representative training.

## Organisational Development and Change Management

This Unit aims at improving the overall effectiveness of the organisation through planned, comprehensive and systematic processes. It involves intervening in the processes, structure and culture of the organisation. There is a strong emphasis on organisational behaviour, human resource development and organisational change.

### Organisational Development

Organisational Development design refers to the process of aligning the structure of the organisation with its objectives, with the ultimate aim of improving the efficiency and effectiveness of the organisation.

### Change Management

Managing change and transition cuts across all the phases of the organisational structuring process. It includes communication and consultation with staff and key stakeholders. How effectively change and transition is managed has a major impact on the final outcome of the organisational structuring processes or any other changes the organisation has to deal with.

## Other Functions

- Productivity and continuous improvement:
  - Efficiency studies;
  - Utilisation studies; and
  - Feasibility studies.
- Business process re-engineering:
  - Cause and effect studies;
  - Process analysis; and
  - Process improvement and workflow analysis.
- Job evaluation facilitation.

## Organisational Development

Council embarked on a project to update all job descriptions in order to be in a state of readiness for job evaluations once an agreement is reached between SALGA and organised labour.

## Change Management

A draft Diversity Strategy was completed with the following objectives and strategies:

- Objective 1:** Research best practices and develop procedures and practices related to the Municipality's Workforce Diversity Plan.
- Objective 2:** Communicate the Municipality's diversity commitment to stakeholders.

## Recruitment

- Objective 1:** Research best practices for locating and recruiting qualified candidates for the Municipality's diverse jobs and career paths and establish a recruitment plan.
- Objective 2:** Discover and connect with qualified applicants in the community in an effort to widen and diversify the applicant pool.

## Employee Development, Promotions and Retention

- Objective 1:** Promote employees based on job-related ability, as measured by uniform and consistently applied qualification and selection standards.
- Objective 2:** Continue to provide employees with opportunities to develop their knowledge, skills and abilities with a goal of promoting them to positions with more responsibility.
- Objective 3:** Improve retention by helping employees remain engaged in their work.

## Employee Diversity Training

**Objective:** Promote understanding and equip employees to create a work environment that is respectful, inclusive, and diverse.

## Accountability

**Objective:** Establish a method of accountability for managing a diverse, inclusive, and respectful environment.

## Information Communication Technology (ICT)

### ICT Overview

ICT is at the core of the municipal operations and is therefore viewed as an important strategic partner to ensure efficient service delivery. ICT must be seen as an integral part of any well-functioning municipality to further ensure effective administration and socio-economic development.

### ICT Performance Monitoring

The ICT Section's performance is assessed on a monthly, quarterly and yearly basis by various structures as follows:

- **ICT Steering Committee:** The committee meets monthly to assess the performance of the ICT Section and discuss the reports submitted. The members of the Committee are the Municipal Manager, Deputy Municipal Managers and the ICT Manager. Officials representing various departments with ICT interests sit in the Committee but do not take part in decision-making.
- **Corporate Services Portfolio:** The ICT Section also submits performance and progress reports to the Corporate Services Portfolio Committee.
- **Internal Audit Services:** The ICT Section is audited on a regular basis, and submits performance reports to the Internal Audit Services as and when required.
- **Audit Committee:** On a quarterly basis, the ICT Section submits progress reports to the Audit Committee with special focus on the progress in addressing the critical issues listed the ICT Risk Register.
- **Auditor-General:** The ICT Section is audited annually by the Auditor-General to ensure compliance with relevant legislation, frameworks and performance targets thereof.

### ICT Service Delivery

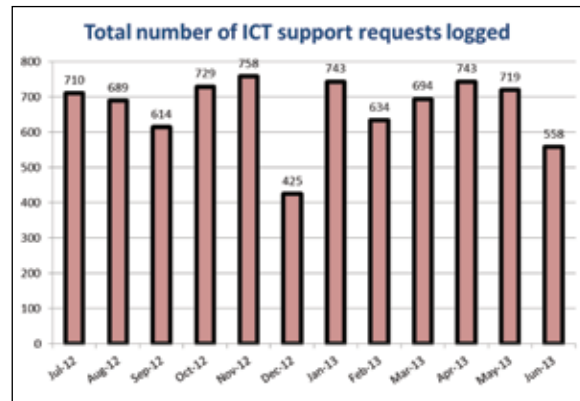
The Service Delivery sub-section of ICT is responsible for the following:



- Establishment, management and maintenance of a functional and effective ICT Service Desk;
- Provision of ICT support services to the end-users as per logged support requests;
- Reporting on logged, resolved and closed support requests;
- Planning, installation, upgrade and relocation of end-user equipment including office automation; and
- Planning, installation and upgrade of end-user software. Maintenance of the ICT Asset Register.

The graph (right) shows the number of requests logged with the ICT Service Desk for the reporting period by month.

Number of support requests per ticket state (status)

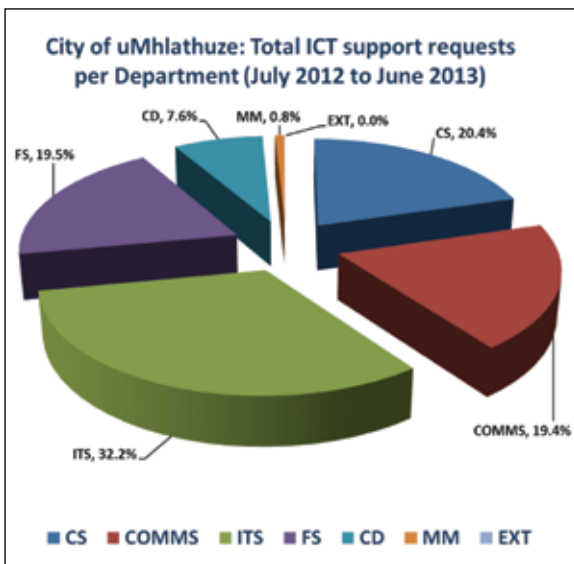


The following statistics show the number of calls opened and closed by the ICT Service Desk for the reporting period.

Status	Jun 13	May 13	Apr 13	Mar 13	Feb 13	Jan 13	Dec 12	Nov 12	Oct 12	Sep 12	Aug 12	Jul 12
Open	9	7	13	1	3	13	0	1	16	11	7	5
Closed	549	712	730	693	631	730	425	757	713	603	682	705
Total	558	719	743	694	634	743	425	758	729	614	689	710

The following chart shows the number of calls opened with the ICT Service Desk for the reporting period per department.

CS = Corporate Services, COMMS = Community Services, ITS = Infrastructure and Technical Services, CD = City Development, MM = Municipal Manager’s Office, EXT = External



### ICT Infrastructure

There are two focus areas of the ICT Infrastructure sub-section:

- **Network connectivity infrastructure**, which entails planning, installation, configuration, support, maintenance and management of all voice and data network devices including access control and CCTV cameras. This sub-section is also responsible for cabling including fibre and wireless radio network infrastructure.
- **Server Infrastructure**, which includes planning, installation, configuration, support, maintenance and management of all servers within the City of uMhlathuze, including backup, DRP (Disaster Recovery Plan) and ICT service continuity planning, implementation, testing, and maintenance.

It is imperative that the Municipality is able to continue servicing the public during times of disaster, hence the implementation of an effective DRP and ICT Continuity Plans.

### ICT Governance and Projects

This sub-section exists to assist the ICT Manager in providing strategic direction for the entire ICT Section, ensure ICT goals are aligned with business objectives and are achieved, risks are managed appropriately, and resources are allocated and used responsibly. It also ensures proper planning and management of all ICT related projects for the City of

uMhlathuze. Key activities include:

- Assisting and supporting the ICT Manager in the provision of strategic direction for the ICT Section;
- Establishing and documenting acceptable Information Technology policies, procedures and standards;
- Capacity planning, risk assessment, management and mitigation, including DRP (Disaster Recovery Planning) and the ICTSCM (ICT Service Continuity Management);
- Conducting compliance audits, coordinating all internal and external ICT audit requirements and formalising corrective action plans and management responses;
- Preparation and co-ordination of all ICT reports; Continual improvement and change management; and
- Planning, co-ordination and management of all ICT projects

The following ICT policies were approved and implemented by Council during the reporting period in compliance with the adopted COBIT Governance Framework:

1. ICT Governance Framework;
2. ICT Change Management Policy; and
3. ICT Disaster Recovery and ICT Service Continuity Management Plan.

The following are registered projects owned by the ICT Section. The Section also fulfils a support role on additional projects.

### Completed Projects

1. ICT Infrastructure Phase 1 – Replacement of Core Switch equipment;
2. ICT Infrastructure Phase 2 – Replacement of Network Switch equipment;
3. ICSM (Integrated Customer Service Management) system development for Contact Centre. Phase 1: Focus on ITS Service Delivery;
4. PBX Telephone system including the establishment of a Contact and Call Centre for Customer Services. Phase 1: Focus on ITS Service Delivery;
5. Managed Print Solution – Organisation-wide roll-out of new leased Use Charged based Network printers;
6. PC Replacement/Refresh Project Phase (1) 2013;
7. Server Migration to new hardware infrastructure;
8. Website redevelopment Phase 1;
9. Solar backup for radio towers Phase 1;
10. Data Projector/Digital display equipment for Council Chambers;
11. Councillors Tools of the Trade roll-out;
12. Wi-Fi hotspots for Richards Bay Civic Centre Council Chambers and conference rooms;
13. DR (Disaster Recovery) Centre activation;

14. GIS Upgrade Project;
15. GIS Geodatabase;
16. GIS Electricity Model;
17. Payday ESS (Technical implementation);
18. ITS Mobile GIS Viewer; and
19. IWQMS (Integrated Water Quality Management System) Feasibility Study.

### Projects In Progress

1. ICSM (Integrated Customer Service Management) system development Phase 2 : Focus on CD, COMMS and CS Service Delivery;
2. PC Replacement/ Refresh Project Phase (2) 2013 ;
3. Vibe roll out and Intranet redevelopment;
4. Internal CCTV implementation (Final Phase);
5. Fund Sourcing for Infrastructure Upgrade;
6. Installation of replacement Digital Delegate system in Council Chambers;
7. Internships continuation; and
8. Website redevelopment remaining phases.

### Projects by Other Departments Where ICT Provides Support

1. Asset Management System;
1. Valuation Roll Management System;
2. Water Loss Management System;
3. Online Instrumentation Management System;
4. CCTV for electrical substations;
5. Website content management support and training; and
6. ERP Enterprise Resource Planning in compliance with SCOA focusing on Financial Services Department and its functions.

### Planned and Future Projects

1. ICT Infrastructure Phase 3 (2013/2014);
2. Time and Attendance;
3. Internship continuation (2013/2014);
4. Wi-Fi Broadband;
5. Fibre Network – Phase 1: Building of a fibre route between Richards Bay Civic to Empangeni Civic. Phase 2: Ring loop between service delivery locations;
6. User Environment Maintenance;
7. Inventory Management System;
8. e-Work System replacement (Electronic Workflow);
9. Visitors management System;
10. Mobile GIS enhancements; and
11. Continuation of solar power at Radio towers and rates offices.



**LINDANI KHOZA**  
DEPUTY MUNICIPAL MANAGER  
- CITY DEVELOPMENT

## Department of City Development

### Land Use Management

### Land Use Management Scheme

Considerable progress has been made in compiling the new Land Use Management Scheme, which will be the instrument whereby development rights of land owners located within the City of uMhlatuze will be controlled and guided. It has been the desire of Council to apply only one town planning scheme to the whole city.

A public participation process was conducted whereby ample provision was made for interested and affected parties to provide their inputs and due cognisance was given to contributions received by Council. The provincial Department of Co-operative Governance and Traditional Affairs was kept informed and constantly involved in monitoring the process, which should streamline final approval of the document at Provincial level early in 2014. Whereas the approach during the compilation of the document was to simplify controls, there was also an effort to keep up with trends, such as adding certain land uses for which a land owner may apply for Council's Special Consent. The local economy will ultimately benefit, due to simplified control mechanisms without compromising the amenities of the town.

The staff are looking forward to the opportunities that the new Land Use Management Scheme will open up for development and the public are also excited about the increase in development potential that will be applicable to certain zonings, whereby the Government's approach to densify and improve on utilisation of available civil and electrical services as well as the accessibility to public transport will be improved.

While the above process was taking place, staff had to keep abreast of developments in the town and in some instances had to address contraventions such as unauthorised land use and illegal densification by having more than the permissible number of additional dwelling units on residential erven.

Various applications for Council's Special Consent and for the rezoning of properties were dealt with and Council's exempted authority status has contributed to the fast-tracking of applications, taking due cognisance of statutory requirements which need to be followed in the process.

### Building Control

#### Building Plans Submission and Approvals for the Period 1 July 2012 to 30 June 2013

The number of building plans received by the Building Inspectorate Section during the period of 1 July 2012 to 30 June 2013 increased each quarter and the following figures indicate the income generated by Council on plans submission.

Period	Total
July 2012 to September 2012	R325 886,67
October 2012 to December 2012	R371 289,96
January 2013 to March 2013	R483 139,09
April 2013 to June 2013	R374 926,66

We have also noticed a significant rise in residential property improvements and a few new residential developments as well amounting to 81% of the total number of submissions during this period.

The commercial and industrial developments submitted during this period remained low at 6%. The additions and alterations to commercial and industrial developments are at 10%. The devotional, educational and others are at 3%.

### Outdoor Advertising

#### Marketing Media Reaching the Widest Audience in the Shortest Period of Time

Council's Outdoor Advertising By-laws are aligned with the South African Manual for Outdoor Advertising Control (SAMOAC) because, if not managed correctly, outdoor advertising can have a major impact on the environment and negatively influence road safety. Outdoor Advertising fulfils an important role in promoting businesses and provides Council with various benefits, not the least of which is financial. It also opens up opportunities for the private sector to participate in a process whereby various types of advertising media can be applied for which in turn also provides service providers with an opportunity to benefit financially as well as gain the necessary exposure. Advertising not only boosts a professional appearance while fitting in with the Metropolis status, it also improves the aesthetics of the City of uMhlatuze.

The majority of people will quite naturally focus on an

outdoor advertisement in comparison to the same ad in newspapers, television or on the radio. Stuck in traffic or waiting at a bus stop, the human eye will rapidly fixate on an outdoor advertising sign to help pass time and alleviate boredom. Thus, positioning of advertisements at busy intersections, along main roads or in industrial areas prone to high volumes of traffic, is ingenious.

The Advertising Signs By-laws also make provision for organisations to advertise their events and activities so that the community is made aware of social, religious and sport fundraising events. The various platforms of advertising i.e. billboards, LED screens, indoor television screens at various Council outlets with high clientele, such as the rates and traffic halls in Richards Bay, Empangeni and eSikhaleni, have enveloped our landscape and have a unique visual appeal. Designs are also compact, meaning no more untidy clutter at numerous road signs. The City Development Department is continuously moving towards establishing the same standards of management and control throughout the City in respect of outdoor advertising so as to expose more opportunities to the outlying suburbs such as eNseleni, Ngwelezane, Vulindlela, Felixton and Mandlazini.

#### Income Generated for the Period 2013/2014

Application fees, rentals and approval fees	R957 881.08
Temporary advertising	R56 217.79

## Property Administration

### General Overview

#### Alienation

The Municipality's land which is not needed to provide the minimum level of basic municipal services and which is surplus to the Municipality's requirements is disposed of in a manner that primarily promotes Broad-Based Black Economic Empowerment through property ownership, development and use as well as first time entry of previously disadvantaged individuals into the property market.

Section 14(2) of the Municipal Finance Management Act (MFMA, 2003) authorises the Council to decide on reasonable grounds during a Council meeting that is open to the public, whether a capital asset is needed for the provision of the minimum level of basic municipal services or not, and to consider the fair market value of the capital asset and the economic and community value to be received in exchange of a transfer of ownership of the capital asset. To enable Council to take an informed

decision on the possible transfer of ownership of its land and buildings as provided for in section 14(2) of the MFMA, the Department of City Development (Estate Administration) must compile a list of all Municipal land and buildings which will contain the following information in respect of each piece of land and building.

### Registration of the IDZ Township Register

In July 2013, the IDZ Township Register was opened after years of waiting. The delays were due to the fact that this was not an easy transaction. There were lots of other matters involved such as servitude, servicing of the land and approval of the DFA application.

The opening of the Township Register is a huge milestone because transactions with RBCD and Grindrod Terminals etc. can now be registered at the Deeds Office.

#### IDZ 1 C

IDZ 1 C is one of the properties that were returned by the IDZ Company to Council. The total extent of this property is 117 hectares and was valued on 26 March 2012 at R44 200 000 excluding VAT and the valuation was updated on 21 August 2013 to R60 000 000. The Property Administration Leasing Section is working on a tender specification to lease this property for 20 years renewable by another 20 years.



## Auto Motor Showrooms



The tender for development of auto motor showrooms was advertised in April 2013 and closed on 7 June 2013. On the closing date only one offer was received from Mtunzini Ontwikkelings CC for the purchase of Erf 16586. Their proposal is for a Suzuki Car Dealership.

On the strip of land earmarked for auto motor showrooms, Council is now left with Erven 16587, 16588 and 16589 Richards Bay. These properties will be sold by public tender in the near future.

## Alienation of the Heritage House Erf 31

The tender was advertised in 15 April 2013 and closed on 15 May 2013. On the closing date, two offers were received and a financial offer of R1 158 000 excluding VAT was also received. The proposed development of the property is not known at this stage.



## Income received between July 2012 and June 2013

Quarter	Income (VAT excl.) R
Jul – Sept 2012	1 595 000,00
Oct – Dec 2012	2 012 000,00
Jan – Mar 2013	118 438,00
Apr – Jun 2013	438 596,44
Total	4 164 032,00

## Leasing

### Leases Administered by the Section

Public Open Spaces Leases	201
Adopt-a-Spot Leases	6
Agricultural Leases	7
Arts and Crafts Leases	1
Encroachment Leases	55
Advertising Leases	34
Diverse Leases – Commercial	41
Diverse Lease – Social	28
Diverse Lease – Infrastructure	29
Esikhawini Hostels	214
Total Leases	616

A total annual income generated on the above leases is approximately R10 454 981,16, including the eSikhaleni Hostels.

Council is now embarking on a process to align the lease agreements with the aim of rectifying various anomalies and placing such leases into the correct rental categories in accordance with Council's approved policy.

## Valuation

The Valuation Section is responsible for valuing immovable properties for rating purposes.

The Municipal Property Rates Act No. 6 of 2004 was implemented in order to provide for a standard basis of valuation across South Africa. The MPRA is a national law that regulates the power of a municipality to value and rate immovable properties (that is building and land) located within the boundaries of a municipality.

A Public Notice for the Twelve Supplementary Valuation Roll, which consisted of 186 properties with a total value of R1 294 173 000 and was part of Tender 8/2/1/181 was advertised on 18 October 2012 in the *Zululand Observer* for two consecutive weeks, 10 & 17 October 2012 and to the *Gazette* on 17 October 2012 as per the Act. The objection period was from 18 October 2012 to 23 November 2012. We

received a total of 15 objections, one of which was dealt with as a query and the remainder as objections which were subsequently finalised.

BPG Mass Appraisals were appointed for the Second Cycle: General Valuation as of 1 December 2012 to 30 June 2016 with Tender 8/2/1/711. A Public Notice was advertised on 21 & 24 January 2013 that data collectors would be visiting all homes between 7:30 to 19:00 daily except Sundays and public holidays. It was advertised again on 21 March 2013 in the *Zululand Observer*.

The Second Cycle: General Valuation (GV) was published on 15 April 2013, in three languages for two consecutive weeks in the *Zululand Observer* and *Gazette*. The GV consists of 34 750 properties with a total value of R36 112 145 950.

CAB was appointed to print and post Section 49 notices for the Valuation Roll. Letters were sent to CAB on 26 April 2013 and were dated for 1 May 2013. The Council decided to extend the objection period to accommodate ratepayers from 7 June 2013 to 28 June 2013. The number of objections that were received came to approximately 1 471, all of which were dealt with except for two, Tata Steal and Mondi. Following the closing date of objections for the GV, Council furthermore decided to accommodate ratepayers by allowing them to query their valuations should they have missed the objection period. A number of 74 queries have thus far been received for processing. Council has already embarked on the 10% review phase since 18 November and the close out report is anticipated for the end of January 2014.

## Local Economic Development

### Business Support and Informal Markets

#### Agricultural Support

The small-scale farmers on Council's Agricultural Support Programme received training on value adding skills from 20 August till 9 November 2012, conducted in partnership with the Department of Agriculture, Environmental Affairs and Rural Development. The Municipality provided input for the training and transportation of the farmers and the Department of Agriculture, Environmental Affairs and Rural Development provided facilitation, provisions for the farmers and certification.

Following numerous requests for agricultural support from small-scale farmers within the uMhlathuze Municipality, all projects were evaluated and culminated in the handing over of agricultural implements and seedlings during the period 14 May 2013 to 10 June 2013.

#### Annual Agricultural Market Day

The City's fifth Annual Agricultural Market Day was held from 26 September to 29 September 2012 at the Open Space in front of the Richards Bay Civic Centre. Twenty-five (25) agricultural projects/cooperatives on Council's Agricultural Support Programme participated.

The annual Agricultural Market Day event was hosted in partnership with the uThungulu District Municipality.

### Business Support

#### SMME Training

A total of 23 SMMEs were afforded training on business management skills in partnership with the Department of Economic Development and Tourism.

Basic business principles and entrepreneurship skills training was offered to 26 SMMEs in partnership with the National Empowerment Fund from 12-15 March 2013.

#### SMME Marketing

Marketing a business is an important element for the survival of a business. With a high percentage of businesses failing within the first few years of their establishment, the Department City Development (Business Support, Markets and Tourism Unit) afforded the Small, Medium and Micro Enterprises with an opportunity to advertise their businesses in the Municipal rates halls in all Municipal offices and LED screens at Empangeni and Richards Bay.

An advertisement was published in the local newspaper requesting interested SMMEs to send their applications for their businesses to be considered for the electronic advertisement. Twenty SMMEs were selected and grouped into five clusters, and each cluster was advertised for two months commencing from July 2012 to June 2013. Eighteen SMMEs were identified

#### Informal Trading

Financial literacy initiatives aim to increase financial knowledge and change financial behaviour. As informal traders experience financial education, they become more confident about financial matters, make more informed financial decisions, and become more self-sufficient and financially secure. At the same time, the uMhlathuze economy benefits from a well-educated society. With this in mind, the Municipality, in partnership with ABSA Bank, provided training for 64 informal traders in budgeting and the new Consumer Bill during the financial year.

## Construction of Informal Trading Stalls

Following the successful submission of an application to the Department of Corporate Governance and Traditional Affairs (CoGTA), a grant of R7 million was received for the construction of a total number of 300 market stalls at the Richards Bay Taxi City, Empangeni A and B Ranks. The objectives were to provide 100 stalls each at the three ranks, as well as to create employment and opportunities to achieve the objectives of the Municipality's IDP.

All tender processes were finalised during the year, and it is anticipated that construction at the Richards Bay Taxi City and Empangeni A Rank is anticipated to commence in August 2013, and end in February 2014.

## Mentorship Programme

A mentorship programme designed and packaged by the Department of City Development (Business Support, Markets and Tourism Unit) was carried out with ten selected SMMEs over a six-month period, covering:

- General management and administration;
- Recording and budgeting;
- Marketing;
- Production control;
- Administration;
- Human resources;
- Tendering;
- Budgeting; and
- Business legal requirements.

## Community Skills Development

### Certificate Handover

The Department of City Development partnered with the Department of Economic Development and Tourism in capacitating community members with soft and technical skills. The community members who proved competent in computer literacy, business management, carpentry and electrical skills received certification of competency on 27 November 2012.

Course	Certification of Competency
Carpentry	9
Business management	38
Computer literacy	40
Electrical skills	11

## Informal Trading Administration and Development

### Informal Trading Licensing

As part of restoring control measures and regulating the informal economy within the uMhlathuze Municipality, the Department of City Development (Business Support, Markets and Tourism Unit) renewed and issued informal trading permits for 2013 to the informal traders that are on Council's Informal Trading database.

## Tourism Development and Promotion

### Advertising

The main aim of advertising is to highlight the attractions available in uMhlathuze, and to market uMhlathuze as a preferred coastal destination in northern KwaZulu-Natal. Advertisements were successfully placed in the following publications, which target local and international tourists:

1. The Best of KZN and Swaziland 2013/2014;
2. So Much to Do Zululand May 2013; and
3. Woza Zululand 2013/2014.

### Training for Product Owners

In partnership with the Tourism Enterprise Partnership, uMhlathuze Municipality trained tourism product owners in the following categories:

- 14 March 2013 – Customer First (25 attendees);
- 15 March 2013 – Tourism Awareness (22 Attendees); and
- 27 March 2013 – Pricing (21 Attendees).

## Expansion and Upgrade of the Alkantstrand Beach Node

uMhlathuze Municipality received a grant from the Department of Cooperative Governance and Traditional Affairs (CoGTA) for the expansion and upgrade of the Alkantstrand Beach node, and construction is anticipated to commence towards the end of 2013.

## Picnic Sites

The Department of City Development (Business Support, Markets and Tourism Unit) identified open spaces utilised by the public as picnic sites although having no amenities. Twelve sites were identified, and following advice from City

Development: Spatial Planning Unit, City Development: LUM Unit as well as Community Services regarding the suitability of the areas, picnic furniture and in some cases, braai stands, were placed in scattered sites as follows:

Suburb	No. of Sites	Picnic Furniture Sets	Braai Stand
Empangeni	5	13	6
Richards Bay	3	8	5
eSikhaleni	1	2	1
Vulindlela	1	2	1
Ngwelezane	1	2	1
Brackenham	1	2	1

### Tourism Safety Monitors Project

The project to train participants in various tourism programmes, namely tour guiding, safety, customer care and basic first aid, commenced in May 2012 and is continuing with 30 participants active at Alkantstrand Beach. The main stakeholders are:

- Department Economic Development and Tourism;
- AGB Mathe Business Services; and
- uMhlathuze Municipality.

### Tourism Ambassador Project

This project, which commenced in April 2012, saw the placing of selected beneficiaries with host employers for nine months, with a further three months' theory training in a classroom environment. The skills training included event assistance, customer care, volunteer work and table attendant/assistant housekeeping. Stakeholders included the National Department of Tourism, Tourism World, the Department Economic Development and Tourism, as well as the uMhlathuze Municipality.

### Beach Festival

The event was held on 15 to 16 December 2012 at Alkantstrand Beach and included live music performances, inflatable rides for the children and poetry.

The event was a huge success, as the objective of showcasing uMhlathuze as a tourist destination for families during the December holidays was met, and also provided an opportunity for the public to engage with officials on a less formal basis.

## Public Transport Facilities and Operations

The Public Transport Facilities and Operations Coordination Unit was established by Council in order to create capacity needed to restore proper management and control, improve liaison with all public transport roleplayers and stakeholders, and to ensure better coordination of operations and service rendering. This has marked a significant shift from a previous era, during which Council had looked disengaged, which then resulted in the deterioration of the facilities and infrastructure due to a lack of routine and periodical maintenance and usurping of the Council's authority by certain operators. There are about 24 intermodal facilities and hundreds of thousands of commuters go through them on a daily basis.

Since its inception, the Unit has been researching legislation regarding governing public transport, consulting, routinely monitoring transport activities and operations and also inspecting the public transport/intermodal facilities in order to detect and highlight the most urgent maintenance issues requiring immediate intervention.

Emanating from these processes have been the development of systems and programmes Council needs in order to turn the situation around. Hereunder are the most noteworthy initiatives achieved so far:

#### (a) Determination of management and protocols: public transport facilities and operations

The report approved on 28 November 2013 encapsulated a variety of challenges haunting public transport/intermodal facilities in general, as well as pin pointing essential remedying protocols and measures Council should take. The approved management and protocols strategy established broad mechanisms that:

- Establish procedures and standards that shall apply in all legally used public transport/intermodal facilities;
- Advocate the introduction of a rank permit system;
- Regulate the deployment of operator controlled security personnel within ranks; and
- Issue a directive calling on Council departments to prioritise and provide routine and periodical maintenance of the facilities.



**(b) Initiation of a strategic relationship with land public transport operators and other key stakeholders**

In recognition of the strategic role played by public transport in driving the economy and domestic tourism, Council will spearhead initiatives chiefly aimed at building and promoting a symbiotic working relationship with public transport operators. As a result, Council has resolved to conduct the following:

- Engage public transport stakeholders and role players by hosting Public Transport Summit; and
- Facilitate workshops and awareness programmes to cater for issues such as customer care, negotiation and conflict resolution skills, and business diversification skills.

This is indicative of Council's commitment towards public transport, particularly in order to improve its efficiency and most importantly, to reduce conflicts that often plague the sector.

**(c) Provision of municipality comments in respect of received operating authority related applications by operators**

Having realised the responsibilities entrusted to the Municipality by provisions of the National Land Transport Act 5 of 2009, a report was produced to precisely highlight to Council the significance of comments provided in the regularisation of operators in order to rid the sector of turf-related wars.

Council resolved to create a Committee that will consider applications and make decisions based on sound planning principles. This approach is important

to protect officials or individuals as it takes away any point of contention and is a panel of people with no vested interests that will consider such matters. Again, this approach will give expression to migration from a supply-driven to demand-driven public transport system informed by developed plans. This will go a long way in reducing conflicts and in the process, limit Council exposure.

The combination of these processes and other ongoing activities are laying a solid foundation upon which public transport matters are to be addressed and positively impacted on. Council is humbled by the level of cooperation and enthusiasm shown so far by those involved, which augurs well for brighter and better prospects of stability and progress in the future.

## Development Administration

This Section is responsible for the administration and evaluation of applications submitted in accordance with the new KwaZulu-Natal Planning and Development Act, 2008, which commenced on 1 May 2010. Applications may include rezoning, subdivision and consolidation of land, development of land situated outside scheme areas, phasing or cancellation of approved layout plans for subdivision or development of land, the alteration/suspension/deletion of restrictions relating to land, and permanent closure of municipal roads and public places.

The section attended to the following applications during the 2012/2013 financial year:

	Richards Bay			Empangeni			Total
	Rezoning	Subdivision/ Consolidation	Combined Application (e.g. Rezoning and Subdivision)	Rezoning	Subdivision/ Consolidation	Combined Application (e.g. Rezoning and Subdivision)	
Apr – June 2013	2	2	4	1	1	2	12
Jan – Mar 2013	1	0	9	2	0	3	15
Oct – Dec 2012	3	0	1	0	0	1	5
July – Sep 2012	0	3	6	0	0	4	13

The following is a sample of the important development projects relating to Council-owned land that have been finalised by the City Development Department during 2012/2013:

### Erf 1030 Ngwelezane-B



Erf 1030 Ngwelezane-B is located at the corner of Bhubesi Road and Thanduyise Drive in Ngwelezane.

The subdivision and rezoning of the erf was approved by Council on 20 November 2012. Transfer of the individual erven to the occupiers of the erf may proceed as soon as compliance with the conditions of establishment has been proven.

### Meerensee Retirement Village



The proposed Meerensee Retirement Village (7,78 ha in extent) is located in Meerensee, adjacent to the LAC Centre.

Township establishment for the retirement village was approved by Council on 25 March 2013. Upon compliance with the conditions of establishment, the erf will be ready for alienation via public tender, or when market forces dictate a need for such a development.

### Richards Bay Civic Centre Extension



The proposed extension to the Richards Bay Civic Centre (approximately 2ha in extent) is located between the existing Richards Bay Civic Centre and the East Central Arterial.

Council intends to erect additional office space on this portion of land, and township establishment for the new property was approved by Council on 23 April 2013.



### Richards Bay CBD Extension

The proposed extension to the Richards Bay Central Business District (115 ha in extent) is located between Guldengracht in the North, the East Central Arterial in the East, John Ross Highway to the south, and the West Central Arterial/Bullion Boulevard to the West.

Township establishment for the creation of 'superblocks' was approved by Council on 23 April 2013.

It is anticipated that the further subdivision of the superblocks would be addressed early in 2014.

## Central Industrial Area



The proposed Central Industrial Area (138 ha in extent) is located between the existing service industrial area and the Alton general industrial area in Richards Bay.

Township establishment for the Central Industrial Area was approved by Council on 16 July 2013. Upon compliance with the conditions of establishment, Council could initiate alienation of the first phase of the development via public tender.

The first phase of the development would focus on the alienation of the erf located towards the west of the Central Industrial Area (17,6ha), which can be accessed via Guldengracht.

Phase 2 of the project can commence only once the extension between Kruggerand in the Richards Bay CBD area and Ceramic Curve in Alton has been constructed.

## Strategic Development and Environmental Planning

### Richards Bay CBD South Extension

A team of specialists have been appointed to assist Council with town planning related matters for the extension of the Richards Bay CBD in a southerly direction. Additional



funding support (R3 758 000) has been secured from CoGTA (Department of Co-operative Governance and Traditional Affairs) for such purposes. The environmental approval process is well underway. The study area is also significantly constrained by wetland and only about 20% of the site is deemed developable.

The following studies/activities have been completed:

- Traffic Impact Assessment;
- Super Block Statutory Survey;
- Urban design/3D concept; and
- Development modelling.

On 18 May 2005, the then KwaZulu-Natal Development Tribunal (known as the DFA Tribunal) approved the application for development of medium income housing on Portion 7 of Erf 7955, Hillview, Empangeni. The area has remained vacant since its approval in 2005 and the Municipality has not managed to raise funds for bulk infrastructure development.

The 2013 City Development Market Assessment indicated a need for mixed used development and it is for this reason that the department has redesigned the development layout into a mixed used development which will also assist in addressing infrastructure installation challenges. The proposed 52 ha reconfigured development layout consisting of:

- Eight general residential sites: High density development = 2.7 ha;

- 37 special residential sites: Single residential = 1.7 ha;
- 1 commercial site = 2.3 ha;
- 1 local authority site = 0.6 ha;
- 1 devotional site = 0.5 ha;
- 1 recreational = 1.2 ha; and
- 1 public open space = 9.27.

Township establishment is yet to be initiated and the services installation is likely to gain environmental approval.

## Richards Bay Waterfront

In the latter part of 2011, uMhlathuze Municipality completed a Participatory Review of the Conceptual Framework for the Richards Bay Waterfront. The proposed concept consists of the following five distinct precincts, each with its own landscape characteristics and accessibility:

- Mzingazi Canal Gateway Precinct;
- Central Waterfront Precinct;
- Waterfront Park Precinct;
- Alkanstrand Beach Precinct; and
- Newark Beach Precinct.

**Environmental Impact Assessment:** Site specific development and infrastructure provision are likely to trigger an environmental approval process.

**Township Establishment:** The Township Establishment (PDA process) still to be undertaken.

## Alkantstrand/Newark Beach Upgrade

The overall intention of the initiatives mentioned hereunder is to support recreational activities and enhance the tourism potential of the Alkantstrand Beach Node. The Alkantstrand/Newark Upgrade project is in line with the Waterfront conceptual framework that was devised by the Municipality. The architectural landscaping designs were completed in 2012 and take into consideration the following key activities:

1. Expansion of the Alkantstrand Beach recreational area into Newark Beach Node:
  - Clearing/felling of casuarina trees;
  - Minor earthworks; and
  - Landscaping/ grassing of Newark Beach.
2. Creation of cobble stone walkways and wooden decks for the entire precinct.
3. Provision of picnic and braai facilities for the extension area.



Phase 1 of the project, clearing/felling of casuarina trees, minor earthworks, landscaping/grassing of Newark Beach will commence soon.

## Empangeni Revitalisation Plan

The plan was born out of the 2011 Urban Development Framework Manual developed by KZN CoGTA, which identified the need to develop the Empangeni Town Centre Revitalisation Plan to provide the uMhlathuze Municipality with urban design and town centre rehabilitation guidelines for future development and management of the area. The plan will also assist the public and private sector in the development of an acceptable built form for the area.

In the latter part of 2012, a service provider was appointed by KZN CoGTA to assist uMhlathuze Municipality with the preparation and development of the Empangeni



Town Centre Revitalisation Plan. The Plan was completed in July 2013 with specific projects to be implemented by the Municipality in conjunction with other spheres of Government and the private sector.

## Proposed Maxwell Street Overview

### Main Boulevard Along Maxwell Street: Cross-Section

#### Technical Assessments for Various Areas

During 2012/2013, various technical studies were commissioned for areas that are currently subject to township establishment, installation of services, or those areas requiring possible human settlement/disaster management intervention. To this end, the City Development Department commissioned geotechnical, flood risk and wetland assessments for the following areas:

- Mzingazi;
- Mandlazini and Airport Buffer Strip;
- uMzingwenya Informal Settlement;
- Nseleni Peri-Urba Settlement; and
- Esikhaleni Infill Areas.

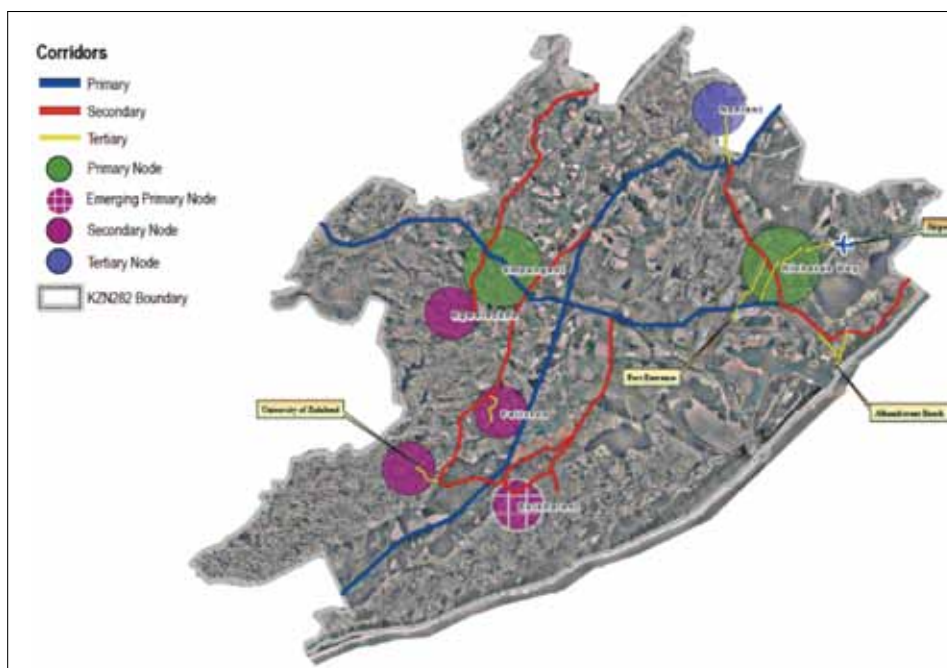
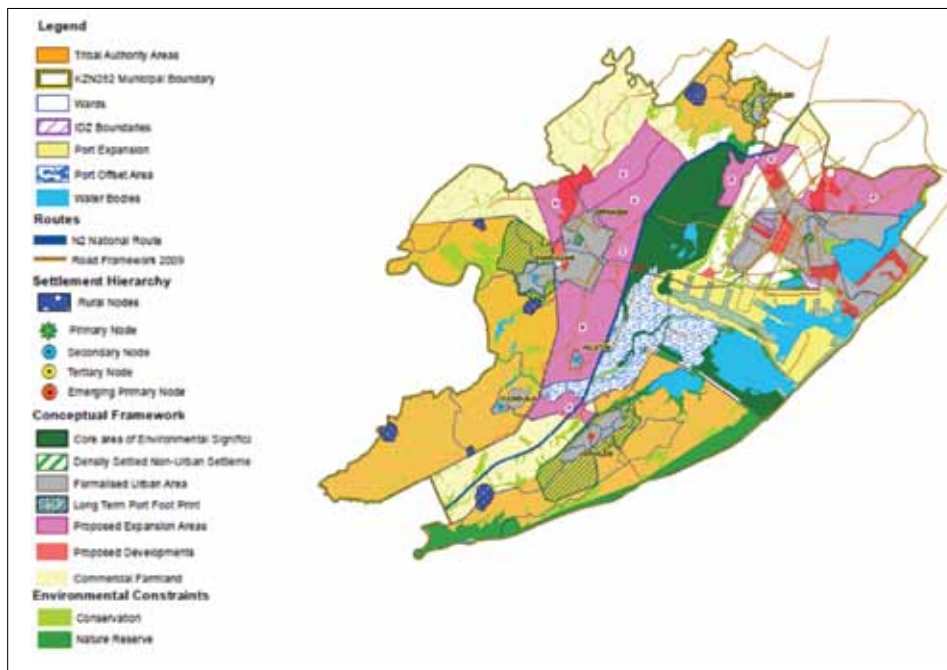
The results will essentially inform township layouts in order to conform to best practice development standards and avert situations where communities are confronted with flood and environmental risks. Such assessments are furthermore considered to be a progressive approach in terms of addressing topical issues around adaptation to climate change.





## Spatial Development Framework (SDF) Review

The uMhlatuze SDF was up for review during the course of 2013. The SDF was developed giving due consideration to settlement densities, movement corridors and natural features, and identified a number of expansion areas to accommodate future development. A number of technical investigations and growth projections informed the identification of these expansion areas. The extent of the proposed future expansion areas are indicated in the SDF.



## SDF MAP

### City of uMhlathuze Development Nodes and Corridors

From the map it can be seen that the two primary nodes on the municipal area are Richards Bay and Empangeni. eSikhaleni is an emerging primary node. The towns of Ngwelezane, Vulindlela and Felixton are secondary nodes while Nseleni has been classified as a tertiary node. These descriptions of the nodal areas have been based on the functionality of the respective nodes. A generally well defined corridor hierarchy exists in the municipal area. In most instances, nodal areas have access via at least two major corridors but when the functionality of one of the main access corridors is hampered access is affected due the overall increase in road transport volumes.

### uMhlathuze SDF Implementation Plan

Although the uMhlathuze SDF has a longer term vision, the following short to medium term actions are required based on information contained in the previous sections.

No.	Description	Yr 1	Yr 2	Yr 3
1.	Investigate feasibility of relocating Richards Bay Airport			
2.	Identify site alternatives for relocating Richards Bay Airport			
3.	Review densification and residential infill study and expand project scope of work to include all urban areas of the Municipality			
4.	Update of Rail Framework Planning given SDF Review proposed expansion areas			
5.	Electricity Master Plan given SDF Review proposed expansion areas			
6.	Agreement with National Department of Agriculture in respect of SDF Review proposed expansion areas development roll-out			
7.	Agreement with Department of Minerals in respect of SDF Review proposed Expansion Areas development roll-out.			
8.	Further detailed planning of intersection nodes in terms of phasing and development guidelines.			
9.	Opportunities pertaining to areas of natural beauty and tourism be investigated in more detail in future in order to provide more detailed planning guidelines			
10.	Identify densely populated peri-urban areas and undertake baseline investigations to inform future development or formalisation of decisions.			
11.	Identify informally settled areas and undertake baseline investigations to inform future development or formalisation of decisions.			
12.	Preparation of rural concept plans			
13.	Investigation of the area including and in the vicinity of the Thulazihleka Pan to guide future land use decisions			
14.	Urban regeneration projects for the commercial precincts of eSikhaleni, eNseleni, Ngwelezane and Empangeni Rail			

## Human Settlement

### eSikhaleni Hostels/Flats Refurbishment

The refurbishment of hostels is a programme funded by the Department of Human Settlements under the old Hostel Re-development Programme, which has now changed to Community Residential Units (CRU). One of the objectives of the programme was to promote human living conditions and include plans for accommodating those who were displaced by the project.

Council has assisted the hostel displacees with an opportunity to benefit from the low-income housing scheme at Dumisani Makhaye Village. In order for hostel displacees to qualify for low-income housing, it was compulsory for them to meet the qualifying criteria set by the Department of Human Settlements.

There are 20 hostel blocks spread throughout eSikhaleni. Each block consists of 18 units, bringing the total number of units to 360. The Municipality has the following hostel projects situated at eSikhaleni Township:

Hostel Name	No. of Units	Status
King Cetshwayo (H862)	36 (2 blocks)	Refurbishment underway
Chief Albert Luthuli (H395)	54 (3 blocks)	Refurbishment underway
Bhambatha (H396)	90 (5 blocks)	Not Refurbished
Madala (J1169)	36 (2 blocks)	Refurbished
Sinqobile (J1083)	54 (3 blocks)	Refurbished
Sokesimbone (J223)	36 (2 blocks)	Refurbished
Impala (J464)	36 (2 blocks)	Refurbished

The Municipality is in the process of appointing a contractor for the refurbishment of Bhambatha Hostel (H396), which is currently in the preparation stage. The Department of Human Settlements has advanced R20 million towards this project. The services of a quantity surveyor were sought to compile the necessary documents in preparation for the tender process. It is anticipated that the project will begin in 2014.

### Urban Housing Projects

Project Name	No. of Units	Houses Built
Dumisani Makhaye Village Phase 1-3	1 191	1180
Dumisani Makhaye Village Phase 5	313	313 complete
Dumisani Makhaye Village Phase 7	548	379
Dumisani Makhaye Village Phase 6 and 8	1 400 (RDP, CRU, FLISP, SH)	Planning stage
Aquadene	1 964 (RDP, CRU, FLISP, SH)	Planning stage

### Rural Housing Projects

Project Name	No. of Units	Houses Built
Mkhwanazi	1 000	925
Madlebe	1 000	623
Dube	1 500	4
Bhejane	1 200	0 (pre-construction in preparation for Stage 2)



# Department of Infrastructure and Technical Services

## Electricity Supply Services

The Electricity Department, through energy management, has advanced several opportunities in terms of energy saving initiatives:

- Green buildings: solar water heating, energy efficient lighting, energy conservation sensors;
- Management of mercury;
- Adoption of an energy strategy that will be an exclusive sector plan for the IDP;
- An amount of R8 million has been gazetted by the Department of Energy from the Energy Efficiency and Demand Management Grant 2012/2013; and
- The grant is for the implementation of energy efficient lighting technologies in the Municipal building, street and traffic lighting infrastructure.

## Energy Management

### Department of Energy Grant

Rationalised user specification or light emitting diode (LED) streetlight luminaires has been developed and adopted by the relevant departments.

A detailed study of the best or recommended energy efficient streetlight roll-out has been prepared and hence:

- Replacement/retrofit of 70, 100, 250 and 400W HPS streetlight luminaires with the equivalent side entry light emitting diode (LED) streetlight luminaires fitted with the Integrated Luminaires Controller and external antenna for the tele-management system. Example of the savings: 250W HPS can be replaced by 117W LED.

A detailed study on energy consumption of existing Traffic Signals, resulting in the:

- Replacement/retrofit of incandescent lamps to LED – total energy consumption savings per all 84 intersections is 90%.
- A detailed study and report on electricity consumption on raw water purification and sewerage plants.

A school awareness project on electricity and energysavings has been rolled-out to 12 different schools around the City of uMhlatuze area KZN 282. Please view DMS 918198, 901118.

An amount of R25 million has been requested for the 2014/2015 financial year.

## Projects not Funded by the Department of Energy

The following technologies to explore the potential of renewable energy in the City of uMhlatuze are at the request for proposal of expression of interest stage:

- PV Solar Plant;
- Agricultural Biomass to Energy;
- Waste Heat Recovery to Energy;
- Hydrogen Dispatcher to Energy;
- Waste Tyres to Energy , Wave Harnessing; and
- Proposed Wind Farm at Empangeni Area.

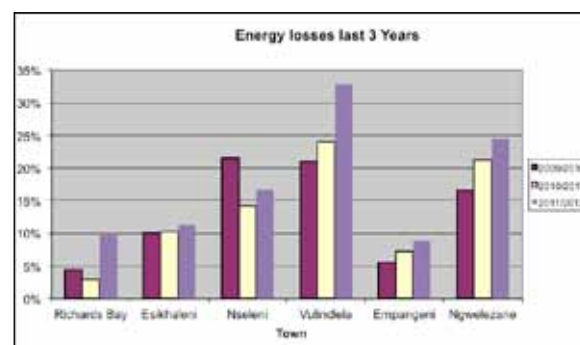


**TUMELO GOPANE**  
ACTING DEPUTY  
MUNICIPAL MANAGER -  
INFRASTRUCTURE

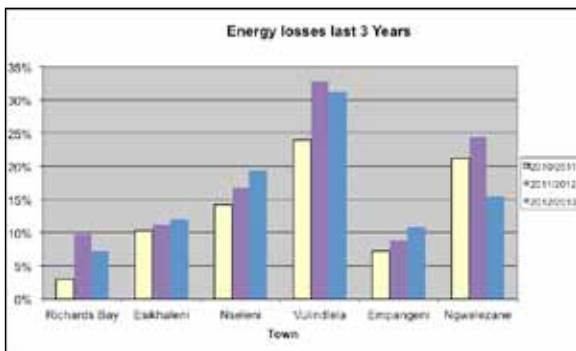
## Customer Services

### Energy Losses

- Customers consumed a total of 1 268 249 GWhs of electricity, while 398 851 GWhs was purchased from Eskom, resulting in a total energy loss of 9%. This figure includes both technical and non-technical losses. It must be mentioned that this percentage is still below the national average of 20%. The total purchases and sales were therefore less than the previous year. This was due to Tata Steel shutting down their plant from January to May 2013 in order to assist Eskom during the energy crisis and also because the market for the Tata Steel product was not very good. It thus made more financial sense for Tata Steel to enter into a Buy Back Agreement with Eskom. The result, however, was less electricity sales than budgeted for. However, the short fall from sales was made up by the agreement amount paid by Tata Steel in excess of their normal bill.



- The escalating energy losses are a huge concern. It is becoming clear that areas where the majority of customers are domestic, energy losses are ever increasing. In an attempt to identify specific areas within suburbs where the losses originate, the Department has requested funding to install bulk metering in substations and mini-substations. Funding was allocated in the 2012/2013 adjustment budget and metering of mini-substations started in July 2013. Obsolete equipment i.e CYLP meters will also be replaced as part of this project. The results of the project will be seen in the 2013/2014 financial year. The check metering method has also proven very effective in the past and contracts dealing with the reading of check meters on a quarterly basis are in the process of being allocated. The check meter reading tender was revived and will also be advertised and adjudicated for the contractor to start in the 2013/2014 financial year.



Apart from the obvious financial impact the losses have had on the City, safety is also a major concern as tampered supplies are normally unsafe.

### Recovery of income in respect of tampered/ supplies

The increase in energy losses is a confirmation that the successful recovery of outstanding debt remains a challenge. The rate of successful recovery of outstanding debt from customers who had tampered with their electricity supply is at 63%, and this will remain a focus area to ensure that Council income is protected.

### Public Lighting

The street lighting call centre processed a total of 806 work orders, of which 767 were streetlight fitting failures, 35 cable failures and four cable thefts. This call centre and fault logging system has proven to be very successful at restoring faulty

streetlights on very short notice, averaging two working days to restore faulty lights. A more sophisticated call centre is in the process of being deployed which will enhance the reaction time to reinstate the service complaint. During routine maintenance, 1 025 streetlights were repaired, 174 streetlight poles replaced and 102 streetlight cable faults repaired. The total number of lamps replaced amounted to 3 587 while 266 fittings were replaced and also 419 photocells replaced. The total number of street lights that were serviced in the area was 16 700. Complainants can log calls either via the website at [www.umhlathuze.gov.za](http://www.umhlathuze.gov.za), or via e-mail at [streetlights@umhlathuze.gov.za](mailto:streetlights@umhlathuze.gov.za) or telephonically to 035 907 5823/5748 during office hours.

Due to limited funds, the public lighting section could only replace unsafe street lighting in the following areas to ensure that the public is not at risk:

- 67 rotten poles and fittings were replaced to at eSikhaleni; and
- 90 fittings and 75 rusted poles were replaced in Empangeni.

To bring street lighting to an acceptable standard, 125 fittings and 38 new streetlight poles were installed at Mzingazi.

### Planning and Development Strategy

- In October 2012, the final application was received for a 7.5MVA electricity supply to the John Ross Interchange Business Park.
- This kick started joint planning between Eskom and the City of uMhlathuze to provide the required capacity for the new light industrial and commercial development situated close to the N2 and John Ross Highway Interchange. The joint planning sessions with Eskom identified the need for the construction of a new 120MVA 132kV substation that would cater for the new development and for future developments along the N2 corridor, and the increased demand experienced at Empangeni.
- To cater for the new substation, the City will be required to strengthen the existing 132kV network, which necessitates the construction of a 7km double circuit 132kV OHL to its Cygnus Substation. This spin off will result in a firm supply for the whole of the eSikhaleni residential area.
- Dumisane Makhaye Village Phase 7 (545) houses, Madlanzini (800) house and Mzingazi (350) houses are currently in the planning stage and consultants have been appointed to conduct the designs, and the applications for DOE funding has been made.
- Contractors for the design, supply, delivery, installation

and commissioning of 11kV switchboards and associated works for Ngwelezane main substation and Sirius Substation have been appointed. The added load placed on the Ngwelezane switchboard due to the uMhlathuze Village housing development and the state of the switchgears due to age initiated the replacement of the entire switchboard to prevent customers from experiencing frequent power interruptions.

## HV and MV Network Operations

- The Maintenance Summit held in May 2008 at Gallagher Estate in Midrand was a clear indication by the Minister as well as Government of the importance to return to good maintenance practices to ensure there is an improvement in service delivery.
- With that in mind the maintenance section started to intensify the maintenance on the more than 9 000 cubicles in the City of uMhlathuze, which is the nearest point of supply to almost 300 000 residents. Vandalism and saline weather conditions are the two major contributing factors that pose challenges in this area of the network. Areas like Brackenham, parts of Empangeni and some sections in eSikheleni were completed during the first year where cubicles were repaired and even replaced to ensure that public safety is maintained.
- The new Manager and Senior Engineer was appointed in 2013 in the section.
- Repair of the Hydra Sub-station – Design, supply, delivery, installation and commissioning of two new 11kV switchboards and associated works: the old switchboard was replaced to improve the quality supply to the key industrial customers e.g. RBCT.
- Brackenham 4 Way RMU was replaced to improve the quality of supply to the area.
- Vulindlela 3 Way RMU was replaced to improve the quality of supply to the area.
- MV switchgear fault detector (partial discharged instruments) was purchased to assist in detecting the fault before they develop.

## Process Control Systems

### Summary of Overall Conditions

Activities for PCS	General Conditions and Goals
Current installed equipment	SSE equipment is problematic because of the reoccurrence of repairs.
Replacement plan	Elpro equipment, a newly developed set of telemetry systems, are replacing SSE equipment.
Field equipments plan	The field instruments are being replaced due to aging and malfunctioning equipment.
Telecoms/radios equipment plan	These radios are to be replaced by cost-effective Elpro Systems.
Frequency bandwidth	These are once-off payments and are well micro-managed.
SCADA equipment plan	The SCADA package has to be upgraded to the latest version to cater for the maximum load of data population.
Telemetry plan	The designs are to be an isolated industrial solution from the enterprise network due to data transfer patterns.
Radio licences	These are budgeted annually because of their annual fees.
Current energy saving equipment	We currently experience a loss in most of our pump stations and other areas, therefore we plan to introduce energy saving solutions.
Proposed energy saving equipment	Implementation of energy saving.
Maintenance in place	Implementation of planned and preventative maintenance

## Process Control Systems

### Energy Savings Benchmarking Plan In Place

Process Control Systems Areas of Responsibility	Backlogs and risk identification	Replacement Plan		Replacement Plan		Replacement Plan		Replacement Plan		Replacement Plan		Replacement Plan	
		No. of installed	Backlogs 2014	No. of installed	Backlogs 2015	No. of installed	Backlogs 2016	No. of installed	Backlogs 2017	No. of installed	Backlogs 2018	Total projection	
Status of measures taken to optimise energy use:	Current backlogs												
Pump stations for sewer/water	57	2	11	13	12	25	11	36	13	49	10	59	
Traffic signals (retrofitting)	84	84	0	84	0	84	0	84	0	84	84	84	
Controllers	84	0	13	13	17	30	17	47	19	66	18	84	
Street lights (LED control)	17 000	0	3 400	3 400	3 400	6 800	3 400	10 200	3 400	13 600	3 400	17 000	
Status of replacement	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No						
Pump stations for sewer/water	Yes	No	No	No	No	No	No						
Traffic signals (retrofitting)	Yes	No	No	No	No	No	No						
Street lights (LED control)	Yes	No	No	No	No	No	No						

## Metrics of Service Delivery

Balanced Scorecard on Critical Areas and Maintenance Quality Review of Metrics of Service delivery	Graded Attributes	Update Frequency / Repeatable Behaviour 1-10	Degree of Reliability (Hard Data vs. Subjective) 1-10	Encourages the Right Behaviour 1-10	Degree of Fit with Community Demand Culture 1-10	Degree of Support/ Available of Water 1-10	Total Points	Overall Grade in Level %	Non-Graded Attributes	Leading or Lagging/ Average	
Critical Reservoirs	F1.1	Ezikhawini Reservoir 1		10	8	3	4	5	30	120%	Exc Good
	F1.2	Ezikhawini Reservoir 2		1	2	8	2	4	17	68%	Lagging
	F1.3	Ezikhawini Reservoir 3		2	4	5	6	1	18	72%	Good
	F1.4	Loftheim Reservoir		2	3	4	6	7	22	88%	Good
	F1.5	Pearce Crescent Reservoir		6	3	1	5	6	21	84%	Good
	F1.6	Hillview Reservoir		1	2	3	6	7	19	76%	Good
	F1.7	Primary Reservoir		2	3	4	2	6	17	68%	Average
	F1.8	G Reservoir		3	5	6	3	2	19	76%	Good
	F1.9	U Reservoir		2	1	6	3	5	17	68%	Average
	F1.10	Ngwelezane Reservoir		3	3	4	5	8	23	92%	Good
	F1.11	Madlanzini Reservoir		4	5	6	5	1	21	84%	
	F1.12	Vulindlela Res		1	2	1	5	7	16	64%	Average
Critical Pump Stations	F2.1	Ezikhawini WTW (high lift pumps)		1	2	3	4	6	16	64%	Average
	F2.2	Pearce Crescent Pumps (Magazulu)		3	4	6	6	1	20	80%	Good
	F2.3	Pearce Crescent Pumps (Hillview)		2	2	3	4	8	19	76%	Good
	F2.4	Vulindlela to U Pumps (U,R)		2	2	3	4	4	15	60%	Average
	F2.5	Vulindlela to G Pumps (Mkhwanazi North)		1	1	1	1	1	5	20%	Lagging
	F2.6	Vulindlela (high lift pumps)		2	3	4	5	6	20	80%	Good
	F2.7	Mandlazini high lift pumps		2	3	4	3	6	18	72%	Good

## Technical Operations Centre (TOC)

In an effort to improve the Municipality's systems and the effective use of resources, the Department embarked on an exercise to establish a Technical Operations Centre.

The main objective is to integrate and centralise all service delivery activities within the Technical Operation Centre in correlation with the Customer Care Centre that the City of uMhlathuze has successfully established for the following key objectives:

- Global control of the service delivery process through a computerised monitoring system;
- Pro-active service delivery;
- Improved customer care and satisfaction;
- Full utilisation of South African produced scarce skills through internship programme funded by the Treasury; and

- In light of the above, a phase one approach has been constructed at the Richards Bay Civic Centre which is the cornerstone for the custom conceptualisation of the Technical Operational Centre for the City of uMhlathuze.

### TOC Overview

#### Further Design Requirements

- Control room ergonomics;
- Evaluation of operator needs;
- Location and space;
- Environmental design;
- Equipment design; and
- Infrastructure.



# Civil Engineering

## Water and Sanitation

### Key Facts of the Water and Sanitation Business

The City of uMhlatuze, in its capacity as the Water Services Authority and juristic entity, is compelled by the following acts:

#### Water Services Act 107 of 1997

**To provide for the rights of access to basic water supply and basic sanitation.**

**Recognising** the rights of access to basic water supply and basic sanitation necessary to ensure sufficient water and an environment not harmful to health or well-being.

**Recognising** that in striving to provide water supply services and sanitation services, all spheres of Government must observe and adhere to the principles of co-operative government.

**Recognising** that the provision of water supply services and sanitation services, although an activity distinct from the overall management of water resources, must be undertaken in a manner consistent with the broader goals of water resource management.

### Water Services Policies and By-laws

The Water Services Act 108 of 1997 stipulates that Water Services Authorities and local authorities need to have the necessary Water Services Policies and Water Services By-laws in place.

This by-law has been promulgated in keeping with providing an efficient and effective service delivery mechanism to the community. The following table details the two by-laws that have been created and reviewed:

## EVERY DROP COUNTS



By-laws	Description
Water Services By-law DMS 671197	Reviewed in 2011. The Water Services Act 108 of 1997 stipulates that Water Services Authorities and local authorities need to have the necessary bylaws implemented and reviewed regularly.
Storm Water Management By-law DMS 671129	New bylaw promulgated in 2011 and developed to protect open water resources and to enforce stricter controls for managing this area more effectively.

There are four systems that supply potable water within the city:

- Mzingazi System – 66MI/day – operated by WSSA;
- Nsezi System – 37MI/day – operated by uMhlatuze Water;
- Ngwelezane System – 8MI/day – operated by WSSA; and
- eSikhaleni System – 36MI/day – operated by WSSA.

The City has over 1 966km of pipelines of varying material types and diameters, the largest being 800mm. Sixty-four potable water reservoirs are either on ground level or raised steel-pressed tanks, storing up to 260MI of water.

## Wastewater Treatment Works

- Nseleni Wastewater Treatment Works;
- Esikhaleni Wastewater Treatment Works;
- Empangeni Wastewater Treatment Works;
- Ngwelezane Wastewater Treatment Works; and
- Vulindela Wastewater Treatment Works.

**Two Macerators** – Arboretum and Alton.

The water and sanitation section is divided into six sub-sections:

- Rural water and sanitation;
- Scientific services;
- Water demand management planning and strategy;
- Infrastructure maintenance;
- Water and wastewater operations; and
- Customer services.

## Water Backlogs

Service Level	Households	2010/2011	2011/2012	Stats Ending June 2013
	Backlog study (SIVEST 2004)	Households with access to water		Household figures (86 609)
House connections	31 533	35 247	35 563	35 984
Yard connections	17 532	32 150	34 087	35 619
Communal supply < 200m	8 305	3 484	2 552	1 810
Communal supply > 200m	16 899	3 433	2 609	
<b>TOTAL</b>	<b>74 269</b>	<b>70 836</b>	<b>71 660</b>	<b>73 413</b>
Access to water		66 598	71 660	73 413
Backlogs		3 433	2 609	13 967
New installations		4 238	569	1 953

## Sanitation Backlogs

### Technical Services

#### Sample Management

Service Level	Households	2010/2011	2011/2012	Access Ending 30 June 2013
	Backlog study (SIVEST 2004)	Households with access to water	Households with access to sanitation	Household figures (86 609)
Waterborne sewerage	32 091	32 605	32 605	32 605
VIPs	0	11 908	15 445	21 061
No formal service	42 178	29 756	29 756	
<b>TOTAL</b>	<b>74 269</b>	<b>44 513</b>	<b>48 050</b>	<b>53 667</b>
Access to sanitation		44 513	48 050	53 667
Backlogs		29 756	26 219	32 943
New installations		384	3537	5 617

Samples from various sources are collected for analysis of key parameters to determine water quality. Onsite testing for pH, free chlorine, temperature and dissolved oxygen are conducted as per the prescribed procedure.

Source	Samples
Surface water (industrial)	273
Surface water (urban pump station)	336
Surface water (urban/rural suburbs)	32
Surface water (rivers/streams/canals)	66
Industrial effluent	490
Surface water (lakes)	939
External service provider (sampling only)	288
<b>GRAND TOTAL</b>	<b>2 424</b>

**Table 1: Total samples from July 2012 to June 2013.**





### Online Instrumentation Management

Council has embarked on a project to install online instrumentation at all its water and wastewater facilities to monitor and evaluate the plant process against standards/specifications. Thus, Council has partnered with the CSIR to augment the current online equipment by integrating it with CSIR Water Quality Monitoring Systems (WQMS).

The integrated system ensures management of information and technology for decision-making purposes with greater efficacy. This system will link to the Integrated Water Quality Management System to ensure an integrative approach to value system evaluation and monitoring.

The CSIR WQMS measure pH, electrical conductivity (EC), dissolved oxygen (DO), oxidation reduction potential (ORP) and temperature. The CSIR develops algorithms for the determination of a number of water quality indicators based on the data received from the WQMS. These algorithms are refined, and correlation of the determined indicators improved with each data set recorded during the

period of installation.

### Laboratory Testing Services (Chemistry and Microbiology)

The laboratory comprises three sections, namely Chemistry, Microbiology and Technical. These sections analyse samples on various water types:

Sample Type	Total Number of Analysis
Lakes (Cubhu and Mzingazi)	5 175
Surface water	5 685
Sewerage	3 687
Drinking water	00
Ground water	1 820
Adhoc analysis	219
Grand total of analysis per sample type	16 586

**Table 3: Total Number of tests per sample type from July 2012 to June 2013.**

Laboratories have been formally recognised as competent to carry out specific tasks/tests given by the South African National Accreditation System (SANAS). Although achievable by all labs, SANAS accreditation was historically believed to be a status awarded to only large laboratories (centred on the major metropolitan areas).

In response to this shortage, the DWA and its sector partners developed this strategy to ensure that institutions use laboratories deemed competent and produce credible results to manage and report on their drinking and wastewater quality. Strategy denotes the process whereby DWA shall approve the use of laboratories competent to analyse drinking- and wastewater samples.

The laboratory is currently undergoing method development and verification as well as phased implementation of ISO 17025. The laboratory is also participating in proficiency testing schemes for chemistry and microbiology in order to continually improve accuracy and precision when compared to other laboratories.

As a prelude to ISO 17025 accreditation the municipal laboratory currently meets the requirements to register for DWA-approval per method.

### Future Plans for the Laboratory

- Development of laboratory methods and method verification;
- Completion of the method validation/verification process;
- Introduction of new methodology;
- Introduction of new tests;

- Inter-laboratory studies;
- Accreditation to Department of Water Affairs (DWA) Laboratory Strategy;
- Application for ISO 17205 accreditation; and
- Accreditation to ISO17025.

### Achievements

- Implementation the ISO 17025 project with CSIR. This project will ensure successful implementation of the Quality Management System, adopted from ISO 17025 requirements for testing laboratories.
- Second phase development of the laboratory information management system (LIMS). It is a database where all laboratory information, including test results is kept.
- Participation in the Proficiency Testing Scheme. Proficiency testing is a quality procedure for monitoring the validity of the tests undertaken by the laboratory. It involves a group of laboratories or analysts performing analyses on the same samples and comparing results. Scientific Services' laboratory is ranked as a lab that produces accurate and precise results.
- Extension of the Scientific Services building with new offices and new laboratories.
- **Water Treatment Works:**
  - Esikhaleni Water Treatment Works;
  - Mzingazi Water Treatment Works; and
  - Ngwelazane Water Treatment Works.

- **Drinking Water Reticulation monitoring:**

There are a number of test points along the water networks that serve to ensure that the quality of potable water (to the consumer) complies with national standards (SANS 241:2011). There are 53 samples tested per week/month by WSSA and 8 sample points by Mhlathuze Water.

- **Waste Water Treatment Works:**

- Alton Macerator Station;
- Arboretum Macerator Station;
- Nseleni Wastewater Treatment Works;
- Esikhaleni Wastewater Treatment Works;
- Empangeni Wastewater Treatment Works;
- Ngwelazane Wastewater Treatment Works; and
- Vulindela Wastewater Treatment Works.

- **Wastewater Treatment monitoring:**

There are seven test points at the wastewater treatment works and macerator stations which ensure that the final effluent quality complies with national standards before discharge.

Additional monitoring from Council's own laboratory adds credibility to the monitoring programme.

## Drinking Water Quality Management Performance Assessment

The Department of Water Affairs' drinking water quality status for the past 12 months ending in May 2012, in comparison with provincial and national statistics for the City of Mhlathuze, is shown in the following table:

Area	Overall Score	Drinking Water Quality Score	Appropriate Parameters Score	Appropriate Number of Samples Score	Frequency of Monitoring Score
	%	%	%	%	%
South Africa	8.5	6.4	8.2	13.7	9.0
KwaZulu-Natal	36.9	27.7	36.4	55.7	35
City of uMhlathuze	100	100	100	100	100

Table 4: Drinking water quality statistics (July 2012 – June 2013).

Water quality status for the city in some instances far exceeds provincial and national percentages. This is a clear indication of the status of the Water Quality Monitoring Programme in place and affirms that the operational integrity of the various systems is maintained optimally.



## Water Pollution Management

The Water Quality Monitoring Programme (WQMP) (CR4711, 7 August 2008) has been developed and implemented, so that Council meets the statutory requirements for the sustainability of water resources within its area of jurisdiction.

The WQMP will not only be utilised as a tool in decision-making on water resource management but will also be an invaluable database of reference data of individual sample locations. The programme has been developed taking into consideration work currently being performed in other departments. The following areas have been monitored for possible pollution:

Sample Type	Description
Surface water	Lakes (Cubhu and Mzingazi) Rural/urban suburbs (stormwater streams) Rivers/streams/canals Industrial (stormwater streams) Pump stations (streams close to pump stations)
Coastal water	Alkantstrand
Groundwater	Municipal cemetery Landfill site
Sewerage	Industrial effluent (sewerage network)

**Table 5: Sample types being monitored by the WQMP.**

The two major sub-sections of the Scientific Services Section are the laboratory and water pollution control sections. Together, these sections exist in a symbiotic relationship in an endeavour to combat water pollution.

## Water Pollution Control

Water pollution control includes monitoring of Waste Water Treatment Works, streams and rivers, water bodies and borehole monitoring. These all are influenced by industrial waste, pump station and sewer overflows and non-compliances of industry and WSPs to national effluent standards.

The following are some of the constituents indicative of pollution:

- pH;
- Conductivity;
- Suspended solids;
- Turbidity;
- Total dissolved solids;
- Sulphate/chloride ratio;
- Ammonia;
- Faecal coliforms;
- *E.coli*; and
- Heavy metals and other inorganic constituents.

The WQMP is the monitoring programme that the laboratory follows to conduct its testing. The WQMP comprises the standards/guidelines and regulations that are required to effectively and efficiently monitor all of the City's water sources. Trend analyses will in future assist the Council to detect water source quality status of from early on and timeously put mitigation measures in place.

The table on the next page provides a summary of the functions of the water pollution control section. Various pollution incidents that occurred are also mentioned, as well as compliance notices issued in terms of contravening specific sections of the Water Services By-law. The permit was issued in terms of the Water Services By-law.

Aspect	Amount	Description
Industrial inspection	35	Inspection of industries for their compliance to Water Services Bylaw requirements.
Permits issued	15	Permits issued to companies as per section 88 and 86 of Water Services Bylaw to discharge via municipal sewer system.
Water complaints	10	Consumer complaints on drinking water quality.
Pollution incidents	33	Incidents that resulted in pollution of open water source or open ground areas.
Forums attended	17	Meetings with industry in presenting their environmental performance to relevant stakeholders.
Internal non-conformances	178	Non-conformances generated from laboratory results, which are out of the specified range according to WQMP.

**Table 6: Compliance activity of the Water Quality Section (July 2012 – June 2013).**

## Blue and Green Drop Incentive-based Programmes

The Minister of Water Affairs introduced the concept of incentive-based regulation on 11 September 2008 to the water sector at the National Municipal Indaba held in Johannesburg. The concept was defined by two programmes: the Blue Drop Certification Programme for Drinking Water Quality Management Regulation and the Green Drop Certification Programme for Wastewater Quality Management Regulation.

### Blue Drop Incentive-based Programme

The Blue Drop process measures and compares the results of the performance of Water Service Authorities and their providers, and subsequently rewards (or penalises) the Municipality upon evidence of their excellence (or failures) according to the minimum standards or requirements that have been defined. Awareness of this performance is obtained by pressure through the customers, the media, political classes and Non-Government Organisations. The strategy revolves around the identification of mediocre performing municipalities who consequently correct identified shortcomings, as well as the introduction of competitiveness amongst the municipalities and utilising benchmarking.

The Blue Drop incentive-based regulation programme endeavours to facilitate and drive this continuous improvement process, seeking sustainable improvement in service delivery, progressive improvement in drinking water quality and steadfast coverage of unserved areas. This form of incentive and risk-based regulation aims to synergise with the current goodwill exhibited by municipalities and existing Government support programmes to give the focus, commitment and planning needed. Regulation is important to ensure effective and efficient delivery of sustainable water services.

Blue Drop Systems	2010 Score	2011 Score	2012 Score
Mzingazi WTW	81.25%	89.28%	89.91%
Esikhaleni WTW	79.75%	90.07%	92.35%
Ngwelezane WTW	79.75%	91.35%	96.37%
Nsezi WTW	NA	88.90%	98.39%
The average score	80.4%	89.26%	92.94%

**Table 7: Comparative table – Blue Drop Status (July 2012 – June 2013).**

Provincial performance profiles are the summation of the respective municipal performances. Each province has different dynamics with municipal participants that perform exceptionally well, on average, unsatisfactorily or very poorly.

### The KwaZulu-Natal Performance

Analysis of the Blue Drop assessments and site inspection results indicate that performance varies from excellent to very poor. All municipalities in KZN were assessed during the 2011 Blue Drop Certification.

### Green Drop Incentive-based Programme

The Green Drop process measures and compares the results of the performance of Water Service Authorities and their providers, and subsequently rewards (or penalises) the Municipality upon evidence of their excellence (or failures) according to the minimum standards or requirements that have been defined. Awareness of this performance is obtained by pressure through customers, the media, political classes and Non-Government Organisations. The strategy revolves around the identification of mediocre performing municipalities who consequently correct the identified shortcomings, as well as introduce competitiveness among the municipalities and using benchmarking in a market where competition is difficult to implement.

Water Services Authority	Provincial Blue Drop Log Postion	Blue Drop Score 2012	Blue Drop Score 2011	Blue Drop Score 2010
eThekweni Metro (+ Umgeni Water)	1	98.77	95.71	96.10
Newcastle LM (+ Uthukela Water)	2	96.50	75.61	74.80
iLembe DM (+ Umgeni Water)	3	95.38	85.54	50.80
Msundusi LM (+ Umgeni Water)	4	95.38	95.60	73.20
uMzinyathi DM (+ Umgeni Water)	5	93.45	70.01	66.00
City of uMhlathuze (+ WSSA)	6	92.94	89.26	80.40
Ugu DM (+ Umgeni Water)	7	92.55	92.82	87.40
Umgungundlovu	8	92.42	56.22	64.70
Amajuba DM	9	83.31	84.43	56.40
Zululand DM	10	83.05	72.13	59.80
uMkhanyakude DM	11	77.77	32.45	22.40
uThungule DM	12	72.51	71.31	37.20
Sisonke DM	13	69.35	40.09	53.60
uThukela DM	14	57.39	55.29	54.40

Table 8: KZN Performance – Blue Drop Status 2012.

### City of uMhlathuze Performance

Green Drop Certification seeks to improve Municipal Wastewater Services through the effective and efficient management of wastewater treatment and effluent discharge while promoting transparency and subsequent accountability. The national position on Wastewater Service Performance is a variation from excellent to very poor. The one accomplishment that can be attributed to municipalities in South Africa is the marked increase in submission of evidence for Green Drop assessments, and the subsequent **100% coverage** of all systems.

Green Drop Systems	2010 Score	2011 Score
Empangeni WWTW	72%	82.6%
Esikhaleni WWTW	72%	84.3%
Ngwelezane WWTW	72%	83.2%
Nseleni WWTW	72%	86.1%
Vulindlela WWTW	72%	83.2%
The average score	72%	83.3%

Table 9: Green Drop scores for City of uMhlathuze.

Cumulative Risk Rating (CRR) – DWA risk development has taken place in three consecutive stages – each stage providing an improved- and more representative risk status of municipal wastewater services in South Africa. The same process of continuous development will be used to broaden risk determination until it also includes wastewater collection

systems and eventually the full context of integrated asset management regarding wastewater services. The CRR for the municipal systems are as follows:

Green Drop Systems	2011 CRR* Score	2012 CRR* Score
Empangeni WWTW	35%	50%
Esikhaleni WWTW	52%	50%
Ngwelezane WWTW	48%	36%
Nseleni WWTW	33%	35%
Vulindlela WWTW	22%	35%
The Average Score	38.1%	41.4%

Table 10: Green Drop CRR Scores for City of uMhlathuze.

### Future plans for water quality:

- Complete Lakes Cubhu management plans;
- Improved efficiency of permit management system by initiating an online application process;
- Initiate a risk-based approach to monitoring of wastewater systems;
- Introduction of Water Safety and Risk-abatement Plans for the City;
- Introduction of a tariff-based trade effluent permit management system; and
- Development of Document Control Management system as per ISO 9001.

### Achievements include:

- The water pollution control section has managed to implement a permit system, which assists the Municipality to minimise impacts to the sewerage system from the discharge of effluent by companies.
- The implementation of the Drinking Water and Wastewater Incident and Failure Response Management Protocols;
- Improved Cumulative Risk Ratio (CRR) for our waste water treatment works;
- Attaining Blue Drop status for Ngwelezane Water Treatment Works and Nsezi Water Treatment Works; and
- Development and implementation of the Water Safety Plan and Wastewater Risk Abatement Plan.

## Water Demand/Water Loss Management

The City of uMhlathuze residents have become increasingly aware that water is simply not an infinite natural resource:

- The minimisation of water loss or waste, care and protection of water resources and the efficient and effective use of water is one of the key factors in water conservation and water demand management;
- Pressure management control, leak detection, a pipe replacement programme, household connections, community awareness and education are part of the City of uMhlathuze interventions to reduce water loss; and
- Deals with future water projection demand for the City and develop strategies.

### Achievements

- 1) 2012: For the first time in the history of the City uMhlathuze, we achieved two Blue Drop awards in 2012, achieving over 95%.
- 2) 2012: Our laboratory is 85% towards achieving full ISO 17025 accreditation.
- 3) 2012: The City maintained 100% compliance according to SANS 241. We remain number five in the province out of 61 municipalities.
- 4) 2012: We have improved our CRR score and remained second in the province.
- 5) 2013: As part of a water loss intervention, the City has managed to zone most areas for pressure management e.g. the installation of PRVs at eSikhaleni.
- 6) 2010: Council took a decision to prioritise sanitation

in rural areas and reduce the backlog. More than 11 000 Ventilated Improved Pitlatrines (VIPs) have been installed to date, resulting in access to sanitation above 60%.

- 7) 2009: Madlebe water supply and yard connection.
- 8) 2005: KwaKhoza water supply and yard connection.
- 9) 2013: eSikhaleni township water pipe replacement commenced to improve on water supply reliability and sustainability.
- 10) 2013: Mzingazi bulk sewer installation.
- 11) 2012: Mandlazini water supply and yard connection.
- 12) 2012: We have forged strategic partnerships with the CSIR as part of IGR. WSDP was developed, submitted for Council approval and the Bulk Water Master plan is in progress and will be completed by end of December 2013.
- 13) 2011: Water safety plan and risk abatement have been completed and implemented.
- 14) 2013: Funding to the tune R9 million has been secured to reticulate the Dube/Mkhwanazi area.
- 15) 2011: R7.2 million has been secured to refurbish waste water treatment plants.
- 16) 2012: Through our Twinning arrangement with the City of Milwaukee in the USA, the city have connected about 200 deserving communities in the area of kwaDube in ward 13. An amount of US\$115 000 was donated by Sister City International.
- 17) 2008-2013: More than 10 000 water connections were installed, resulting in communities with access at above 85% in the City of Umhlathuze.

### Future Planning – Water and Sanitation

- Reduction of water losses.
- Reduction of sanitation backlogs.
- Enforcing of Water Services By-laws.
- Refurbishment and upgrade of pump stations and pumps.
- Refurbishment, replacement and upgrade of valves.
- Repair and replacement of existing aged Asbestos Cement pipes with uPVC and HDPE pipes.
- Rehabilitation of valve chambers and manholes.
- Reducing water Interruptions resulting in water loss.
- Presentation of a reliable water supply system.
- Presentation of an efficient sewer discharge system.
- Positive impact on Council's objectives, community satisfaction and staff optimisation
- Constantly liaise with stakeholders and customers.

## Public Participation and Community Empowerment

### Blue Drop Award: Neeran Maharaj receives the WISA Manager's Award



From L-R: Mr Maxwell Sirenya (DWA Director General), Ms Leanne Coetzee (City of Tshwane – Deputy Director: Scientific Services Rietvlei), Mme Rejoice Mabudafhasi (DWA: Deputy Minister), Neeran Maharaj (Manager: Scientific Services) and Ms Deborah Mochotlhi (DWA Chief Director: Water Use).



Blue Drop Awards: WISA 2012.

# Transport, Roads, Stormwater and Coastal Management

## Responsibilities

- Transport planning and strategy;
- Urban roads and rail;
- Rural roads; and
- Stormwater and Coastal Management System.

## Transportation Planning and Traffic Signals (TPTS)

The Transportation Planning and Traffic Signals (TPTS) Section falls within the Infrastructure and Technical Services: Transportation, Roads and Stormwater Department.

The TPTS section consists of three divisions, of which the first will undertake all planning on the upgrading of existing road infrastructure, traffic signals and the planning of new infrastructure to comply with the framework planning that was conducted. The section must ensure that the City of uMhlathuze remains up-to-date with development and to provide sufficient, modern and futuristic infrastructure as required.

The second division is responsible for the maintenance, improvements and modernisation required on the 84 signalised intersections within the City of uMhlathuze. Ongoing timing improvements are needed to ensure efficient traffic flow patterns through the highways, arterials and main collectors. Existing intersections that need to be upgraded to traffic signals, thus the warranting of a signalised intersection, is also done by this section.

The third division attends to the appointment of consultants and contractors to attend to transportation planning projects and small maintenance related projects to improve traffic conditions, pedestrian condition and public transport facilities throughout the City of uMhlathuze.

The section attends to future road infrastructure planning, namely updating of the following plans:

1. Arterial Framework Plan;
2. Integrated Transportation Plan;
3. Rural Roads Network Planning;
4. Road Classification;
5. Airport Development Plan;
6. New Developments Access approval;

7. Road Service contributions;
8. Request and Assessment of Traffic Impact Assessments; and
9. Signalised Intersection Control and Development.

## Achievements for the Period Under Consideration

### Signalised Intersections

#### Traffic Signal Maintenance

The work done for the year on works orders can be summarised as indicated in the table below:

Quarter No.	Summary of Work Done	Total WO
1	Cable fault	134
2	Power supply	13
3	Heads maintenance	252
4	Replace backing boards	45
5	Damaged robot pole	114
6	New timings and software updates	12
7	RTU & controller maintenance	202
8	Pedestrian button	33
9	Robot maintenance	160
10	Replace lamps	539
11	Replace lenses	90
12	Repair detector loops	55
13	Paint poles	161
14	Strap	
15	Hoods	
	TOTAL	1 806

### Traffic Signals Out of Order

This Section strives to ensure 100% functionality of traffic signals, although it is not always possible as traffic signals can become dysfunctional for reasons beyond the control of this section. The table on the next page indicates the sites where poles were damaged after an accident:



No.	Asset description	WO	Work Performed	Completed
1	Bullion Boulevard / Palm BP Garage	251204	Replace 2 robot poles and 3 x 3 aspect robot heads.	2013/03/27
2	RHB CBD	257405	Replace robot pole and head, 1 backing board, 2 mounting straps, 3 reflector hoods and 3 robot globes – complete.	2013/04/22
	RHB CBD	258684	Replace 1 robot pole, 1 robot head and 3 robot globes.	2013/04/26
4	RHB Brackenhams	260152	Replace 1 robot pole and 3 aspect LED robot head 1 robot pole and 3 aspect robot 1 robot pole and 3 aspect robot head.	2013/05/09
5	RHB CBD	260567	Replace robot pole and button and 1 robot head and 2 robots mounting straps.	2013/05/13
6	John Ross Mondri Turnoff	260633	Replace robots pole and head – complete.	2013/07/15

## Roads and Stormwater Related Contracts/Quotations

This Section also appoints contractors through quotations/ contracts that mostly relate to small maintenance works needed on road infrastructure as the re-construction of old roads, re-construction of sagged or damaged culverts, repair

of walkways and kerbs, repairs to bridge structures and signalised intersections. New works such as traffic calming, bus and taxi laybye and bus shelters are also implemented as required.

See the table below for work that was implemented and completed and new planned works:

No.	Project Description	Area	Budget
1	Construction of bus laybye	eSikhaleni (Jabulani City)	R112 000
2	Construction of bus laybye	Ngwelezane (Thanduyise)	R110 000
3	Construction of speed humps	Richards Bay	
4	Construction of speed humps	Vulindlela	R23 259
5	Construction of bus laybye Grantham Highway	Grantham Highway	R140 000
6	Construction of bus laybye Road R102	Road R102 Empangeni	R130 000
7	Construction of bus Llaybye Ngwelezane	Ngwelezane Highway	R73 139
8	Construction of bus laybye eSikhaleni	Mdlebe Mpuma	R78 000
9	Construction of bus laybye eSikhaleni	Mdlebe Ntshona	R58 000
10	Construction of speed humps Richards Bay	Meerensee	

## Transportation Planning

This Section attends to public transport projects and assesses Traffic Impact Assessments for new developments that can make an impact on the existing transport system. Its function is also to do traffic model planning to improve the transportation efficiency in and around the City. It must ensure effective traffic flow and that the existing infrastructure will cater for the changing traffic conditions.

## Traffic Impact Assessments

Below find a list of Traffic Impact Assessments (TIA) for new developments that were scrutinised and commented on during this quarter:

No.	Development	Consultant
1	Development Erf 13459 Empangeni	ARUP
2	Rich Bay Industrial Development Zone Phase 1F – Draft	ARUP
3	eNseleni Shopping Centre	NDA Consulting Eng.

## Transportation Planning Projects

### UWP Consulting – Rural Roads Implementation Project

UWP Consulting was appointed at risk during July 2011 for the development of a business plan for the upgrade of Municipal rural roads. The business plan will be used to source funding to assist Council in developing these roads and to involve other role players such as the Municipal Infrastructure Grant (MIG), Department of Transport (DOT) and National Roads.

UWP submitted the MIG application forms to Council: these will be registered at MIG as a Council project for approval. The outcome of this application will be that a percentage of the MIG allocation to City of uMhlathuze can then be utilised for the upgrade and construction of rural roads.

To make this project a success, there must be cooperation between DOT and Council. UWP will report by the next meeting on the progress of meetings with DOT.

### Delca Systems – Integrated Transport Implementation Programme

Delca Systems were appointed at risk in February 2012 to compile a business plan to source funding for the implementation of a CITP. Part of the appointment was to establish a Public Transport Integrated System (PTIS) for the City in terms of the National Land Transport Act No 5 of 2009.

Delca compiled a report that will be submitted to the National Department of Transport to source funding for the implementation of the plan and undertook to assist Council with the programme by ironing out responsibilities relating to the Integrated Transport Implementation Programme (ITIP) and the Integrated Rapid Public Transport Network (IRPTN) according to Section 156(4) of the Constitution.

A meeting that involved the Council, uThungulu District Municipality, Provincial DOT and National DOT was arranged for the end of October 2012. Provincial DOT is busy compiling an IRPTN for the District and ensured that Council will be part of the Phase 1 – implementation phase. Provincial DOT will set up a transport function that will eventually be transferred to Council according to legislation.

The ITIP is put on hold until a CITP is compiled to the approval of National DOT.

### Comprehensive Integrated Transport Plan (CITP)

The Municipal Manager requested assistance from National DOT during 2012 to compile a CITP for the City of uMhlathuze. DOT National agreed to contribute 70% of the cost to compile this study. They further undertook to assist the compilation of the terms of reference, tender documentation and evaluation of tenders.

The MOU as requested by National DOT was signed between the two parties. The Deputy Municipal Manager is in the process of appointing DELCA on a permanent basis to compile the CITP for Council.

### Rail

The Municipality owns and maintains 17 kilometres of rail sidings. A Rail Safety Permit is annually applied for, and one of the conditions is that Council must compile a quarterly report which is sent to the Rail Safety Regulator, a body responsible for the safe operation of all the country's rails on behalf of Transnet.

All the funds required to maintain the sidings are paid for by the respective industrial and commercial land owners whose property is adjacent to the rail tracks. These businesses are levied every six months based on the previous six months maintenance expenses incurred by Council on a pro-rata basis depending on the size of their respective properties.

Currently, the maintenance work is being carried out on Council's behalf by Lincor Construction and overseen by R&H Rail Consultants. All inspections are done monthly with representation from the uMhlathuze Municipality, R&H Rail Consultants and Lincor Construction.

### Urban Roads

The Urban Roads Section services the City of uMhlathuze's total urban area from three main depots and the main Civic Centre in Richards Bay. The City is divided into the following three areas:

- Western area: Empangeni, Ngwelezane and Wards 9, 23 to 29;
- Southern area: eSikhaleni, Vulindlela and Wards 10 to 22 and 30; and
- Northern area: Richards Bay, eNseleni and Wards 1 to 8.

The workforce of the Urban Roads Section comprises the following:

Section	Urban Roads and Stormwater									Total
	West	Vacant	Frozen	South	Vacant	Frozen	North	Vacant	Frozen	
Staff	57	1	4	41	1	2	43	3	14	166
Staff relocated to rural roads	5			5			5			15
Vehicles	8			6			10			24
Plant	12			7			26			45

All work executed by these sections is linked to a Works Order. The Civil Engineering Section's 'Help Desk' creates the works orders on the GMS system. When a complaint is received from the public or a supervisor submits a complaint telephonically to the 'Help Desk', a works order is created on the GMS system. The works orders are linked to a specific person, area and vote number on the budget.

The GMS system can also generate works orders automatically for pre-planned inspections.

#### Other Points Worth Mentioning

- The tender for a crack sealing machine has closed and the tender is currently in the evaluation stage.
- The tender for the maintenance contractor to perform resealing and rehabilitation work on some of the roads was awarded to X-Moor Construction and the majority of the work has been completed. Road marking has also been completed.

Area	Length
Commercial	810
Turnbull and Smith Street intersection	650
President Swart and Farewell Road Intersection	512
President Swart and Tsessebe Street Intersection	356
Alumina, From landfill site to Duralumin Duct	1 058
Guldengracht East Bound from Chalk line to Billion Boulevard	2 335
Chalk line from Alumina to Guldengracht	194
Commercial From Turnbull to Union	167
From Union to Maxwell	280
Maxwell to Biyela	243





## Stormwater Systems and Coastal Planning Section

The Stormwater Systems and Coastal Planning Section deals with the overall stormwater management and operations functions throughout the City, as well as the Coastal management functions through liaison and coordination of meetings with various stakeholders involved in all activities and functions along the City's coastline.

The current projects and under operation in the section and their values are:

- A 2 year maintenance through cleaning of all existing open stormwater systems and servitudes, streets and stormwater kerb inlets throughout the City of uMhlathuze. This scope of this Contract involves the appointment of 10 emerging Contractors that are to operate in the 10 different areas as follows: Contract Value = R10, 9 million

Area 1	eSikhaleni and Vulindlela	Contractor: Cfiso Trading cc
Area 2	Arboretum, Meerensee and Mzingazi	Contractor: Enuf Distributors
Area 3	Veldenvlei, Birdswood and Mandlazini	Contractor: (Tenderer withdrew tender to be re-advertised)
Area 4	Wildenweide and Brackenhams	Contractor: Silver Solutions 1945 cc
Area 5	Richards Bay Central Business District	Contractor: (Tenderer cancelled tender to be re-advertised)
Area 6	Alton North	Contractor: Golden Rewards 382 cc
Area 7	Alton South	Contractor: Hkule Development Enterprise cc
Area 8	Empangeni North, Ngwelezane and Dumisani Makhaye Village	Contractor: Asihambe Women Construction cc
Area 9	Empangeni South and Felixton	Contractor: Lekhisa Trading Contractor cc
Area 10	eNseleni and Aquadene	Contractor: BBNM Trading cc

This project is registered with the EPWP Programme through the Department of Public Works. It therefore deals not only with service delivery concerns, but also with social upliftment.



## Rural Roads

The Rural Roads Operations Section constructs all rural roads, access roads and pipe culvert bridges for the citizens of the City living in rural areas. This section has achieved all its goals set out in the previous financial year. In the 2012/2013

financial year, Rural Roads graded 629km of roads, gravelled 49.2km and installed 41 pipe culvert bridges, thereby assisting hundreds of residents residing in the rural areas.

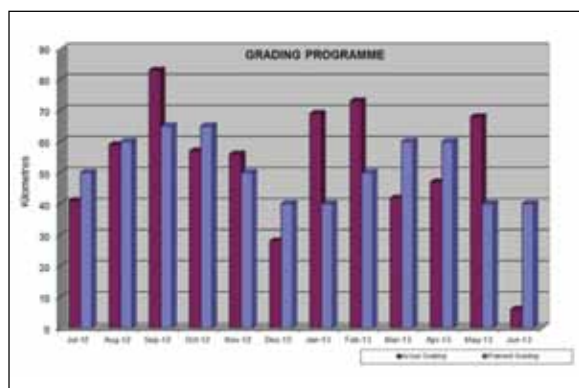
The table on the next page represents the total work that has been executed in the 2012/2013 financial year: 1 July 2012 to 30 June 2013.

Area	Kerb Inlets			Open Drain Channel			Street Cleaning			Total % Progress per Month	Monthly no. of Minimum Workers Required	Average no. of Minimum Workers In Attendance per Month
	% Progress	Total no. of Kerb Inlets, Stormwater Manholes & Headwalls	Actual No. of Kerb Inlets, Stormwater Manholes & Headwalls Cleaned	% Progress	Total Length of Open Drain Channel	Actual Length Of Open Drain Channel Cleaned	% Progress	Length of Road	Actual Length of Road Cleaned			
1	19.60	204	40	33.11	20 958	6 940	42.40	104 400	44 268	31.70	15	10
2	0.00	758	0	89.10	16 306	14 529	11.68	108 400	12 664	33.60	15	15
3	0.00	359	0	0	8 261	0	0.00	47 200	0	0	10	0
4	0.00	304	0	88.11	7 050	6 212	57.43	31 600	18 148	48.51	10	10
5	0.00	136	0	100	7 530	7 530	14	37 000	4 871	38	10	0
6	0.00	314	0	112.61	4 109	4 627	86.36	20 500	17 704	66.32	10	8
7	0.00	81	0	89	7 313	25	28.72	32 500	9 333	39.24	10	10
8	64	525	341	100	5 101	5 101	22	84 700	18 971	62	15	15
9	132.54	212	281	100	7 259	7 259	24	66 120	15 907	85.51	10	10
10	100	183	183	115.67	7 656	8 856	134.90	47 360	63 891	116.86	10	10

DATE	Roads Graded		Roads Gravelled		SW Pipe Culverts	
	Kms Graded	Work in Wards	Kms Gravelled	Work in Wards	No. of Sites	Work in Wards
Jul-12	41	4, 1, 29, 24, 12, 14, 18	0.0	0	0	0
Aug-12	59	5, 13, 14, 10, 24, 27, 28, 29	1.8	10	0	0
Sep-12	83	11, 13, 14, 15, 18, 22, 5, 6, 8, 4, 25, 29	1.7	11	0	0
Oct-12	57	13, 16, 6, 7, 24, 25, 11, 18	2.9	24	0	0
Nov-12	56	17, 14, 13, 12, 5, 8, 4, 27, 18, 19	5.0	18, 25, 27	0	0
Dec-12	28	12, 14, 19, 5, 24, 28, 29, 18, 4	1.6	18, 19, 29	0	0
Jan-13	69	13, 5, 6, 8, 10, 30, 22, 19, 11, 20	0.0	0	0	0
Feb-13	73	13, 14, 5, 4, 6, 8, 25, 27, 28, 24, 29, 18, 10, 11	2.0	14	7	11, 18, 19
Mar-13	42	12, 15, 16, 6, 5, 30, 11, 25, 24, 27, 28, 29	2.6	6	15	30, 14
Apr-13	47	22, 13, 15, 5, 4, 24, 29, 11, 30, 10	4.7	4, 5, 8	4	15, 24
May-13	68	15, 4, 24, 25, 27, 29, 18, 19, 10, 22, 30	14.8	19, 20, 29, 4, 7, 8, 14	13	22, 18, 19, 14, 15, 25, 29
Jun-13	6	15, 10, 22	12.1	22, 30, 7, 12, 13, 15, 16, 17	2	8
TOTAL	629km		49.2km		41	

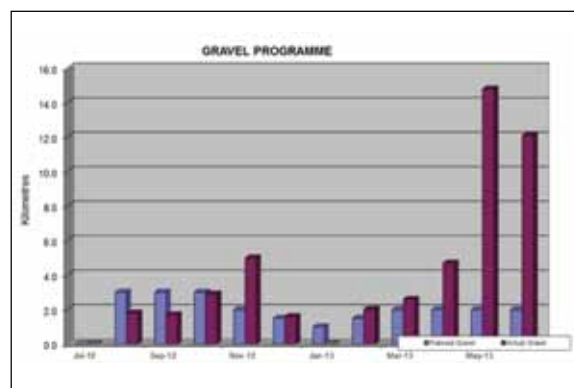
## Grading Programme and Other Information

629 kilometres of grading was done in the financial year 2012/2013 and the work was carried out throughout the year, as can be seen in the chart below.



## Gravelling Programme and Other Information

49.2 kilometres of gravelling was carried out. The gravelling programme for the year is reflected in the graph below.



## Total Work Carried Out/Executed Since Operation

This is all the grading, gravelling and pipe culvert installation that has been carried out from 2008/2009 to 2013/2014.

Totals	Kms Graded	Kms Gravelled	Pipe Culvert
2008/2009	680.6km	38.7km	54 sites
2009/2010	289.5km	32.9km	101 sites
2010/2011	460.2km	19.8km	43 sites
2011/2012	431.3km	12.7km	52 sites
2012/2013	609km	49.2km	41 sites

# Department of Community Services

## Public Health and Safety

### uMhlatuze Fire and Rescue Services

The Fire and Rescue Services Section excelled once again with minimum resources in the quality and quantity of the service delivery 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, rescue, hazardous material incidents 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 serve and protect.

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

- 800 fire-related incidents, 466 rescues, 39 medical emergencies, three hazardous material incidents and 108 special services were attended to;
- 1 942 Fire Prevention inspections were carried out;
- The Fire Brigade Control Centre processed 13 319 fire-related and 17 927 non-fire related telephone calls; and
- The total damage caused by fire was R48 286 260.00 while the estimated value of property threatened by fire was R726 967 000.00.

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

### Fires and Rescues of Interest

- A father and his two sons lost their lives when the light motor vehicle they were travelling in went over the quayside in Small Craft Harbour. It was suspected to be suicide.
- Three people lost their lives and one person was seriously injured when a light motor vehicle and petrol tanker collided on the N2 at Nseleni Game Reserve.
- Two people lost their lives and one person was seriously injured in a motor vehicle accident involving two light motor vehicles on the R102 at Canefields. One of the vehicles had a flat tyre and the occupants of the vehicle were changing a tyre when a secondary vehicle collided with the vehicle resulting in fatalities and serious injury.
- A father, mother and child lost their lives in a workshop fire in the Alton industrial area. The entire structure was gutted by fire.
- Two people lost their lives and one person was seriously injured in a motor vehicle accident involving two light motor vehicles on the N2 at Bridge Number five past the Mtunzini Tollgate.



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SERVICES





- A mother and her child lost their lives and four people were injured when two light motor vehicles collided on the N2 at the eSikhaleni turn-off.
- Two people lost their lives and two people were injured in a motor vehicle accident involving one light motor vehicle and one heavy duty vehicle on the N2 at Mpoza.
- A worker lost his life and a second suffered severe burns after an explosion of molten metal at Tronox KZN Sands.
- Three people lost their lives and four people were injured when two light motor vehicles collided and one of the vehicles caught alight on the N2 at the new Engen Garages. The vehicle was completely gutted by fire.



### Fire Breaks and Illegal Dumping

- Numerous bush and plantation fires were started due to the illegal dumping of garden and household rubbish, building rubble, medical and industrial waste onto the fire breaks.
- Fire breaks are meant to protect communities and plantations against runaway fires. Fire fighters are exposed to dangerous toxins while extinguishing such fires and the environment is threatened by plastic and other materials that are illegally dumped.



### Remarks Pertaining to Training Division

- The Fire Fighter II and Hazmat Operations Course commenced on 4 September 2012 with a total of 32 students.
- Final assessments for the Fire Fighter II and Hazmat Operations Course commenced on 30 October 2012 and 31 students were found competent by Moderators from uMsunduzi Fire and Rescue Services.
- Eight Basic Fire Fighting Courses with a total of 106 trainees were conducted during the year and all trainees were found to be competent.





- The Fire Fighter I (Registration Number: CMT/FF/38/2013) and Hazmat Awareness Course (Registration Number: CMT/HA/43/2013) commenced on 3 June 2013 with a total of 20 students. The course will be completed on 6 September 2013.

## Environmental Health Services

### Main Responsibilities

The World Health Organization describes Environmental Health as:

“comprising those aspects of human health, including quality of life, that are determined by physical, chemical, biological, and psychosocial factors in the environment. It also refers to the theory and practice of assessing, correcting, controlling, and preventing those factors in the environment that can potentially affect adversely the health of present and future generations.”

Environmental Health Services perform numerous functions, some of which are incorporated under Municipal Health Services, which in terms of the National Health Act No. 61 of 2003, includes:

- Water quality monitoring;
- Food control;
- Waste management;
- Health surveillance of premises;
- Surveillance and prevention of communicable diseases;
- Vector control;
- Environmental pollution control;
- Disposal of the dead; and
- Chemical safety.

## General Overview and Main Achievements

### Health Education and Health Awareness Programmes

Various health education and health awareness programmes were undertaken during the year under review. They included:

Health education, health awareness and clean up programmes at various schools throughout the City. The topics covered were:

- Personal hygiene;
- Environmental hygiene;
- Communicable disease prevention;
- Food hygiene and safety; and
- Rabies awareness.

There were a total of 11 574 participants.

Clean up campaigns were held at the following taxi ranks throughout the City:

- Empangeni Top Bus Rank;
- Richards Bay Taxi City of uMhlathuze;
- Tanner Road Rank;
- Mzingazi Rank;
- Lot 63 Loftheim Rank;
- eNseleni Rank; and
- Ngwelezane Taxi Rank.

The campaigns were initiated as a result of poor hygiene conditions existing at the taxi ranks. Several municipal departments such as Environmental Health, Waste Management, Business Support, Plumbers, Roads and



Storm Water, as well as external stakeholders and the informal sector, formal businesses, transport industry and the general public, participated in education and clean-up campaigns at the taxi ranks to ensure that the town and ranks remain in a clean and hygienic condition.

### **World Environment Day Awareness Programme**

Seven rural schools within the uMhlathuze Municipal boundary took part in this year's World Environment Day Awareness Programme, an initiative of the City's Environmental Health Services. The participating schools were from Wards 24, 25, and 29 and are as follows:

- Isigisi Primary School;
- Bingoma Primary School;
- Ndabayakhe Primary School;
- Qhubandaba Primary School;
- Nqutshini Primary School;
- Eniwe Primary School; and
- Nkosazana Primary School.

Other Health education programmes undertaken were:

- Health education of food handlers at child care centres and schools.
- Workshops on Council's Childcare Services Bylaws for managers, principals and staff of childcare facilities.
- Health education on Food Hygiene, the Regulations Governing General Hygiene Requirements for Food Premises and the Transport of Food was undertaken at uMfolozi FET College for the lecturers involved in the training of caterers.



## Indigent and Pauper Burials

In terms of Council's Indigent Burial Assistance Policy and Section 32 of the Regulations Regarding the Rendering of Forensic Pathology Service and in terms of the National Health Act, 2003 (Act No 61 of 2003) 159 indigent and pauper burials were undertaken by Council at a cost of R300 302.00.

## Air Quality Management Unit

The Air Quality Management Unit (AQMU) is a fairly new component under Community Services that came into existence in 2012. The main aim of AQMU is to assist in protecting the environment by providing reasonable measures for prevention and enhancement of air quality for the sake of securing an environment that is not harmful to the health and well-being of people.

### Objectives

- To comply with the Constitution of the Republic of South Africa, National Environmental Management: Air Quality Act 2004 and other related pieces of legislation.
- To be in line with the National Air Quality Framework in attaining compliance with ambient air quality standards, and give effect to South Africa's obligations in terms of international agreements.
- To effectively communicate air quality status information to all levels of society, from experts in the field to primary school children and the ordinary citizens on the street.
- To improve information sharing with other spheres of government and relevant institutions dealing with air quality.

### Functions of Air Quality Management Unit

- Conduct various inspections: spot-on, joint-inspection, environmental management inspections (EMI/Green Scorpions).



- Register industries and monitor compliance on scheduled trade permits.
- Handling of complaints.
- Inspection of National Environmental Management Section 30 (emergency incidents).
- Education and awareness.
- Meetings/Forums.
- Provide guidance and training to In-service students from various institutions.

## 2012/2013 Annual Review Milestones

### Inspections

There were 95 inspections conducted. These inspections included various types of industries such as smelters, pulp and paper mills, chemicals, harbour, iron steel, fertiliser, coal exporters, mineral mining, forests, blasting and sugar cane.

### Scheduled Trade Permits

There were four Scheduled Trade Permits issued to the following companies:

- Foskor (Pty) Limited;
- The New Reclamation Group (Pty) Ltd;
- Süd-Chemie SA Richards Bay SA (Pty) Ltd; and
- ZMS Richbay Bulk (Pty) Ltd.

### Complaints

There were 274 complaints attended to. These complaints included spillages, odour, burning, etc.

### Section 30: Emergency Incidents

A workshop on procedure in handling emergency Incidents was conducted.



## Education and Awareness

### Forums

The forums attended consisted of the following companies:

- KZN Air Quality Forums;
- Blasting Activities Forum;
- Foskor Forum;
- Mondi Business Paper and Mpack Paper Forum;
- Tata Steel Forum;
- BHP Billiton Forum; and
- Non-Ferrous Metal Forum.

### Meetings

One hundred and seven meetings attended.

### In-service Training

Various institutions such as Durban University of Technology, Mangosuthu University of Technology and others deploy their students for in-service training in order to obtain their qualifications.

The Air Quality Management Unit assisted eleven

students. Five of those were under the supervision of uMkhanyakude Municipality, but due to a lack of industries they were assisted by this Unit.

## Clinics

uMhlathuze Municipality Primary Health Care Services are provided from two main clinics, being Richards Bay and Empangeni with six satellite clinics situated in the following areas:

- Brackenham;
- Aquadene;
- Felixton;
- Zidedele;
- Meerensee; and
- Baptist Church – Empangeni.

The number of patients attended to at the uMhlathuze Clinics in Richards Bay and Empangeni during the 2012/2013 financial year is reflected in the tables below:

Primary Health Services	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total No. of patients attended to
Aquadene	771	818	653	663	2905
Brackenham	2 975	2 753	2 748	2 884	11 360
Civic Centre Richards Bay	27 647	28 462	27 769	34 547	118 425
Meerensee	4 155	4 166	4 401	4 587	17 309
Baptist Church	1 128	1 128	1 084	1 087	4 427
Civic Centre Empangeni	30 826	30 826	31 269	33 704	126 625
Felixton	558	558	526	671	2 313
Zidedele	507	507	461	472	1 947
<b>GRAND TOTAL FOR YEAR</b>					<b>28 5311</b>

Disease Profile	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total No. of Patients Attended To
Primary Health Care clients under five years	11 153	11 513	10 503	21 149	54 318
Primary Health Care clients over five years	57 414	58 938	58 408	57 629	232 389
Asthma	937	929	908	805	3 579
Diabetes Mellitus (new)	112	71	52	51	286
Diabetes follow-up visits	3 850	3 472	3 221	3 184	13 727
Diarrhoea < 5 years (new)	286	509	464	273	1 532
Diarrhoea – 5 to 14 years	96	103	120	88	407
Diarrhoea – 15 years and older	599	850	764	519	2 732
Hypertension visits (new)	146	139	144	171	600
Hypertension follow-up visits	6 096	7 373	7 604	7 069	28 142
Scabies (new)	83	176	61	69	389
Sexually transmitted infections (new)	1 970	1961	1 808	1 767	7 506

Tuberculosis	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total No. of Patients Attended To
Suspected Tuberculosis sputum sent to laboratory	1 546	1 533	1 554	1 167	5 800
Suspected Tuberculosis sputum positive	82	59	81	65	287
Suspected Tuberculosis sputum positive – put on treatment	74	51	78	63	266
Total patients with Tuberculosis seen during this quarter	2 740	2 436	2 599	2 233	10008
New TB patients started on TB drugs	262	159	161	113	695
MDR Tuberculosis	4	9	5	4	22

ARV Clinic	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total No. of Patients Attended To
Newly HIV-positive patients initiated on ART	354	273	296	423	1 346
Total number of patients on ART	4 491	4 773	4 827	5 283	5 283
Total number of children on ART	95	96	84	87	87
Grand Total of Treatment	4 586	4 869	4 911	5 370	5 370

Animal Bite Cases	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total No. of Patients Attended To
Dogs	99	65	72	64	300
Cats	4	3	5	2	14
Other	3	1	1	0	5

Well Baby Clinics	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total No. of Patients Attended To
HIV PCR test of baby born to positive mother at six weeks and later	163	165	152	137	617
HIV PCR test positive of baby born to HIV positive mother at six weeks and later	0	3	5	3	11

## Waste Management

The right to environmental protection and to live in an environment that is not harmful to health or well-being is set out in the Bill of Rights (Section 24 of Chapter 2). This fundamental right underpins environmental policy and law. In particular this framework encapsulates environmental legislation as reflected in the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA).

Furthermore, in terms of the Constitution the responsibility for waste management functions is to be devolved to the lowest possible level of government.

It is clear that the City of uMhlathuze is responsible for waste management within its area of jurisdiction, and therefore the Municipality has a legal and moral responsibility

to ensure proper handling of waste thus preserving a health and safe environment.

The following are the core functions of the section:

- Weekly waste collection and disposal thereof at uThungulu Landfill site; and
- Street and rank litter pick up and public ablution facility cleaning.

## Cleaning

- Recovery of re-usable material by separation at source and directing usable waste to the recycling project at Alton Recycling Centre.
- Clearing of illegal dumping within the City of uMhlathuze.

- Community and school environmental (clean-up) awareness campaigns.
- Participation in Greenest Municipality Competition run by both Department of Agriculture and Environmental Affairs and National Department of Environmental Affairs.

### Weekly Waste Collection

Quarter	No. of Trips	Tonage of Waste Disposed of
1st Quarter	1 547	12 712
2nd Quarter	1 529	12 375
3rd Quarter	1 490	12 686
<b>4th Quarter</b>	<b>1 608</b>	<b>8 252</b>
<b>TOTAL</b>	<b>6 174</b>	<b>46 025</b>

A total of 6 174 trips were made to the uThungulu Regional Landfill Site and Alton Recycling Centre and 46 025 tons of waste were disposed during 2012/2013 period.

A total of 68.40% (59 208) households had access to the basic weekly solid waste removal service at the end of June 2013, excluding communal skips placed in sensitive areas.

### Street Cleaning

Littering is still a challenge within the City and the section has designed a plan of not only cleaning litter, but also empowering the community so that they are aware of the impact of littering.

In areas that seem to be a major problem, such as ranks, the Section worked together with informal traders so that they would take responsibility for their environment. All the streets within in towns are cleaned daily and staff are allocated areas. The ranks are now cleaned up until 18h00 when there is no congestion so as to maximise cleanliness.

### Recycling Programme

The involvement of the Municipality in the promotion of recycling material by its citizens is important in contributing to the national target set for recycling in the country. The earlier target was 50% by the end of 2012 and the target for the reduction of landfill waste was set at 25%.

This Section has been running the kerb recycling programme successfully in certain suburbs such as Meerensee in which Council issues yellow bags for recycling in addition to trolley bins. On the day of removal, refuse truck pick up non-recyclable material in trolley bins, and the following recycling truck collects yellow bags with recyclables to Alton Recycling Centre.

The City of uMhlathuze resolved that 6% and 3% are its annual targets for recycling and reduction of waste respectively for 2012/2013.

Currently, there are 15 previously unemployed community members separating and sorting recyclables.

The quantities collected by the recycling team are recorded by the team leader and submitted to Waste Management on a quarterly basis. The quantities are then used to determine the recyclable percentage as well as





reduction percentage against the tonnage landfilled per quarter. Measured against Council's annual target of 6%, it means that recyclable matter should amount to 1.5% every quarter. Reduction of landfilled material should represent 0.75% per quarter. The increase in these percentages will be an indication whether recycling is successful or not. If positive results are achieved, it will then mean that citizens are becoming increasingly aware of keeping their environment clean.

- An increase in recyclable material of 11.56% was achieved during this quarter measured against the annual target of 6%.
- Reduction of landfilled material reflected a percentage of 3.5% during this quarter measured against the annual target of 3%.

Improvement is therefore still required in terms of recyclable waste and in order to maximise the recycling programme. The section has requested a budget of about R4.8 million for the 2013/2014 financial year to establish four recycling centres. This will contribute greatly to the increase in both recycling and reduction of waste being sent to the landfill site.

### Illegal Dumping

This is still one of the challenges the Council is faced with and it has a detrimental effect to the environment. The Section has formed a special team that deals with illegal dumping as part of the EPWP programme for Waste Management.

Although this seems to be working very well, there is a dire need for the Community to be educated on negative effects of illegal dumping.

Everyone needs to get involved because the Municipality alone cannot win without participation and commitment by builders, garden service companies, businesses and the community at large.

### Community Outreach Programmes

A number of community clean-up campaigns were arranged involving scholars from rural schools. Parents were also involved in these campaigns, as waste is everybody's responsibility and mishandling it affects both the young and the old people in the community.

The campaigns were a success and 6 430 refuse bags were collected. All participants were very enthusiastic and cooperated during clean-ups, which indicated that there is a fair understanding of the community's role towards the environment.

School clean-up campaigns as well as community clean-up campaigns are conducted in an attempt to create environmental awareness. Twelve school clean-up campaigns were held in this quarter.

### Greenest Municipality Competition

Every year, the City of uMhlathuze participates in the Greenest Municipality Competition hosted by Department of Agriculture and Environmental Affairs. On 14 October



2013 the City was assessed by a provincial team as part of the competition. This team looks at different functional areas within the Municipality, but focuses mainly on waste management services, particular littering, illegal dumping and refuse removal.

It was encouraging for the Municipality to win second place overall (1st runner up) in KwaZulu-Natal during the presentation of results held at Durban's Botanical Gardens in June 2013.

## Traffic

The following statistics reflect the activities for the Traffic Section during the 2012/2013 financial year.



Motor Licensing Transactions (Administration)					
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Combined
Vehicle registration	6 460	6 406	5 887	6 179	24 932
Vehicles licenced	22 155	23 996	22 417	22 513	91 081
Other license transactions	85 852	83 277	78 015	80 305	327 449
<b>Total transactions</b>	<b>114 467</b>	<b>113 679</b>	<b>106 319</b>	<b>108 997</b>	<b>443 462</b>

Number of Driver and Learner Licences Processed					
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Combined
Total no. of applications	2 518	2 208	2 721	2 471	9 918
Tests passed	1 035	1 059	1 094	1 133	4 321
Tests failed	1 445	1 045	1 228	1 312	5 030
Failed to attend	159	86	112	169	526
Capture test result	1 715	740	2 435	2 486	7 376
Drivers licence renewals	2 131	1 377	2 247	2 228	7 983
Temporary drivers licences	0	0	0	0	0
PRDP applications	528	477	544	561	2 110
PRDP issue	514	447	470	515	1 946
Other DLTC functions	0	4	20	46	70
Oral tests	0	0	2	0	2

Number of Traffic and Licensing Payments and Enquiries Attended To					
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Combined
<b>Payments</b>					
Fines	785	640	784	640	2 849
<b>TOTAL</b>	<b>785</b>	<b>640</b>	<b>784</b>	<b>640</b>	<b>2 849</b>

<b>Enquiries</b>					
Incoming calls	8 854	9 740	8 084	9 832	36 510
Backlog trans	0	0	0	0	0
Enquiries	8 452	13 537	7 967	17 614	47 570
M/V files opened	407	169	0	0	576
TMS scans to PMB	1351	1 803	1 112	2 752	7 018
	19 064	25 249	17 163	30 198	91 674
<b>TOTAL</b>	<b>19 849</b>	<b>25 889</b>	<b>17 947</b>	<b>30 838</b>	<b>94 523</b>

## Environmental and Recreational Services

### Sport and Recreation

Short and long-term objectives of this Section are:

- To proactively address the promotion of sport in the rural areas through the establishment of sport and recreation structures and the presentation of programmes and activities to these communities;
- To establish closer links with district sport federations by means of co-operative governance, including reinforcing the existing relationship with government structures as well as federations at all levels;
- To restructure several local community-based structures to ensure efficiency and streamlining;
- To address the promotion of recreation to all uMhlatuze citizens including children, women, senior citizens and people with disabilities; and
- To ensure the existence of skills development, education and training of sport administrators, technical officials and coaches by presenting courses and workshops through SETA-accredited service providers.

### Milestones and Achievements During the 2012/2013 Financial Year

#### Senior Citizens Golden Games

These games are aimed at promoting active ageing. Senior citizens compete in games such as ball relay, jukskei, rugby ball throw, duck walk, ring the stick, dress-up and many more. This programme starts at Ward level, proceeds to Cluster level and culminates in the uMhlatuze Golden Games. Athletes selected at uMhlatuze Golden Games get to participate at District level, after which they represent the District at the Provincial Games. Those selected at Provincial Games get to participate at the National Golden Games. About 15 senior citizens from uMhlatuze participated at the 2012 National Golden Games.

#### SALGA KZN Games

These games are played in all municipalities with the aim of unearthing and nurturing new talent. Athletes are selected during elimination games to represent their respective wards, clusters, local and district municipalities at provincial level. The City provided about 70 per cent of athletes for Team uThungulu, which participated in the 2012 Provincial SALGA Games at uThukela District Municipality.

### Beach Games

The 2012 Beach Games proved to be a resounding success with many beach revellers participating in codes such as Touch Rugby, Beach Volleyball, Beach Soccer, Indigenous Games and many more. These Games were part of the annual uMhlatuze Beach Festival.

### Education and Training

To capacitate sport administrators, coaches and other technical officials, different workshops were presented. Sport codes which benefitted in these workshops include Basketball, Karate, Netball and Football. For Sport administrators, Event Management workshops were presented.

### Industrial Beach Soccer Challenge

The Industrial Beach Soccer Challenge was held at Alkantstrand Beach whereby soccer teams from different industries within the City participated. This was part of the Work and Play programme which encourages employees in



different institutions to participate in sport and recreation so as to keep fit and healthy.

### Disability Sport

This programme is aimed at encouraging people living with disabilities to participate in various sporting codes. A sports day was held at Thuthukani School for the Disabled where learners participated in codes such as table tennis, indigenous games, gymnastics and many more.

### Sport Facilities

With the assistance of RBM, a new combi court was constructed at Ntuzi in Ward 11.

## Sports and Recreation Amenities

### Swimming Pools

Swimming pools opened on 1 September and closed on 30 April. Most swimming pools hosted galas and the Learn to Swim programme. Arboretum Swimming hosted Northern Coastal High School and primary school galas, and the region's long course and short course championships. During the warmer days there were regular visits by schools from neighbouring towns. Local churches are utilising the swimming pools in their areas for baptisms.

### Beaches

The stunning summer weather experienced throughout the year continues to keep the visitors coming to Council beaches. The shark nets make Council beaches safe for bathing and surfing. During the year, Council's main beach hosted several surfing and body boarding competitions. During the festive season Council hosted the Beach Festival, which also attracted a large number of visitors at Alkantstrand Beach. On 1 January, the Department of transport hosted their 'Arrive Alive' road safety campaign, which attracted about 150 000 people.

During the festive season, an average of 10 000 people visited the beach on a daily basis, which led to several rescues and first aid responses being performed by Council's lifeguards, without any fatalities.

Council managed to obtain full Blue Flag status and maintained it for the entire season, even though Council has a 12-month season unlike other cities that only have a six or eight-month season.

Along with having the most magnificent beach and barreling waves, the City is proud to boast that it has the most spectacular skate park in the country attracting skateboard riders from all over the country. This skate park



hosted several grand competitions, most of which were sponsored by Red Bull.

Council continues to strive to maintain safety and security at the beaches. The beach facilities are manned 24 hours a day by uniformed security guards and police as well as Council's law enforcement officers who do regular patrols.

## Environmental Services

### Cemeteries

General maintenance was performed during the year on all the cemeteries namely Richards Bay, eSikhaleni, Nseleni, which are operational, and also the non-operational cemeteries at Empangeni and Vulindlela.

Internments are performed primarily during weekends, which cause the overtime budget to increase substantially. However, it remains the responsibility of Council to cater

for the bereaved families during these difficult times. The average burials conducted per month ranged between 49 to 55 internments.

Except for the western side of the Richards Bay Cemetery, the total cemetery is now fenced and the eSikhaleni Cemetery is now also equipped with a telephone landline.

## Horticulture

General maintenance is performed in all suburbs and municipal staff are assisted by private contractors to maintain various identified areas from time to time.

Large areas of overgrown vegetation were also cleared next to residential and business areas to assist in crime prevention and to ease continued future maintenance. It remains a challenge to keep up with the continued request from residents to maintain a safe and clean environment, primarily due to illegal dumping within the respective suburbs.

The Section participated once again at the Pietermaritzburg Royal Agricultural and Garden Show. The exhibition/display improved on last year's performance and Council received a silver award at the exhibition this year. Council also received an award for the 'Best Improved Exhibition for 2013'.

## Arboriculture and Maintenance

Mainly indigenous trees were planted over the years in various open spaces and along main arterial roads. Approximately 800 to 1 200 trees are planted per annum and require continued maintenance due to environmental conditions, vandalism and theft.

Continued awareness and educational talks are conducted at schools to create awareness on the role trees are performing in the environment. A successful tree planting day was held at Aquadene Secondary School during Arbor Week and supported by various roleplayers including national and provincial departments as well as industry.

Although this Section receives various complaints regarding trees, each matter is evaluated and attended to with care and sensitivity, and alternative methods such as trenching, pruning etc. are followed before a tree is removed.

## Environmental Alien and Invader Control Projects

In co-operation with KZN Department of Agriculture and Environmental Affairs, which provide funding for the projects, an area of approximately 1 281 ha is maintained at a cost of about R15 million.

Without the aforementioned Department's financial

assistance, Council would not have been able to perform and maintain the 'Environmental alien and invader vegetation control programmes' effectively.

## Grass Cutting

Grass cutting operations are performed on a cutting cycle of between six to eight week intervals throughout the City. Due to the vast areas to be covered, various private contractors are used to assist in this regard.

Areas that are cut and maintained by the Horticulture/ Operation Sub-section are as follows:

- Empangeni;
- Hillview;
- Umhlathuze Village;
- Ngwelezane;
- Old Mill;
- Esikhaleni J and H;
- Vulindlela;
- Mereensee;
- Arboretum;
- Veldenvlei;
- Weledeweide;
- Brackenaham;
- Enseleni; and
- All beaches.

This Section is also responsible for the grass cutting at Community Halls at Msasandle, Port Dunford, Eniwe, Madlankala, Gobandlovu, Mzingazi, Bay hall, Hlanganani, Kwabhejane and New Hall.

During the summer/peak periods of the growing season, primarily during November to March each year, the Section strives to make ends meet but due to the increased workload the preferred standard cannot always be achieved. The public is therefore kindly requested to exercise the necessary patience during this period as the Section is performing with the necessary available resources as best as possible.

## Mechanical Maintenance

This Section maintains all lawn mowing equipment with a budget of over R1 million, assisting also other sections with maintenance of their equipment. The workshop is well equipped with a staff complement of six.

When standardised lawn mowing equipment is purchased in terms of the procurement policy and procedures, the purchase of equipment for those units is also required. Additional training, especially with non-standardised equipment, remains a challenge and sincere attention will be given to this in future.

## Libraries

Scholars and students once again overcrowded our libraries, doing research and making use of our study facilities. Library staff are also constantly assisting children and searching for information. This covers a wide spectrum of topics ranging from challenging projects such as cloning, the greenhouse effect, different cultures, diseases, political factors affecting HIV/Aids, the environment, teen pregnancy, local government, poverty, the earthquake in Japan, the budget speech, computers, etc. This kept the Library staff on their toes and forever looking for information.

Saturdays are the busiest days as literally thousands of people visit our libraries.

The use of the ever-popular Internet and computer services for research, sending e-mails and job hunting is increasing rapidly.

The cyber cadets in charge of the Internet computers at the six respective libraries are also rendering a valuable service by training lots of people on how to use a computer. Some of these people have hardly seen computers, let alone worked or typed on one. The service is still free but users are paying for printouts: R2 for A4 black and white per page.

Although the circulation figures are not as high as previous years, the in-house use of all our libraries are on the increase. It is noticeable that more and more people are using all our services and facilities at all the libraries.

New carpets were installed at the Richards Bay, Empangeni and eNseleni libraries. At Richards Bay Library Hall the old furniture from 1987 was replaced by new furniture. Empangeni Library also replaced old chairs and tables. A new fridge was bought for the eSikhaleni and Empangeni libraries.

Libraries	Circulation	Visitors	Active Members
Richards Bay	107 813	200 406	5 675
Empangeni	52 879	136 218	4 372
eSikhaleni	10 648	89 278	2 138
Brackenham	8 506	31 627	319
Enseleni	7 048	72 300	1 187
Felixton	3 065	6 390	393
Ngwelezane	4 243	113 486	528
<b>Total</b>	<b>194 202</b>	<b>649 705</b>	<b>14 162</b>

## Museum

The museum is visited daily by adults, children and school groups alike.

Continued exposure for the museum is achieved through the hosting of various exhibitions of artwork throughout the year, as well as historical talks by the Zululand History Society roughly every two months. A Facebook page is also updated on a regular basis.

Some of the exhibitions hosted during the 2012/2013 financial year, to name but a few, include the following:

- Mondi Eisteddfod (Primary Schools Section);
- Local artists' exhibition;
- Council's own art exhibition; and
- University of Zululand's art (works by students at postgraduate level).



# CHAPTER 5

## Financial Performance 2012/2013

### Chief Financial Officer

Strategic priority: Sound financial management both departmentally and throughout the Municipality.

### Financial Overview

The review sets out to highlight the Municipality's performance for the past year. Full details appear in the audited annual financial statements. This is the fourth financial year for the Chief Financial Officer, Mr M Kunene, who took the helm in the middle of the economic downturn.

### Divisions within the Department

The following are the sections within the finance department under the control of the CFO:

- Administration and Strategic Planning;
- Financial Support, Budget Process Management, Budget Reporting, and Expenditure Management;
- Financial Accounting, Reporting and Assets Management Creditors, Loans, Investments and Cash Management;
- Supply Chain Management;
- Income Billing Management and Reporting; and
- Customer Relations Management and Indigent Support.

### Overview of the Municipality's Financial Results

The Municipality's financial performance over the past year amid the prevailing economic and market conditions was very good. The Municipality's Finance Department continued to monitor the impact of the economic conditions on its finances and ensured that it respond appropriately even under tight conditions. The Municipality experienced a very tight cash flow challenge from the year 2008/2009. What is pleasing is that the Municipality's liquidity ratios have improved considerably every year. Therefore, it can safely be said for the 2012/2013 financial year that the cash flow of the Municipality was healthy.

Although in the recent past, great emphasis was placed

on the liquidity situation, most informed readers will know that liquidity is only one component of sound financial management. In almost all quarters, that has also been achieved (see later on in this report).

The financial results have shown that the Municipality was and still is committed to supporting infrastructure investment even though the demands far outweigh the Municipality's resources.

The only 'achilles heal' in the environment of infrastructure is the Municipality's handicap of not conquering the obstacles that have arisen in the implementation of some infrastructure projects, which has resulted in the Municipality under spending on its capital budget. Concerted effort is now being made by senior management on eradicating the administration of the numerous obstacles, and that should be evident in the 2013/2014 report.



MR MXOLISI KUNENE  
CHIEF FINANCIAL OFFICER

### Executive Summary of Key Financial Achievements for the Year Under Review

#### Sound Financial Management

The leadership of the CFO, together with immediate management, has now completed a five-year financial plan which includes, among others, an organisational structure with specialised divisions in internal and external service delivery and financial management support for the Municipality as a whole.

Evidence of very good work in progress as at the end of 2012/2013 is clearly visible through:

- unqualified Audit opinion with a Clean Audit Finding;
- sound liquidity situation;
- credible and funded budgets;
- cash backed reserves, carried over grant funds and carried over unspent borrowings;

- finance Department divisions working as a collective rather than in silo's;
- the quality of financial reporting being amongst the best in the country;
- the quality of debt management being the best in the country;
- the quality of creditors management being the best in the Country;
- the quality of inventory management being among the best in the country;
- the quality of billings being close to faultless, with one of the fairest socio/economically structured tariffs in the country;
- selection by National Treasury to pilot the introduction of a costing segment to the country's public sector and successfully completed in 2012/2013; and
- selection by National Treasury to pilot the whole of the SCOA reforms in preparation for country-wide implementation from 1 July 2016.

## Contributions to our Developmental Obligations

### Supply Chain Management Division

- Council approved the amended Supply Chain Management Policy on 27 August 2013. Of significance is Clause 34, which aims to promote local economic development and support community-based vendors. It will further assist the Operation Sukuma Sakhe (OSS) which is the KwaZulu-Natal Provincial Government initiative to address social ills and alleviate poverty.
- In order to assist in providing experiential learning the Unit has accepted nine students to undertake their learnership for 18 months from uMfolozi FET College through the MOU among the Municipality, uMfolozi FET College and SETA.

### Income Division

- Providing the lowest priced basket of services to all our consumers with one of the widest ranges of free basic services for the poor and indigent residents in the Country; and
- Providing consumer specific indigent support to parentless households and to destitute households.

### Expenditure Division

- As part of the Municipality's developmental commitment, six financial management interns were appointed during the reporting period. This programme is funded by the Financial Management Grant from

National Treasury. In 2011/2012, five interns, including provincial/Deloitte interns, completed their contracts and were permanently absorbed.

Rotations as well as personal development plans were developed for each one of them. Progress for this programme is very good, especially in the absence of other institutional platforms providing a suitable stepping-stone for aspirant local government financial managers.

- Providing cash flow relief for our SMME vendors by paying invoices within seven days; and
- Signing of session agreements with suppliers to assist SMMEs to receive their materials on time.

## Financial Support, Budget Process Management and Budget Reporting

Managing the budget is an on going task. The process of planning to approve of each MTREF (Medium Term Revenue and Expenditure Framework) is, however, a ten-month process commencing in August of each year. It begins with the approval of the budget process plan and timetable, which sets out the deadlines required to be met by the administration and Council as per the Municipal Finance Management Act, 2003, and ends at completion of the financial year.

The 2013/2014 MTREF was tabled before Council on 26 March 2013. Thereafter, a six-week budget participation process was undertaken with cluster meetings at various locations. Attendance by the community at these meetings is improving and the understanding of the municipal process by the community is also encouraging to note.

Following the budget participation process any amendments that have been identified by the community are incorporated into the final 2013/2014 Budget and MTREF. Council adopted the 2012/2013 MTREF on 28 May 2013.

Besides budget management, this Section is also responsible for all monthly, quarterly and annual budget reporting in terms of the Municipal budget and reporting regulations. This is a continuous process that ensures that the Municipality is compliant with the relevant legislation.

Another area of responsibility is expenditure control, which involves the preparation of various reports as a support department in order to assist the rest of the organisation with expenditure management.

During the past few financial years, greater emphasis has been placed on Activity Job Costing by tightening the expenditure controls over individual jobs.

One of the areas that will begin to make a difference is the splitting of the repairs and maintenance budgets into planned and unplanned maintenance. This has contributed

to greater controls in ensuring that the maintenance budget is managed.

On a monthly basis, a selection of line items are analysed for abnormalities. Repairs and maintenance are analysed in detail and each job number is split into material, labour and transport. These abnormalities and the job numbers are forwarded to the respective departments for comments and action.

The Financial Support Section also includes payroll administration. The Payroll Administration Unit ensures that 2 000 employees (including 60 councillors) are paid their monthly salaries and allowances timeously and accurately. In order to achieve this strict deadlines are required to be met.

SARS is placing a greater burden of responsibility on employers by making them responsible to submit their PAYE reconciliations bi-annually. This ensures that the annual PAYE reconciliation is submitted within 60 days after the end of the tax year.

## Financial Accounting, Reporting and Asset Management

The functions of this Section include ensuring that the Annual Financial Statements are completed and timeously submitted to the Auditor-General for auditing purposes and that the Municipality has a GRAP-compliance Financial Assets Register.

In 2012/2013, there were five new GRAP standards that were effective and adopted by Council. The Auditor-General did not issue any exceptions on the newly adopted standards, thus attesting to the level of compliance achieved.

Council strives to ensure that the financial assets register is GRAP-compliant and that all GRAP standards related to assets have been taken into account during the preparation of financial statements.

## Expenditure Management

Greater emphasis is being placed on maintaining a healthy and positive relationship with Councils suppliers.

Stricter controls are being implemented in the payment/procurement process between municipal user departments and suppliers in ensuring Supply Chain Management processes are followed.

This section is also concerned with ensuring that available Municipal funds are invested with financial institutions over a longer period to attain greater returns. Council has only short term funds available, hence they are invested accordingly. The balance of funds invested as at 30 June 2013 was R243 million (2012 – R157 mMillion). This is a great improvement in comparison to previous years.

## Supply Chain Management

### Statutory Reporting and Compliance

Monthly reports have been submitted for the procurement of goods and services in terms of each required regulation of the Supply Chain Management Policy of the Council.

Training of all bid committee members on their roles and responsibilities was done by Provincial Treasury. Training on the oversight role of Council was conducted with Councillors by Provincial Treasury.

### Application of the Preferential Procurement Regulations /Policy

The Preferential Procurement Policy is applied for all procurement above R30 000. R440 000 was spent in respect of preferential premiums.

### Controlling Expenditure

The Supply Chain Management Unit (SCMU) scrutinises all requisitions for material and verifies that the correct Budget as per the SDBIP is utilised for the procurement of materials and services. Compared to previous years, the value of orders placed by the Supply Chain Management Unit has increased substantially, which indicates growth in the orders processed.

- 2009/2010 total transactions: R104 221 294;
- 2010/2011 total transactions: R166 969 064;
- 2011/2012 total transactions: R256 852 052.24; and
- 2012/2013 total transactions: R435 584 919.73.

### Materials Management

Total discrepancies for 2012/2013 were as follows:

- Shortages – R35 718.50 (here the major component was attributable to fuel, which is subject to various environmental factors), thus this discrepancy was not due to maladministration; and
- Surpluses – R4 192.43.

The above figures, measured in the context of total value of orders managed by the SCMU, underpin the good management taking place within this unit.

## Statement of Financial Performance

### Summary

The overall summarised operating results for the Municipality, in comparison to the approved budget, are shown below. The statement of financial performance reflects a summary of income and expenditure.

Although the statement of financial performance shows



Actual versus Budget R 000	2013 Actual R 000	2013 Budget R 000	2012 Actual R 000	2012 Budget R'000	2011 Actual R'000	Growth % 2013	Growth % 2012
Net operating deficit	(51 421)	(71 339)	(147 281)	(98 518)	(193 205)	72.1	149.5
Operating revenue	2 040 655	1 985 969	1 713 572	1 728 871	1 437 727	102.8	99.1
Property rates and service charges	1 607 817	1 603 425	1 411 374	1 415 490	1 165 968	100.3	99.7
Grants and public contributions	253 773	314 435	232 187	270 039	204 146	80.7	86.0
Other	179 065	68 109	70 011	43 343	67 613	262.9	161.5
Operating expenditure	2 092 076	2 057 308	1 860 854	1 827 390	1 630 931	101.7	101.8
Employee benefits	437 126	449 751	393 065	410 247	361 199	97.2	95.6
Finance costs and depreciation	425 301	374 659	383 382	391 689	376 431	113.5	97.9
Bulk purchases	937 247	914 223	834 000	784 613	649 531	102.5	106.3
Other	292 402	318 675	250 407	240 841	243 770	91.8	104.0

a deficit of R51,4 million against a surplus in the operating budget of R114,6 million, the main reason is GRAP accounting entries such as depreciation charges on re-valued assets, are not funded from income but from equity.

## Revenue

Revenue performance improved due to:

- Interest on investments exceeding budget by R10,5m; and
- Increases in other income due to engineering contributions received during the year.

Under performance of revenue attributable to:

- Conditional grants from the State unspent by R113,8m.

## Expenditure

- Employee cost savings of more than R12m;
- Savings on general expenses;
- Bulk purchases exceeding budget by R23m; and
- Provision for bad debts exceeding budget by R1,1m.

The actual repairs and maintenance for the Municipality was R258m for the year 2013 (2012 - R216m; 2011: R202m). This expenditure meets the benchmark of 6 – 8% of cost of assets and 10 – 15% of the operating budget.

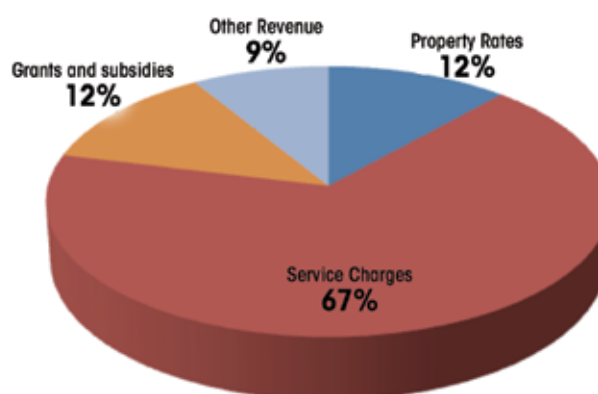
## Operating Revenue

The major operating revenue streams that supported the Municipality's programmes and activities were:

- Property rates;
- Services charges which are made up of:
  - Electricity sales;

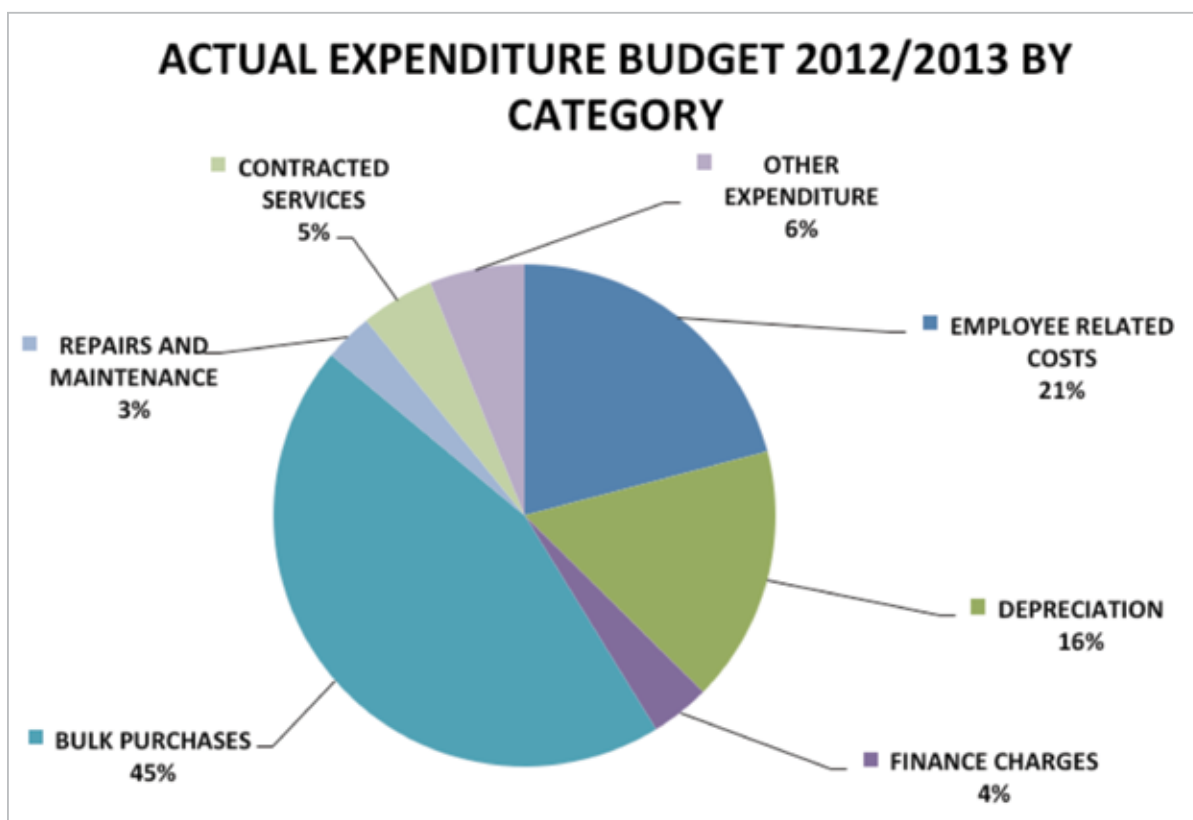
- Water sales;
- Wastewater management (sewerage and sanitation); and
- Government operating grants
- Other.

## ACTUAL OPERATING REVENUE 2012/2013 BY SOURCE



## Operating Expenditure

The graph on the next page indicates the main categories of expenditure for the year under review. The cash flow recovery plan put forward to Council by the Finance Department supported by the entire municipal administration, has managed to yield good results in the control and containment of costs. The reduction of finance costs was as a result of Council not taking up any further loans and reducing the Municipality's existing debt.



### Spending Against Capital Budget

Capital expenditure incurred during the year amounted to R115 million which represents 49% (2012: 49%) of the

approved capital budget. It is clear that there has been a decrease in capital spending. Below is the funding mix of capital expenditure.

Capital Investments R'000	2013	2012	2011	2010
Own funds	69 511	4 971	34 115	34 710
Loan funding	55 093	78 000	16 147	188 000
Grant funding	108 943	95 806	119 180	63 600
<b>Total CAPEX</b>	<b>233 547</b>	<b>178 777</b>	<b>169 442</b>	<b>286 310</b>
% spent	49%	49%	51%	118%

### Capital Expenditure Per Service

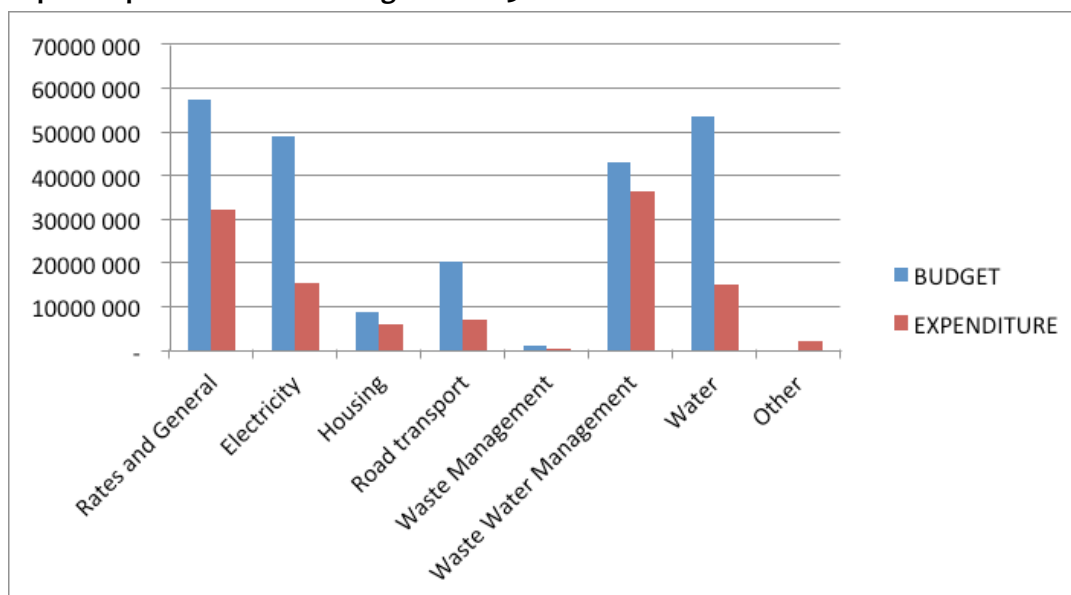
2013

Service	Budget (R)	Expenditure (R)	Variance (R)	Variance %
Rates and general	57 418 800	32 345 216	(25 073 584)	-44%
Electricity	49 132 900	15 544 354	(33 588 546)	-68%
Housing	8 925 000	6 045 656	(2 879 344)	-32%
Road transport	20 265 800	7 028 494	(13 237 306)	-65%
Waste management	1 070 000	183 115	(886 885)	-
Waste water management	43 042 900	36 584 102	(6 458 798)	-15%
Water	53 692 000	15 047 618	(38 644 382)	-72%
Other	-	2 257 921	2 257 921	-
<b>TOTAL</b>	<b>233 547 400</b>	<b>115 036 476</b>	<b>(118 510 924)</b>	

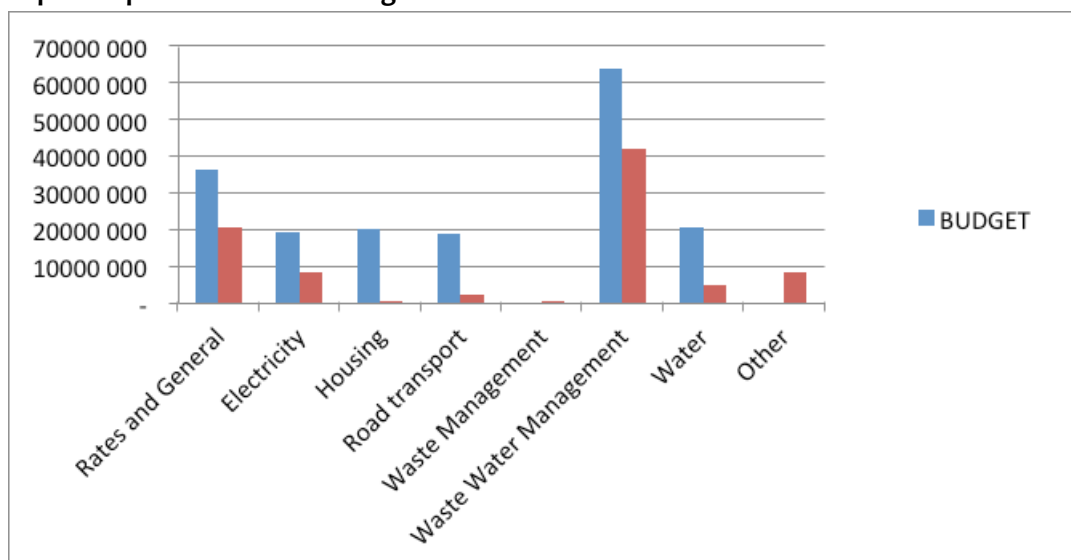
2012

Service	Budget	Expenditure	Variance	Variance %
Rates and general	36 453 700	20 773 423	(15 680 277)	-43%
Electricity	19 269 900	8 277 228	(10 992 672)	-57%
Housing	20 000 000	622 772	(19 377 228)	-97%
Road transport	18 781 400	2 237 245	(16 544 155)	-88%
Waste management	-	52 500	52 500	-
Waste water management	63 793 100	42 022 806	(21 770 294)	-34%
Water	20 479 200	4 747 307	(15 731 893)	-77%
Other	-	8 308 779	8 308 779	-
<b>TOTAL</b>	<b>178 777 300</b>	<b>87 042 060</b>	<b>(91 735 240)</b>	

### Capital Expenditure Versus Budget for 2013



### Capital Expenditure Versus Budget for 2012





## Cash Flow Management and Investment

The following information shows the Municipality's cash flows for the year under review.

	2013 R million	2012 R million
Cash from operating activities	294 108	195 373
Cash from investing activities	(122 708)	(155 156)
Cash from financing activities	(95 839)	(2 563)

## Other Financial Matters

### Annual Tariffs

Annual Tariff Increases						
Year	Rates	Water	Electricity	Refuse	Sewer	CPI
2004	10.00%	13.5%	11%	8%	10%	5.1%
2005	7.50%	13%	3.8%	7.5%	7.7%	4.2%
2006	8.00%	0%	4%	0%	0%	3.5%
2007	6.00%	6.5%	5.9%	6%	4.1%	6.6%
2008	8.00%	10.00%	28.00%	6.00%	6.00%	14.00%
2009	13,6%	5,00%	20,00%	7,00%	5,00%	11,5%
2010	12,8%	11,64%	31,00%	9,8%	9,8%	4,2%
2011	12,5%	12.47%	Separate table	13%	12.5%	4.8%
2012	13.50%	13.00%	Separate table	13.00%	13.00%	5.00%
2013	-4,45%	9.5%	Separate table	Table	7.5%	6.3%

### Cash Flow from Operating Activities

The Municipality's sources of liquidity are cash flow from operating activities and borrowings. Cash flow from operating activities increased from R195 million to R294 million, primarily due to an increase in cash receipts from ratepayers.

### Cash Flow from Investing Activities

Cash flow from investing activities relates primarily to investments in capital expenditure and short-term investments of longer than three months.

### Cash Flow from Financing Activities

Cash flow from financing activities is primarily the repayment of the loans.

## Debtor Accounts

Electricity and water meter readings are performed, processed and posted monthly to ensure that all account holders receive accurate accounts and that a high payment rate is maintained. The collection of monies has been very difficult. The Department, however, still obtained an average debt collection ratio of 99.21% despite these difficult times. Outstanding consumer debtors as at 30 June 2013 were R262 million. The total provision for impairment increased from R19.5 million to R23 million. The amounts included in the consumer debtor balances considered to be doubtful are covered by a provision for impairment of R23 million, which represents 8.78% of the total outstanding consumer debtors.

The overall payment rate for the past seven years is illustrated below:

Year	Payment Rate
2006/2007	101.81%
2007/2008	98.74%
2008/2009	98.56%
2009/2010	98.67%
2010/2011	100.11%
2011/2012	99.49%
2012/2013	99.21%

## Non-compliance with MFMA

The Municipality complied with all the provisions of the Municipal Finance Management Act.

## Unauthorised, Irregular, Fruitless and Wasteful Expenditure

No unauthorised, irregular, fruitless and wasteful expenditure was incurred by the Municipality during the year.

## Expression of Appreciation

The Mayor, the Executive Committee, members of the Finance Portfolio Committee, the Audit Committee, the Municipal Manager and the Executive Management team need to be praised for their support and cooperation received during the year.

A special word of gratitude is to be extended to all financial staff, and to the staff of the Auditor General for conducting the external audit in the manner in which they did, and for their assistance, support and cooperation during the year.

Finally, a further word of thanks to everybody for the months of hard work, sacrifices and concerted efforts during the year to enable the Municipality to finalise the financial reporting, with special emphasis on the financial statements, which culminated in a clean audit report.

## Management Comments on Audit Report

Management commented on and noted corrective action to be instituted on the matters raised in the report of the Auditor-General to the Council on the Financial Statements of the City of uMhlathuze for the year ended 30 June 2012 in terms of Section 121(3)(g) of the Municipal Finance Management Act, no 56 of 2003.

The unqualified audit report contains certain issues for which comments are provided below, where relevant. The paragraph references correspond with the reference in the Audit Report. Paragraphs, for which no comments were required, were noted.

### Paragraph 8: Restatement of Corresponding Figures

This matter was as a result of a correction of amounts which affected the prior year results.

### Paragraph 9 and 10: Material Losses

#### Water losses

JOAT consultants were appointed to do a five-year strategic plan for the reduction of non-revenue water. About R36 million is needed over five years to reduce non-revenue water. Other actions to be taken include:

- Installation of meters in rural areas – seven contractors appointed to install 1 600 meter installations;
- Pressure management at strategic areas to reduce pipe burst and leaks; and
- Water education programmes in schools.

#### Electricity Losses

The Electricity Services Supply Section has embarked on the following initiatives to try and establish the sources for losses, as well as to eventually be able to classify them accurately:

- The installation of meters on all LV sides of mini sub-stations;
- The installation of meters on all HV sides of mini sub-stations and associated RMUs, along the ring network;
- The installation of meters on all 11kV feeders, which are

incomers to other secondary sub-stations, as well as incomers into the mini sub-stations;

- The installation of meters on all 132kV feeders that feed into all the secondary sub-stations, usually with transformation; and
- By metering at all points across the network, as outlined above, the abovementioned losses will be detected very accurately.

### Paragraph 11: Unauthorised Expenditure

This material difference cannot be a charge against rates and service charges as per Municipal Financial Management Act Circular number 58 Section 4.3 read together with Directive 7 for GRAP 17. Therefore, it cannot be a budgeted cost, but instead is a charge against the Statement of Financial Performance which in effect reduces 'Surplus' (a charge against Revaluation Reserve that is accounted for in Net Assets). This will also be taken up with the ASB for them to consider this entry to be posted on the Statement on Changes in Net Assets.

### Paragraph 12: Material Under-spending of The Municipal Infrastructure Grant

- The KZN Provincial Treasury crack team has been requested to provide support to the Municipality in order to facilitate expenditure of capital funding;
- Projects have been identified and fast tracked. A number of projects are at award stage;
- Internal and external management meetings have been initiated to closely monitor progress and expenditure and implement contingency plans should the need arise; and
- Procurement procedures are being received and where necessary, stream lined.

### Paragraph 19: Achievement of Planned Targets

The approach going forward is that an additional column will be included for each quarter in the 2013/2014 OPMS Scorecard as an early warning indicator for non-achievement of a target.



# APPENDICES

## Appendix A: Councillors, Committee Allocation and Council Attendance

### Councillors

Name	M/F	Party	Ward no.
Bosman FG	M	DA	1
Botha CM	M	IFP	PR
Cele JN	M	ANC	12
Cele NR	F	ANC	16
Danisa LM	F	ANC	19
Dawood AS	M	ANC	26
de Lange BJ	M	DA	23
Dube EJB	M	ANC	10
Fourie LCM	M	DA	PR
Gumbi NV	F	ANC	PR
Hlophe SN	M	ANC	PR
Khoza M	M	IFP	PR
Khoza SP	F	NFP	PR
Khumalo MR	M	ANC	14
Kwela PN	F	NFP	PR
Kweyama CS	M	Indep	13
Lourens M	M	ANC	PR
Madondo NM	M	ANC	4
Makatini MT	M	IFP	PR
Mathenjwa PM	M	ANC	29
Mavimbela CP	M	NFP	PR
Mbanjwa N	F	ANC	PR
Mbatha EF	M	ANC	PR
Mbatha PT	F	ANC	PR
Mbokazi MM	M	ANC	21
Merryweather D	M	DA	3
Mhlongo ME	M	ANC	11
Mkhabela JB	F	ANC	PR
Mkhize MR	M	IFP	PR
Mkhize SG	F	ANC	PR

Name	M/F	Party	Ward no.
Mkize GM	F	ANC	24
Mlaba N	M	NFP	PR
Mngomezulu AP	F	IFP	PR
Mnqayi MS	M	ANC	PR
Mthembu AH	F	ANC	PR
Mthembu BC	F	ANC	20
Mthenjana MW	M	ANC	22
Mthethwa KN	F	IFP	PR
Mthiyane BT	M	ANC	25
Mthiyane SS	M	ANC	18
Ngcobo TB	M	NFP	PR
Ndimande DJ	M	ANC	6
Ndlovu KE	F	DA	PR
Nkosi G A	F	ANC	17
Nsibande SM	M	Indep	15
Ntanzu PM	M	ANC	28
Nxumalo DA	M	IFP	PR
Palmer EA	M	ANC	9
Radebe WM	M	ANC	7
Sabelo LS	M	NFP	PR
Shangase LB	F	ANC	27
Simmadhri SS	F	IFP	PR
Sookroo M	F	ANC	PR
Sukreben K	M	ANC	PR
Thusi NT	M	IFP	PR
Viljoen A	M	DA	2
Xaba SB	M	ANC	8
Xulu DJ	M	ANC	30
Zikhali RM (6/3/2012)	M	ANC	PR
Zulu SH	M	IFP	5

## Council Meetings

Meetings in 2012 and 2013	Council	Exco	Portfolio	Special Council	Special Exco
July	1	2	7	1	1
August	1	2	5		
September	1	2	6		1
October	1	2	7		
November	1	2	4		
December	1	2	0	1	1
January 2013	1	2	1		
February	1	2	7		
March	1	2	8		
April	1	2	7		
May	1	2	9		
June	1	2	8	1	
<b>Total</b>	<b>12</b>	<b>24</b>	<b>69</b>	<b>3</b>	<b>3</b>

## Political Leadership



**MAYOR**  
Mbatha, Elphas Felokwakhe  
ANC (Exco)



**DEPUTY MAYOR**  
Gumbi, Ntombizethu Vera  
ANC (Exco)



**SPEAKER**  
Mnyayi, Mvuseni Samuel  
ANC



**CHIEF WHIP**  
Lourens, Manie  
ANC



## Ward Councillors



**Frederik Bosman**  
DA (Ward 1)



**Alen Viljoen**  
DA (Ward 2)



**David Merryweather**  
DA (Ward 3)



**Nicholas Madondo**  
ANC (Ward 4)



**Shadrack Zulu**  
IFP (Ward 5)



**Dumisane Ndimande**  
ANC (Ward 6)



**Willie Radebe**  
ANC (Ward 7)



**Sakhile Xaba**  
ANC (Ward 8)



**Erwin Palmer**  
ANC (Ward 9)



**Emmanuel Dube**  
ANC (Ward 10)



**Eric Mhlongo**  
ANC (Ward 11)



**John Cele**  
ANC (Ward 2)



**Cyprian Kweyama**  
Independent (Ward 13)



**Mduduzi Khumalo**  
ANC (Ward 14)



**Samuel Nsibande**  
Independent (Ward 15)



**Nonhlanhla Cele**  
ANC (Ward 16)



**Gugulethu Nkosi**  
ANC (Ward 17)



**Sipho Mthujane**  
ANC (Ward 18)



**Lindi Danisa**  
ANC (Ward 19)



**Babhekile Mthembu**  
ANC (Ward 20)



**Musawenkosi Mbokazi**  
ANC (Ward 21, Exco)



**Mfundo Mthenjana**  
ANC (Ward 22)



**André de Lange**  
DA (Ward 23)



**Gertrude Mkize**  
ANC (Ward 24)



**Bhekinkosi Mthiyane**  
ANC (Ward 25)



**Ahamed Shaik Dawood**  
ANC (Ward 26)



**Lindiwe Shangase**  
ANC (Ward 27)



**Phikelakhe Ntanz**  
ANC (Ward 28)



**Prince Mathenjwa**  
ANC (Ward 29)



**David Xulu**  
ANC (Ward 30)

## Proportional Representatives



**Ntombizethu Vera Gumbi**  
ANC (Exco)



**Elphas Mbatha**  
ANC



**Alice Mthembu**  
ANC (Exco)



**Sukanini Hlope**  
ANC



**Mvuseni Mnqayi**  
ANC (Speaker)



**Nontokozi Mbanjwa**  
ANC



**Manie Lourens**  
ANC



**Silondile Mkhize**  
ANC (Exco)



**Purity Mbatha**  
ANC



**Kevin Sukreben**  
ANC



**JB Mkhabela**  
ANC



**Meera Sookroo**  
ANC (Exco)



**Dumisane Nxumalo**  
IFP (Exco)



**AP Mngomezulu**  
IFP



**Mbuyiseni Khoza**  
IFP



**Nkosinathi Thusi**  
IFP



**Madina Mkhize**  
IFP



**Beena Simmadhri**  
IFP (Exco)



**Mandla Makatini**  
IFP



**Khetomusha Mthethwa**  
IFP



**Louis Fourie**  
DA (Exco)



**Khonzi Ndlovu**  
DA



**Patience Kwela**  
NFP (Exco)



**Thanduxolo Ngcobo**  
NFP



**Njabulo Mlaba**  
NFP



**Clement Mavimbela**  
NFP



**LS Sabelo**  
NFP



**Sipiwe Khoza**  
NFP



**Raphael Zikhali**  
ANC



**CM Botha**  
IFP

## Committee Allocation and Council Attendance

Councillor	Party	JUNE 2012																						
		EXCO	Council	CD	CS	ITS	COMS	CSF	FS	BY-L	SO	PP	ITSC	EXCO	CD	CS	ITS	COMS	FS	LLF	SP EXCO	SP EXCO	SP Council	T&T
Date		5	5	6	6	7	7	8	12	12	13	13	15	19	20	20	21	21	26	27	28(1)	28(2)	28	28
FG Bosman	DA		P					No meeting		No meeting	No meeting	No meeting			No meeting		A	No meeting					P	No meeting
JN Cele	ANC		P		NA																		A	
NR Cele	ANC		P		NA																		A	
LM Danisa	ANC		P		P																		P	
AS Dawood	ANC		P						P										P				NA	
BJ de Lange	DA		P						P										P				P	
EJB Dube	ANC		P		P									OBS	P							OBS	P	
LCM Fourie	DA		P											P								P	P	
NV Gumbi	ANC		P		P									A								P	P	
SN Hlopho	ANC		P		P										P								P	
M Khoza	IFP		P																				P	
SP Khoza	NFP		P		A										P								P	
MR Khumalo	ANC		P																				P	
PN Kwela	NFP		P		P				P					P	A							NA	NA	
CS Kweyama	Indep		A		NA										A								P	
M Lourens	ANC		A		P									OBS									P	
NM Madondo	ANC		P																				P	
MT Makatini	IFP		A																				P	
PM Mathenjwa	ANC		P																				P	
CP Mavimbela	NFP		A																				A	
NC Mbanjwa	ANC		P																				P	
EF Mbatha	ANC		P											P								P	A	
PT Mbatha	ANC		P																				P	
MM Mbokazi	ANC		P																				P	
DJ Merryweather	DA		A		P									OBS									P	
ME Mhlongo	ANC		P																				A	
MR Mkhize	IFP		P																				P	
SG Mkhize	ANC		P																				P	

KEY: P = Present, A = Absent, OBS = Observer

JUNE 2012																								
Councillor	Party	EXCO	Council	CD	CS	ITS	COMS	CSF	FS	BY-L	SO	PP	ITSC	EXCO	CD	CS	ITS	COMS	FS	LLF	SP EXCO	SP EXCO	SP Council	T&T
Date		5	5	6	6	7	7	8	12	12	13	13	15	19	20	20	21	21	26	27	28 (1)	28 (2)	28	28
GM Mkize	ANC		P				P																P	
N Mlaba	NFP		NA				A																A	
AP Mngomezulu	IFP		P																				NA	
MS Mincayi	ANC	OBS	P		A				OBS								OBS		OBS	P		OBS	P	
AH Mthembu	ANC	P	P				P							P								P	P	
BC Mthembu	ANC		P	P											P								P	
MW Mthenjana	ANC		P						A											A			A	
KN Mthethwa	IFP		P				P															OBS	P	
BT Mthiyane	ANC		P	P				No meeting		No meeting		No meeting				No meeting							P	No meeting
SS Mthiyane	ANC		P		NA																		NA	
NB Mzimela	ANC		P			P											P						P	
DJ Ndimande	ANC		P				P																A	
KE Ndlovu	DA	OBS	P		OBS		A		OBS					OBS			OBS		OBS			OBS	P	
TB Ngcobo	NFP		A			A											P						A	
GA Nkosi	ANC		P				NA																A	
SM Nsibande	Indep		P																				P	
PM Ntanzu	ANC		P	P											P								A	
DA Nxumalo	ANC	P	P		P				P													P	P	
EA Palmer	ANC		P				P																P	
WM Radebe	ANC		P	P											P								A	
LS Sabelo	NFP		P		A															P			P	
LB Shangase	ANC		P						P										P				NA	
SS Simmadhri	IFP	P	P	P	P				P					P	A							P	P	
M Sookroo	ANC	P	P	P	P									P	P							A	A	

KEY: P = Present, A = Absent, OBS = Observer

JUNE 2012																									
Councillor	Party	EXCO	Council	CD	CS	ITS	COMS	CSF	FS	BY-L	SO	PP	ITSC	EXCO	CD	CS	ITS	COMS	FS	LLF	SP EXCO	SP EXCO	SP Council	T&T	
Date		5	5	6	6	7	7	8	12	12	12	13	13	15	19	20	20	21	21	26	27	28 (1)	28 (2)	28	28
K Sukreben	ANC	OBS	P						P											P				NA	
NT Thusi	IFP		A	A			A														A			A	
JL van Zyl	IFP		P	P																				P	
A Viljoen	DA		P	A																				P	
DJ Xulu	ANC		P				A										NA							NA	
SB Xaba	ANC		P				P										P							P	
SH Zulu	IFP		P				P							OBS			P							P	
RM Zikhali	ANC		P															P						NA	

JULY 2012																								
Councillor	Party	CSF	EXCO	Council	CD	CS	ITS	COMS	ITSC	FS	LLF	BY-L	SO	PP	T&T	EXCO	CD	CS	ITS	COMS	FS	SP EXCO	SP Council	
Date		6	10	10	11	11	12	12	13	17	17	17	18	18	19	24	25	25	26	26	31	31	31	31
FG Bosman	DA			P				No meeting		No meeting				No meeting	No meeting									P
JN Cele	ANC			A														NA						P
NR Cele	ANC			P														P						P
LM Danisa	ANC			P														P						P
AS Dawood	ANC			P																				P
BJ de Lange	DA			A																				P

KEY: P = Present, A = Absent, OBS = Observer

JULY 2012																							
Councillor	Party	CSF	EXCO	Council	CD	CS	ITS	COMS	ITSC	FS	LLF	BY-L	SO	PP	T&T	EXCO	CD	CS	ITS	COMS	FS	SP EXCO	SP Council
Date		6	10	10	11	11	12	12	13	17	17	17	18	18	19	24	25	25	26	26	31	31	31
EJB Dube	ANC		OBS	P	A											OBS	P						P
LCM Fourie	DA		P	P			A (OBS)									P			OBS	P		A	A
NV Gumbi	ANC		P	P							P					P		P				P	P
SN Hlophe	ANC			P	P												P						P
M Khoza	IFP			P																	OBS		A
SP Khoza	NFP			P	P												P						P
MR Khumalo	ANC			A																P			P
PN Kwela	NFP		A	A	P											P	P				P	A	A
CS Kweyama	INDEP			P	P																		A
M Lourens	ANC			A														P				P	P
NM Madondo	ANC			A			N/A												P				P
MT Makatini	IFP			A			N/A												P				A
PM Mathenjwa	ANC			P			A																P
CP Mavimbela	NFP			P																			A
NC Mbanjwa	ANC			P																	A		A
EF Mbatha	ANC		P	P												P					P	P	P
PT Mbatha	ANC			P																	P		A
MM Mbokazi	ANC		P	P			P									P			P			P	A
DJ Merryweather	DA		OBS	P	A					A						OBS	OBS	P		OBS			P
ME Mhlongo	ANC			P			A																A
MR Mkhize	IFP			P																	P		A
SG Mkhize	ANC		P	P			P									A			A			P	P
GM Mkize	ANC			P												OBS					P		P
N Mlaba	NFP			A																	A		A

KEY: P = Present, A = Absent, OBS = Observer



JULY 2012																								
Councillor	Party	CSF	EXCO	Council	CD	CS	ITS	COMS	ITSC	FS	LLF	BY-L	SO	PP	T&T	EXCO	CD	CS	ITS	COMS	FS	SP EXCO	SP Council	
Date		6	10	10	11	11	12	12	13	17	17	17	18	18	19	24	25	25	26	26	26	31	31	31
AP Mngomezulu	IFP			A																				A
MS Mnqayi	ANC			A							P							A					P	P
AH Mthembu	ANC		A													A					A		A	A
BC Mthembu	ANC			P	P												P						P	P
MW Mthenjana	ANC			P												OBS						P		A
KN Mthethwa	IFP			A																	P			A
BT Mthiyane	ANC			A	A			No meeting						No meeting			P							A
SS Mthiyane	ANC			P														A						A
NB Mizimela	ANC			A															P					P
DJ Ndimande	ANC			P																	P			P
KE Ndlovu	DA		OBS	P	OBS		OBS									OBS	OBS	OBS	OBS		P			P
TB Ngcobo	NFP			A			A													P				A
GA Nkosi	ANC			P																	P			P
SM Nsibande	Indep			P																				A
PM Ntanzi	ANC			P	A												P							A
DA Nxumalo	ANC		P	P												A		P				P	P	P
EA Palmer	ANC			P																	P			P
WM Radebe	ANC			P	P												P							P
LS Sabelo	NFP			A														P						A
LB Shangase	ANC			A																				P
SS Simmadhiri	IFP		A	A	A											P	P	P					P	P
M Sookroo	ANC		P	P	P											P	A						P	A
K Sukreben	ANC		OBS	P	OBS											OBS							A	A
NT Thusi	IFP			P														P						P

KEY: P = Present, A = Absent, OBS = Observer

JULY 2012																							
Councillor	Party	CSF	EXCO	Council	CD	CS	ITS	COMS	ITSC	FS	LLF	BYL	SO	PP	T&T	EXCO	CD	CS	ITS	COMS	FS	SP EXCO	SP Council
Date		6	10	10	11	11	12	12	13	17	17	17	18	18	19	24	25	25	26	26	31	31	31
JL van Zyl	IFP			P	P												P						A
A Viljoen	DA			P	P												P						P
DJ Xulu	ANC			P			P												P				A
SB Xaba	ANC			P			A												P				P
SH Zulu	IFP			P			A												P	OBS			P
RM Zikhali	ANC			P																	P		P

AUGUST 2012																								
Councillor	Party	EXCO	Council	CD	CS	ITS	COMS	FS	By-laws	SO	LLF	PP	Per Audit	CSF	EXCO	CD	CS	ITS	COMS	MPAC	FS	LLF	T&T	
Date		7	7	8	8	9	9	14	14	15	15	15	16	17	21	22	22	23	23	24	28	29	30	
FG Bosman	DA			No Meeting/Women In Parliament	No Meeting/Women In Parliament	No Meeting/Public Holiday	No Meeting/Public Holiday							No Meeting		No Meeting/Women In Dialogue		P					No Meeting	No Meeting
JN Cele	ANC		P									P					P							
NR Cele	ANC		A									NA					A							
LM Danisa	ANC		P														A							
AS Dawood	ANC		A					P														P		
BJ de Lange	DA		P					P														P		
EJ B Dube	ANC		P										NA											
LCM Fourie	DA		P										P											
NV Gumbi	ANC		P										A											
SN Hlophe	ANC		P																					

KEY: P = Present, A = Absent, OBS = Observer

## AUGUST 2012

Councillor	Party	EXCO	Coun- cil	CD	CS	ITS	COMS	FS	By- Laws	SO	LLF	PP	Per Audit	CSF	EXCO	CD	CS	ITS	COMS	MPAC	FS	LLF	T&T	
Date		7	7	8	8	9	9	14	14	15	15	15	16	17	21	22	22	23	23	24	28	29	30	
M Khoza	IFP		A																					
SP Khoza	NFP		A									P												
MR Khumalo	ANC		P																P					
PN Kwela	NFP	A	A					P							P						P			
CS Kweyama	Indep		A																					
M Lourens	ANC		P														P							
NM Madondo	ANC		P															P						
MT Makatini	IFP		P																					
PM Mathenjwa	ANC		P																					
CP Mavimbela	NFP		A																					
NC Mbanjwa	ANC	OBS	P					A															A	
EF Mbatha	ANC	P	P					P					P		P								P	
PT Mbatha	ANC		P					A															P	
MM Mbokazi	ANC	P	P					OBS							P									
DJ Merryweather	DA		P								P				OBS		P		OBS					
ME Mhlongo	ANC		P															P						
MR Mkhize	IFP		P																				P	
SG Mkhize	ANC	A	A												P			A						
GM Mkhize	ANC		A																A					
N Mlaba	NFP		NA									NA												
AP Mngomezulu	IFP		NA									A												
MS Mngayi	ANC	OBS	P								A				OBS		A						OBS	
AH Mthembu	ANC	A	A									NA			P									
BC Mthembu	ANC		P									A												
MW Mthenjana	ANC	OBS	P					NA																
KN Mthethwa	IFP		P																				P	

KEY: P = Present, A = Absent, OBS = Observer

AUGUST 2012																								
Councillor	Party	EXCO	Council	CD	CS	ITS	COMS	FS	By-laws	SO	LLF	PP	Per Audit	CSF	EXCO	CD	CS	ITS	COMS	MPAC	FS	LLF	T&T	
Date		7	7	8	8	9	9	14	14	15	15	15	16	17	21	22	22	23	23	24	28	29	30	
BT Mthiyane	ANC		A	No Meeting/Women In Parliament	No Meeting/Women In Parliament	No Meeting/Public Holiday	No Meeting/Public Holiday	No Meeting/Public Holiday						No Meeting		No Meeting/Women In Dialogue							No Meeting	No Meeting
SS Mthiyane	ANC		P														P							
NB Mzimela	ANC		P															A						
DJ Ndimande	ANC	OBS	P																P					
KE Ndlovu	DA		A					OBS				OBS												
TB Ngcobo	NFP		P																					
GA Nkosi	ANC		A																					
SM Nsibande	Indep		A																					
PM Ntanzu	ANC		P																					
DA Nxumalo	ANC	P	P																					
EA Palmer	IFP		P																					
WM Radebe	ANC		NA																					
LS Sabelo	ANC		NA																					
LB Shangase	NFP		NA																					
SS Simmadhri	ANC	A	A																					
M Sookroo	IFP	P	P																					
K Sukreben	ANC		A																					
NT Thusi	ANC		A																					
JL van Zyl	IFP		P																					
A Viljoen	IFP		P																					

KEY: P = Present, A = Absent, OBS = Observer

## AUGUST 2012

Councillor	Party	EXCO	Coun- cil	CD	CS	ITS	COMS	FS	By- laws	SO	LLF	PP	Per Audit	CSF	EXCO	CD	CS	ITS	COMS	MPAC	FS	LLF	T&T
Date		7	7	8	8	9	9	14	14	15	15	15	16	17	21	22	22	23	23	24	28	29	30
DJ Xulu	DA		P															A					
RM Zikhali	ANC		P																P				
SB Xaba	ANC		P									P							P				
SH Zulu	IFP		P																P	OBS			

## SEPTEMBER 2012

Councillor	Party	EXCO	Council	CD	CS	ITS	COMS	FS	Bylaws	PP	CSF	EXCO	CD	CS	ITS	COMS	MPAC	FS	SEXCO
Date		4	4	5	5	6		11	11	12		18						25	28
FG Bosman	DA		P			P	No Meeting	No Meeting		No Meeting	No Meeting				No Meeting				
JN Cele	ANC		P		P														
NR Cele	ANC		P		P														
LM Danisa	ANC	OBS	P																
AS Dawood	ANC		P						P									A	
BJ de Lange	DA		P															P	
EJB Dube	ANC	OBS	P	P															
LCM Fourie	DA	P	P			A(OBS)						P							P
NV Gumbi	ANC	A	A	P					OBS			P							P

KEY: P = Present, A = Absent, OBS = Observer

## SEPTEMBER 2012

Councillor	Party	EXCO	Council	CD	CS	ITS	COMS	FS	Bylaws	PP	CSF	EXCO	CD	CS	ITS	COMS	MPAC	FS	SEXCO
Date		4	4	5	5	6		11	11	12		18						25	28
SN Hlophe	ANC		P	P					P										
M Khoza	IFP		P			OBS			P										
SP Khoza	NFP		P	P															
MR Khumalo	ANC	OBS	P													P			
PN Kwela	NFP	P	P	P								P						P	P
CS Kweyama	Indep		A	OBS															
M Lourens	ANC	OBS	P		P				OBS										OBS
NM Madondo	ANC		P			P			P										
MT Makatini	IFP		A			A													
PM Mathenjwa	ANC		P			P													
CP Mavimbela	NFP		A																
NC Mbanjwa	ANC	OBS	P															P	
EF Mbatha	ANC	P	P									P						P	P
PT Mbatha	ANC		P															P	
MM Mbokazi	ANC	P	P			P						P				OBS			A
DJ Meryweather	DA		P	OBS	P				P			OBS				OBS			OBS
ME Mhlongo	ANC		P			A			P										
MR Mkhize	IFP		P															P	
SG Mkhize	ANC	P	P			P			P			P							P
GM Mkize	ANC	OBS	P													P			
N Mlaba	NFP		A													NA			
AP Mngomezulu	IFP		NA						P										
MS Mngayi	ANC	AOBS	A		P											OBS			
AH Mthembu	ANC	P	P													A			P
BC Mthembu	ANC		P	P															
MW Mtherijana	ANC		P															P	
KN Mthethwa	IFP		A													P			

KEY: P = Present, A = Absent, OBS = Observer

## SEPTEMBER 2012

Councillor	Party	EXCO	Council	CD	CS	ITS	COMS	FS	Bylaws	PP	CSF	EXCO	CD	CS	ITS	COMS	MPAC	FS	SEXCO
Date		4	4	5	5	6	COMS	11	11	12		18						25	28
BT Mthiyane	ANC		P	P			No meeting	No meeting		No meeting					No meeting				
SS Mthiyane	ANC		P																
NB Mzimela	ANC		P			P													
DJ Ndimande	ANC		P						P							P			
KE Ndlovu	DA		A		OBS	OBS			OBS			OBS				P			OBS
TB Ngcobo	NFP		P			P			P										
GA Nkosi	ANC		P													A			
SM Nsibande	Indep		P																
PM Ntanzu	ANC		P	P															
DA Nxumalo	ANC	P	A		P							P						P	P
EA Palmer	IFP		P													P			
WM Radebe	ANC		P	P															
LS Sabelo	ANC		P			P													
LB Shangase	NFP		NA															P	
SS Simmadhri	ANC	P	P	P	P				P			P						P	P
M Sookroo	IFP	P	P	P					P			A							P
K Sukreben	ANC		P																
NT Thusi	ANC		A													P			
JL van Zyl	IFP		P	P															
A Vlijoen	IFP		P	P															
DJ Xulu	ANC		P			P													
SB Xaba	ANC		P			P													
RM Zikhali	ANC		P													P			
SH Zulu	IFP		P			P													

KEY: P = Present, A = Absent, OBS = Observer

## OCTOBER 2012

Councillor	Party	EXCO	Council	CD	CORP	ITS	COMS	FS	PP	EXCO	CD	CORP	ITS	COMS	FS	LLF
Date		9	9	10	10	11	11	16	17	23	24	25	25	25	30	31
FG Bosman	DA		P			P	No meeting		No meeting				No meeting			
JN Cele	ANC		P									A				
NR Cele	ANC		P									P				
LM Danisa	ANC		P									A				
AS Dawood	ANC		P					P							P	
BJ de Lange	DA		P					A							P	
EJB Dube	ANC	OBS	P	P							A					
LCM Fourie	DA	P	P			A(OBS)				P				P		
NV Gumbi	ANC	P	P					OBS		P		P			OBS	P
SN Hlophe	ANC		P	P							P					
M Khoza	IFP		P				OBS									
SP Khoza	NFP		P	P							P					
MR Khumalo	ANC		P											P		
PN Kwela	NFP	P	P	P				A		P	P				P	
CS Kweyama	Indep		P	A							P					
M Lourens	ANC	OBS	A									A				
NM Macondo	ANC		P			A										
MT Makatini	IFP		P			P										
PM Matherjiwa	ANC		P			P										
CP Mavimbela	NFP		P													
NC Mbanjwa	ANC		P					P							P	
EF Mbatha	ANC	P	P					P		P					P	
PT Mbatha	ANC		P					P							A	
MM Mbokazi	ANC	P	P			P				P						
DJ Merryweather	DA	OBS	P							OBS		P		OBS		P
ME Mhlongo	ANC		A			P										
MR Mkhize	IFP		P					P							A	
SG Mkhize	ANC	P	P			P		OBS		A					OBS	

KEY: P = Present, A = Absent, OBS = Observer



## OCTOBER 2012

Councillor	Party	EXCO	Council	CD	CORP	ITS	COMS	FS	PP	EXCO	CD	CORP	ITS	COMS	FS	LLF
Date		9	9	10	10	11	11	16	17	23	24	25	25	25	30	31
GM Mkize	ANC		P											P		
N Mlaba	NFP		A											NA		
AP Mngomezulu	IFP		P									OBS				
MS Mngayi	ANC	OBS	P				OBS			OBS		A			OBS	P
AH Mthembu	ANC	P	P							P				P		
BC Mthembu	ANC		P	P							NA					P
MW Mthenjana	ANC		A					P								
KN Mthethwa	IFP		P											P		
BT Mthiyane	ANC		P	P		No meeting	No meeting		No meeting		A		No meeting			
SS Mthiyane	ANC		P									A				
NB Mzimela	ANC		P													
DJ Ndimande	ANC		P											P		
KE Ndlovu	DA	OBS	P			OBS		OBS		OBS		OBS			OBS	
TB Ngcobo	NFP		P										P			
GA Nkosi	ANC		P												P	
SM Nsibandke	Indep		P													
PM Ntanzu	ANC		A	P							P					
DA Nxumalo	ANC		P					P		P		P			P	
EA Palmer	IFP		P												P	
WM Radebe	ANC		P	P							P					
LS Sabelo	ANC		P									P				P
LB Shangase	NFP		P					P							P	
SS Simmadhri	ANC	P	P	P				A		P	P	A			P	
M Sookroo	IFP	P	P	A						P	P					
K Sukreben	ANC		P					P							P	
NT Thusi	ANC		P									A			P	
JL van Zyl	IFP		A	P							P					
A Viljoen	IFP		A	A							P					
DJ Xulu	DA		P										P			
SB Xaba	ANC		P										P			
RM Zikhali	ANC		P												A	
SH Zulu	IFP		A										P			

KEY: P = Present, A = Absent, OBS = Observer

NOVEMBER 2012												
Councillor	Party	BOT	EXCO	Council	CD	CORP	ITS	COMS	FS	EXCo	LLF	
Date		1	6	6	7	7	8	8	13	20	28	
FG Bosman	DA		OBS	P		No meeting			No meeting			
JN Cele	ANC			P								
NR Cele	ANC			P								
LM Danisa	ANC			P								
AS Dawood	ANC			P								
BJ de Lange	DA	P		P								
EJB Dube	ANC		OBS	P	P							
LCM Fourie	DA		P	P			OBS	P		P		
NV Gumbi	ANC		P	P	OBS		OBS			P	P	
SN Hlophe	ANC	P		P	P							
M Khoza	IFP			P								
SP Khoza	NFP			P	P							
MR Khumalo	ANC		OBS	P			P					
PN Kwela	NFP		P	P	P					P		
CS Kweyama	Indep			P	A							
M Lourens	ANC		A	A								
NM Madondo	ANC			P			A					
MT Makatini	IFP			P			P					
PM Mathenjwa	ANC			P			P					
CP Mavimbela	NFP			P								
NC Mbanjwa	ANC			A								
EF Mbatha	ANC		P	P						P		
PT Mbatha	ANC			P								
MM Mbokazi	ANC		P	P			P			P		
DJ Merryweather	DA		OBS	P	OBS			OBS		OBS	P	
ME Mhlongo	ANC			P			A					
MR Mkhize	IFP			P								
SG Mkhize	ANC		P	P			P			A		
GM Mkize	ANC		OBS	P				P				
N Mlaba	NFP			A				NA				

KEY: P = Present, A = Absent, OBS = Observer

NOVEMBER 2012												
Councillor	Party	BOT	EXCO	Council	CD	CORP	ITS	COMS	FS	EXCo	LLF	
Date		1	6	6	7	7	8	8	13	20	28	
AP Mngomezulu	IFP			P								
MS Mincayi	ANC	P	A	A	OBS		OBS			OBS	A	
AH Mthembu	ANC		P	P				P		P		
BC Mthembu	ANC			P	P							
MW Mthenjana	ANC			A								
KN Mthethwa	IFP			A				P				
BT Mthiyane	ANC			A	A	No meeting			No meeting			
SS Mthiyane	ANC			P								
NB Mizimela	ANC											
DJ Ndimande	ANC			P				P				
KE Ndlovu	DA			P	OBS		OBS	P		OBS		
TB Ngcobo	NFP	P		P			A					
GA Nkosi	ANC			NA				P				
SM Nsibande	Indep			P								
PM Ntanzi	ANC			A	A							
DA Nxumalo	ANC			A						P		
EA Palmer	IFP			P				P				
WM Radebe	ANC			P	P							
LS Sabelo	ANC			P							A	
LB Shangase	NFP			A								
SS Simmadhri	ANC			P	P					P		
M Sookroo	IFP			P	P					P		
K Sukreben	ANC			P								
NT Thusi	ANC			P				A			A	
JL van Zyl	IFP			P	P							
A Viljoen	IFP			P	P							
DJ Xulu	DA			P						OBS		
SB Xaba	ANC			P						OBS		
RM Zikhali	ANC			P						P		
SH Zulu	IFP			P						OBS		

KEY: P = Present, A = Absent, OBS = Observer

DECEMBER 2012					
Councillor	Party	Exco	Coun- cil	Special Exco	Special Council
Date		4	4	14	14
FG Bosman	DA	OBS	P		P
JN Cele	ANC		A	OBS	P
NR Cele	ANC		P	OBS	P
LM Danisa	ANC		P	OBS	P
AS Dawood	ANC		P	OBS	P
BJ de Lange	DA	OBS	P		P
EJB Dube	ANC		P	OBS	P
LCM Fourie	DA	P	P	P	P
NV Gumbi	ANC	A	P	P	P
SN Hlophe	ANC		P	OBS	P
M Khoza	IFP		P		P
SP Khoza	NFP		P	OBS	P
MR Khumalo	ANC		P	OBS	P
PN Kwela	NFP	A	P	P	P
CS Kweyama	Indep		NA		A
M Lourens	ANC		A	P	P
NM Madondo	ANC		A		A
MT Makatini	IFP		A		P
PM Mathenjwa	ANC		P	OBS	P
CP Mavimbela	NFP		A	OBS	P
NC Mbanjwa	ANC		P	OBS	P
EF Mbatha	ANC	P	P	P	P
PT Mbatha	ANC		A	OBS	P
MM Mbokazi	ANC	P	P	P	P
DJ Merryweather	DA	OBS	P	OBS	P
ME Mhlongo	ANC		A	OBS	P
MR Mkhize	IFP		P		P
SG Mkhize	ANC		P		P
GM Mkize	ANC	P	P	P	P
N Mlaba	NFP		P	OBS	P
AP Mngomezulu	IFP		P	OBS	P
MS Mnqayi	ANC		P		P
AH Mthembu	ANC		P		P
BC Mthembu	ANC	A	P	P	P
MW Mthenjana	ANC		A		A
KN Mthethwa	IFP		A	OBS	P

DECEMBER 2012					
Councillor	Party	Exco	Coun- cil	Special Exco	Special Council
Date		4	4	14	14
BT Mthiyane	ANC		A		P
SS Mthiyane	ANC		P		A
Vacant	ANC				
DJ Ndimande	ANC		P	OBS	P
KE Ndlovu	DA	OBS	P	OBS	P
TB Ngcobo	NFP		A	OBS	A
GA Nkosi	ANC		P		P
SM Nsibandé	Indep		P	OBS	P
PM Ntanzu	ANC		A		P
DA Nxumalo	ANC	P	P		P
EA Palmer	IFP		P		P
WM Radebe	ANC		P		P
LS Sabelo	ANC		P	OBS	P
LB Shangase	NFP		A		P
SS Simmadhri	ANC	P	P	P	P
M Sookroo	IFP	A	P	P	P
K Sukreben	ANC		P		P
NT Thusi	ANC		A		P
JL van Zyl	IFP		P		A
A Viljoen	IFP		A		P
DJ Xulu	DA		P		A
SB Xaba	ANC		P	OBS	P
RM Zikhali	ANC		P	OBS	P
SH Zulu	IFP		P		P

**KEY:** P = Present  
A = Absent  
OBS = Observer

JANUARY 2013				
Councillor	Party	Fs	Council	Exco
Date		22	29 (105)	29 (288)
FG Bosman	DA		P	
JN Cele	ANC		P	
NR Cele	ANC		P	
LM Danisa	ANC		P	
AS Dawood	ANC	P	P	
BJ de Lange	DA	P	P	
EJB Dube	ANC		P	
LCM Fourie	DA		A	P
NV Gumbi	ANC	OBS	P	P
SN Hlophe	ANC		P	
M Khoza	IFP		P	
SP Khoza	NFP		P	
MR Khumalo	ANC		P	
PN Kwela	NFP	P	A	NA
CS Kweyama	Indep		NA	
M Lourens	ANC	OBS	P	
NM Madondo	ANC		P	
MT Makatini	IFP		P	
PM Mathenjwa	ANC		P	
CP Mavimbela	NFP		A	
NC Mbanjwa	ANC	P	P	
EF Mbatha	ANC	P	P	P
PT Mbatha	ANC		P	
MM Mbokazi	ANC		P	P
DJ Merryweather	DA		P	
ME Mhlongo	ANC		P	
MR Mkhize	IFP	P	P	
SG Mkhize	ANC		P	P
GM Mkize	ANC		P	
N Mlaba	NFP		P	
AP Mngomezulu	IFP	P	P	
MS Mnqayi	ANC	OBS	P	
AH Mthembu	ANC		P	A
BC Mthembu	ANC		P	
MW Mthenjana	ANC	P	P	
KN Mthethwa	IFP		P	
BT Mthiyane	ANC		P	
SS Mthiyane	ANC		P	
VACANT			P	

JANUARY 2013				
Councillor	Party	Fs	Council	Exco
Date		22	29 (105)	29 (288)
DJ Ndimande	ANC		P	
KE Ndlovu	DA		P	
TB Ngcobo	NFP		P	
GA Nkosi	ANC		P	
SM Nsibande	Indep		P	
PM Ntanzi	ANC		P	
BR Ntuli	ANC		P	
DA Nxumalo	AIFP	P	P	P
EA Palmer	ANC		P	
WM Radebe	ANC		P	
LS Sabelo	NFP		P	
LB Shangase	ANC	A	P	
SS Simmadhri	IFP	P	P	P
M Sookroo	ANC		P	A
K Sukreben	ANC	P	P	
NT Thusi	IFP		P	
JL van Zyl	IFP		P	
A Viljoen	DA		P	
DJ Xulu	ANC		P	
SB Xaba	ANC		P	
RM Zikhali	ANC			
SH Zulu	IFP		P	

**KEY:** P = Present  
A = Absent  
OBS = Observer

## Appendix B: Committees and Committee Purpose

### SECTION 79 – Council and Official Representation on Committees for the 2011 to 2016 Term of Office

Committee	Chair	Deputy Chair	ANC	DA	
<b>Bylaws</b>  Philile	SN Hlophe	SS Simmadhri	AS Dawood, NM Madondo, ME Mhlongo, SG Mkhize, DJ Ndimande, M Sookroo	D Merryweather	
<b>Standing Orders</b>  Ragini	MS Mnqayi	KN Mthethwa	LM Danisa, MR Khumalo, M Lourens, EA Palmer WM Radebe, Vacant	A Viljoen	
<b>uMhlathuze Public Transport Liaison Committee (UPTLC)</b>  Ragini	SB Xaba	CP Mavimbela	MM Mbokazi, MW Mthenjana, SS Mthiyane, BT Mthiyane, PM Ntanzu, WM Radebe	K Ndlovu	
<b>Community Safety Forum (Incorporating CCTV Camera Project)</b>  Ragini	K Sukreben	LCM Fourie	PM Mathenjwa, NC Mbanjwa, PT Mbatha GA Nkosi, LB Shangase DJ Xulu	D Merryweather	
<b>Public Participation Committee under convenorship of the Speaker</b>  Philile	MS Mnqayi	N Mlaba	JN Cele, N Cele, EJB Dube, AH Mthembu, BC Mthembu, K Ntuli	LCM Fourie	

	IFP	NFP	Indep/Observers	Officials	External Represent
	M Khoza, AP Mngomezulu	T B Ngcobo	Observer, Mayor, Deputy Mayor, Speaker, Chief Whip, A Viljoen	N Miya, J Allen, S Hlela, C Koekemoer, S Mbatha, M Van Rooijen, B Nzimande, E Van Biljon, Z Poswa, G Gazu, C Mathenjwa, Z Masango, J Roselt, HR Dladla, B Khanyile, N Maharaj, E Raper, F Cornelius	
	MT Makatini, DA Nxumalo	NP Kwela	Observer, Mayor, Deputy Mayor	V Mathabela, M Mhlongo , X Zuma	
	M Khoza, SH Zulu	TB Ngcobo	CS Kweyama, Observer Mayor, Deputy Mayor, Speaker, Chief Whip, D Merryweather	J Schutte, B Strachan, S Mbatha, M Mhlongo, Z Poswa, CFO on request	
	M Khoza, MR Mkhize	L Sabelo	Observer, Mayor, Deputy Mayor, Speaker, Chief Whip, KE Ndlovu	A Schutte, S Mbatha B Khumalo, CFO on request	
	AP Mngomezulu, DA Nxumalo	S Khoza	S Nsibande, Observer, Mayor, Deputy Mayor, Chief Whip, K Ndlovu	S Khumalo/ T Gumede, MZ Zungu, P White, S Adonis, R Govender, N Zulu, N Khumalo, B Kanyile	S Hlela, S Mbatha

## SECTION 8o – Council and Official Representation on Committees for the 2011 to 2016 Term of Office

Committee	Chair	Deputy Chair	ANC	DA	
<b>Financial Services (FS)</b>  Philile	EF Mbatha	DA Nxumalo	AS Dawood, NC Mbanjwa, PT Mbatha, MW Mthenjana, LB Shangase, K Sukreben	BJ de Lange	
<b>Corporate Services (CORPS)</b>  Philile	NV Gumbi	SS Simmadhri	JN Cele, N Cele, LM Danisa, M Lourens, MS Mnqayi, SS Mthiyane	D Merryweather	
<b>Community Services (COMS)</b> Ragini	AH Mthembu	LCM Fourie	MR Khumalo, GM Mkhize, DJ Ndimande, GA Nkosi, RM Zikhali, EA Palmer	KE Ndlovu	
<b>City Development (CD)</b>  Theresa  Sub Com: Aesthetics Naming Structures Mandlazini Trust Mzingazi Joint Social Compact	M Sookroo	NP Kwela	EJB Dube, SN Hlophe, BC Mthembu, BT Mthiyane, PM Ntanzu, WM Radebe	A Viljoen	



	IFP	NFP	Indep/Observers	Officials	External Represent
	AP Mngomezulu, SS Simmadhri	NP Kwela	Observer, Deputy Mayor, Speaker, Chief Whip, M R Mkhize, C M Botha, F Bosman	M Kunene, H Renald, N Khumalo, E Raper, F Cornelius, S Khumalo, N Mthembu, E H van Biljon, Z Dladla, R Mnguni, JK Naidoo, P Odendaal, C Koekemoer, T Phahla	
	DA Nxumalo, NT Thusi	L Sabelo	Observer, Mayor, Speaker, CM Botha, AP Mngomezulu, BJ de Lange	P Odendaal, C Koekemoer, S Mbatha, T Phahla, N Ngwira, M Oliphant, J Allen, B Khumalo, A Lombaard, G Mthembu, S Mthombeni, EH van Biljon, T Jordan, M Smith, M Vilakazi, J Roselt, Z Masango, Z Dladla, A Vumba, C Mathenjwa, Z Poswa, A Moss, E Raper, D Kemp	
	KN Mthethwa, NT Thusi	N Mlaba	S Nsibande, Observer, Mayor, Deputy Mayor, Speaker, Chief Whip, AP Mngomezulu, M Khoza, D Merryweather, AS Dawood, SG Mkhize, SH Zulu	Z Dladla, A Vumba, C Mathenjwa, J Roselt, Z Masongo, Z Poswa, P White, T Mavimbela, B Ambrose, J Mdlalose, R Mnguni, P Dlamini O Ramaboea, E Davis, F Cook, EH van Biljon, OJH Mulder, D Ngidi, Mr B Ngema, Ms S Govender, N Maharaj, A Schutte, N Zulu, C da Cruz, N Mthembu	
	SS Simmadhri, CM Botha	S Khoza	C Kweyama, Observer, Mayor, Deputy Mayor, Speaker, Chief Whip, A Dawood, B J de Lange	M Van Rooijen, T Jordan, B Strachan, S P Nzimande, B Ngema, M Mhlongo, S Govender, M Smith, M Vilakazi, E Brummer, S Qulu, S Thusi, P Thusini, Z Ndawonde, EH van Biljon, Z Dladla, J Roselt, Z Masongo, A Vumba, C Mathenjwa, R Mnguni, Z Poswa, T Mavimbela, P White, P Dlamini, A Moss, B Mbhamali, N Ngwira, J Allen, H Renald, E Raper, F Matolo	

Committee	Chair	Deputy Chair	ANC	DA	
Infrastructure and Technical Services (ITS)  Carien	SG Mkhize	MM Mbokazi	NM Madondo, PT Mathenjwa, ME Mhlongo, SB Xaba, DJ Xulu, Vacant	F Bosman	

### MPAC Established in Terms of the Municipal Structures Act 1998, Municipal Systems Act 2000 and Municipal Finance Management Act of 2003

<b>Municipal Public Accounts Committee (MPAC)</b> Theresa			N Cele, LM Danisa, AS Dawood, MS Mnqayi, SS Mthiyane, K Ntuli, DJ Xulu	A Viljoen	
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### Section 62 Established in Terms of the Local Government Municipal Systems Act, 32 of 2000

<b>Section 62 Appeals Committee</b>  Carien	A Viljoen		EJB Dube, MS Mnqayi, JB Mkhabela		
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	IFP	NFP	Indep/Observers	Officials	External Represent
	MT Makatini, SH Zulu	TB Ngcobo	Observer, Mayor, Deputy Mayor, Speaker, Chief Whip, AP Mngomezulu, M Khoza, LCM Fourie	JK Naidoo, B Mbhamali, J Schutte, S Hlela, A Moss, L Buthelezi, EH van Biljon, M Van Rooijen, B Strachan, M Mhlongo, Z Dladla, J Roselt, Z Masongo, A Vumba, R Mnguni, C Mathenjwa, Z Poswa, T Mavimbela, P Dlamini, T Phahla, B Khumalo, J Allen, H Renald, C da Cruz	
	MR Mkhize, NT Thusi	NP Kwela		JK Naidoo, Senior Managers, Municipal Manager, H Renald, Senior Managers, Municipal Manager, H Renald	
	CM Botha	N Mlaba		N Miya, J Allen, M van Rooijen, M Vilakazi, S Angell-Schau, M Smith, M Ngubane, B Ngema, CFO on request	Resolution 3779 of 6 June 2006

## Local Labour Forum (LLF) Established in Terms of the Organisational Rights Agreement (ORA)

Local Labour Forum Philile & Sarah	Chairmanship alternates every meeting M Mngomezulu Cllr MS Mnqayi	In terms of ORA, Deputy should be union representative but LLF resolved Dep. Chair can be a councillor	Resolution 7329 of 14 June 2011 Employer representation on the Local Labour Forum to be confirmed as follows by Corp Serve Portfolio) NV Gumbi MS Mnqayi N Cele LM Danisa D Merryweather L Sabelo SS Simmadhri NT Thusi City Manager Three members representing management as defined in terms of Section 8.2.1.1 of the Organisational Rights Agreement	No observers as per resolution of LLF on 21 May 2007 the Local Labour Forum agendas and minutes were only made available to the 12 employer representatives and the 12 employee representatives in future	Deals with all issues related to labour matters in terms of the ORA
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## Performance Audit, Performance Evaluation Panels

<b>Audit Committee</b> Carien	Mr JH de Wet Chairperson	Vacancy Mr B Mdletshe Dr NJ Sibeko	Resolution 8323 of 20 Nov 2012 (Term ends 31/1/2014) H Renald D Myburgh N Mthembu
<b>Performance Audit Committee</b> Ragini	Vacancy Chairperson	EF Mbatha (Mayor) NV Gumbi (Deputy Mayor) Dr EMS Ntombela Ms PP Sithole	Resolution 8010 of 16 Aug 2012 (terms ends after 2012/2013 financial year end) Reviewed Annually  D Myburgh
<b>Performance Evaluation Panel – Heads Of Departments (Section 57 Employees)</b> Sarah	Acting City Manager – uMhlathuze Municipality Chairman of Performance Audit Committee Chairman Executive Committee Municipal Manager – Uthungulu Member Of Executive Committee	NJ Sibeko EF Mbatha (Mayor) NV Gumbi (Deputy Mayor) MM – UDM	Resolution 7331 of 14 June 2011  D Myburgh
<b>Performance Evaluation Panel (Municipal Manager)</b> Sarah	Mayor – uMhlathuze Municipality Member of Executive Committee Chairman of Performance Audit Committee Municipal Mayor – uThungulu Member of a Ward Committee	EF Mbatha (Mayor) NV Gumbi  T Mchunu TBA	Resolution 7331 of 14 June 2011  D Myburgh

## Board of Trustees

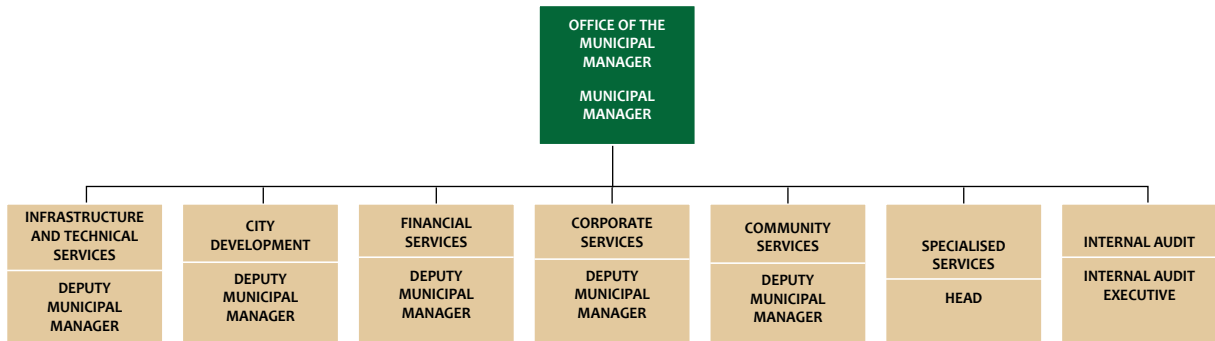
Committee	Employer representatives	Employee representatives	
Board Of Trustees Ragini	MS Mnqayi BJ De Lange SN Hlophe TB Ngcobo	N Visagie (Principal Officer) Z Mzulwini B Mathebula T Moamosi C le Roux Simeka – Mrs M Fennessy	Resolution 7326 of 14 June 2011

## Supply Chain Management Committees

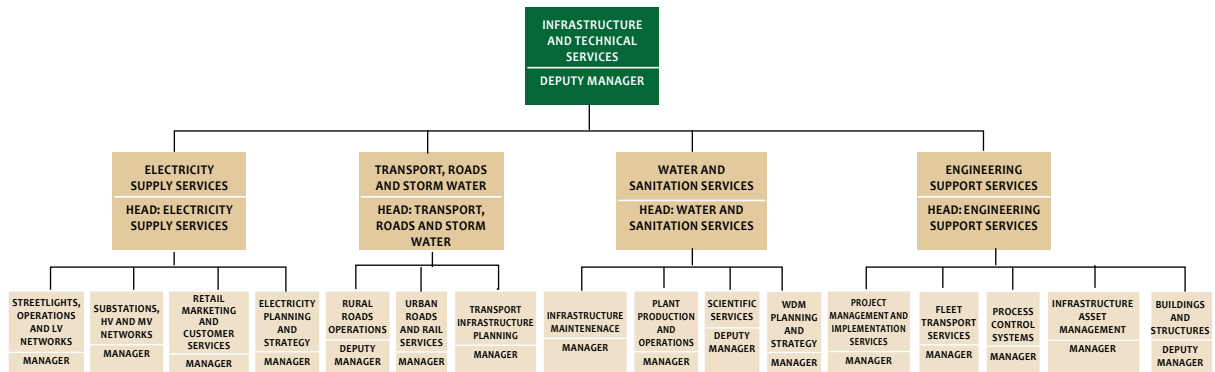
<b>Bid Specification Committee</b> Theresa	Mr S Mdakane – Chairperson Mr N Khumalo Ms N Miya Mr T Gopane Ms HR Dladla
<b>Bid Evaluation Committee</b> Carien	Mrs M Ndlovu – Chairperson Mr L Buthelezi Mr T Kubheka Mr BV Nzuza Mrs S Van Wyk
<b>Bid Adjudication Committee</b> Philile	Mr M Kunene – Chairperson Mr EL Khoza Mr SA Mhlongo Mr M Oliphant Mr Z Poswa

# Appendix C: Third Tier Administrative Structure

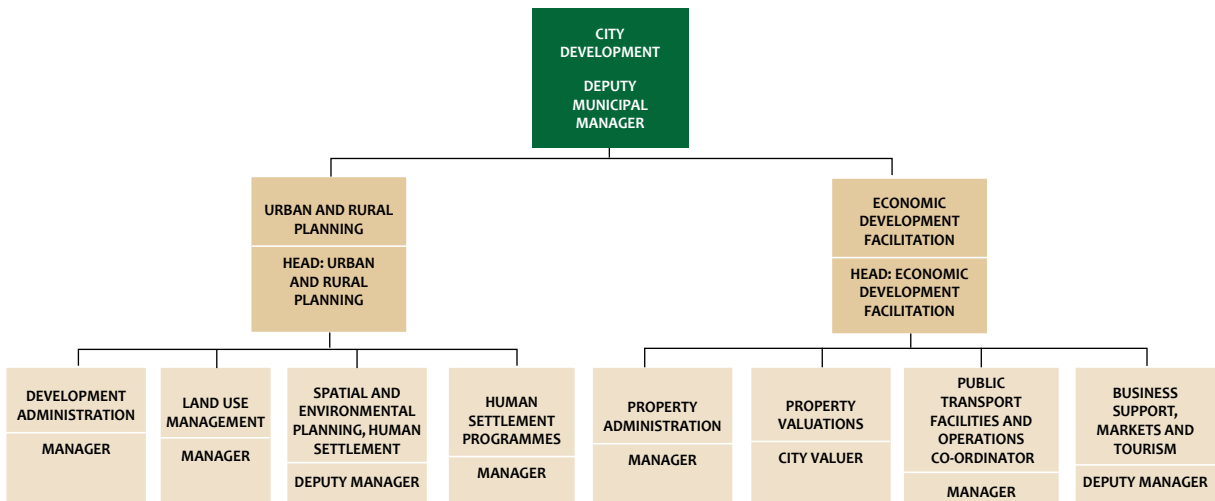
## Office of the Municipal Manager



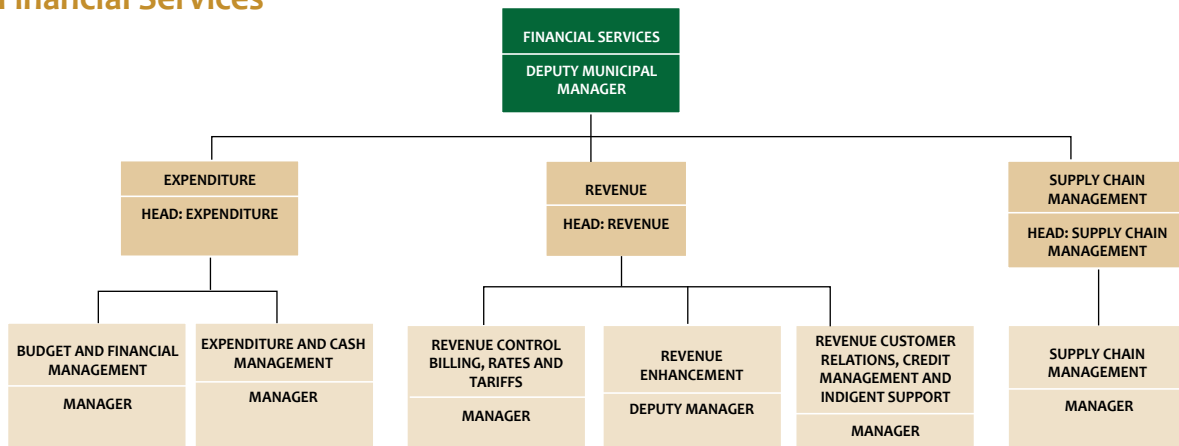
## Infrastructure and Technical Services



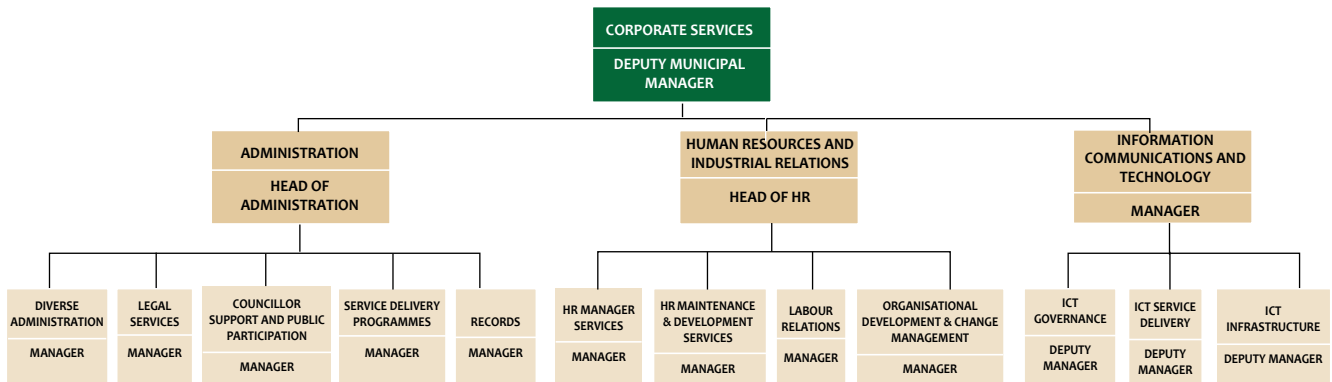
## City Development



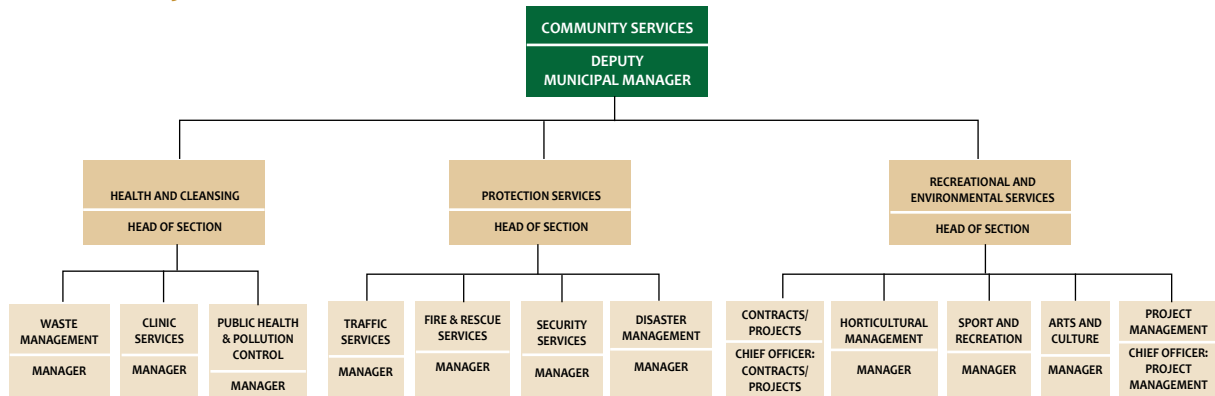
## Financial Services



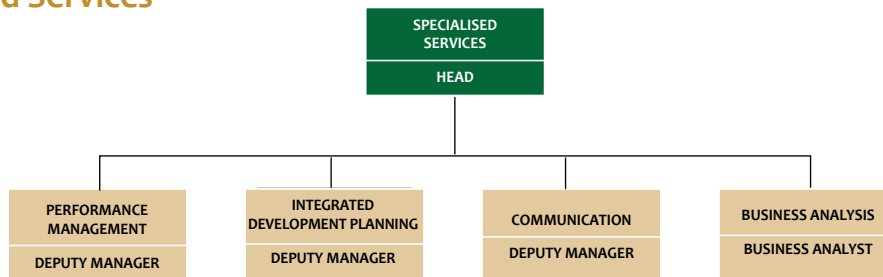
## Corporate Services



## Community Services



## Specialised Services



## Appendix D: Functions of the Municipality

Service Delivery Unit	Programme	Functions
Office of the Municipal Manager	Risk Management (Internal Audit)	Municipal public accounts
	Integrated Development Planning	Strategic planning, business planning, city development strategies
	Performance Management	Organisational performance Individual performance Community satisfaction
	Public Communications	Public relations, media liaison, website administration
Corporate Services	Diverse Administration Services	Secretariat services Facilities management
	Legal Support Services	
	Records Management	Central registry and switchbord
Councillors	Councillor Support and Public Participation Services	Office of the Mayor
		Office of the Speaker
		Special programmes
Public Safety and Security Services	Fire & Rescue Services	Fire prevention
		Fire training
		Fire and rescue operations
		Fire and rescue administration
	Traffic Services	Crime prevention
		Licensing (vehicles)
		Traffic operations and administration
Security Services	Traffic Control Room	
	Crime Prevention and CCTV System	
Water and Sanitation	Plant Production and Operations	Plant availability (water and wastewater treatment plants)
		Plant availability (pumpstations)
		Wastewater Final Effluent Quality Compliance (General Authorisation March 2004 and General Standard 9225 May 1984)
		Water Treatment Final Portable Water Compliance (SANS241-2011)
Water and Sanitation	Infrastructure Maintenance	Water and Wastewater Network Reliability Programme
		Planned Maintenance Programme for all Pump stations
		Planned Maintenance Programme for all Network Pipelines
		Planned Maintenance Programme for all Water Meters
	Scientific Services	Blue and Green Incentive Based Programme
		Surface Water Monitoring Programme (DWA Guidelines 1996)
		Wastewater Quality Monitoring Programme (General Authorization 18 March 2004/General Standard 9225 18 may 1984)
	Water Services Bylaw Compliance Programme	
	Online Water Quality Monitoring Programme	



Service Delivery Unit	Programme	Functions	
Water and Sanitation	Water Demand Management and Strategy	Water Loss Management Programme	
		Water and Wastewater Demand Management Programme	
		Water Services Development Plan Annual Review	
		Water Services Bylaws Annual Review	
		Water Safety and Risk Abatement Annual Review	
		Bulk Water and Wastewater Master Plan Development and Review	
		Wastewater Effluent Re-Use Programme	
Electricity Supply Services	Streetlights, Operations and LV Networks	Electrical Planned Maintenance Reticulation, Operations and Maintenance	
	Substations, HV and MV Networks	Electrical protection Electrical cable faults Electrical network switching Electrical light current	
		Electricity Retail, Marketing and Customer Services	Electricity retail and auditing Electricity marketing and customer services
		Electrical Planning and Strategy Services	Electrical planning System reinforcement Electricity contracts
			Transport, Roads and Stormwater
	Planned Rural Road Maintenance Programme for Kwa Dube		
	Planned Rural Road Maintenance Programme for Kwa Mkhwanazi		
	Planned Rural Road Maintenance Programme for Kwa Khoza		
Planned Maintenance Programme for all Pedestrian Bridges			
Construction of New Culverts and Bridges			
Management and Monitoring Programme for all Rural Road Mining Operations			
Urban Roads and Railway Services	Planned Urban Road Maintenance Programme (North)		
	Planned Urban Road Maintenance Programme (South)		
	Planned Urban Road Maintenance Programme (West)		
	Planned Rail Maintenance Programme for all Urban Areas		
	Planned Urban Road Maintenance Resealing Programme for all Urban Areas		
Transport Infrastructure Planning and Strategy	Planned Urban Road Marking and Signage Programme (all areas)		
	Transport Infrastructure Plan Development and/or Annual Review		
	Traffic Management Studies Program (all areas) Transport Master Plan (Urban, Rural and Rail)		
Storm Water Systems, Catchment and Coastal Management	Stormwater Management Bylaw Annual Review		
	Stormwater Drains Planned Maintenance Programme		
	Catchment Management Programme		
	Coastal Management Programme		
Public Transport Operations	Roadside Furniture Development Programme		
	Public Transport Integration Programme		
	Public Transport Master Plan Programme		

Service Delivery Unit	Programme	Functions
Health and Cleansing	Solid Waste Management	Waste management inland
		Waste management coastal
		Waste management administration
	Primary Health (Clinic Services)	Clinic services – Empangeni
		Clinic services – Richards Bay
		Occupational health
	Public Health and Pollution Control	Environmental health coastal
		Environmental health inland
		Air Pollution Control and Environmental Impact
Engineering Support Services	Engineering Projects Management and Implementation	Electrical Projects Implementation Programme
		Civil Engineering Projects Implementation Programme
		Mechanical Projects Implementation Programme
		Capital Project Funding Programme
	Fleet Management Services	Fleet Planned Maintenance Programme
		Equipment and Small Plant Planned Maintenance Programme
		Vehicle Utilisation and Optimisation Programme
		Vehicle Replacement Programme
	Process Control Systems	Planned Maintenance Programme (Telemetry and Scada Systems)
		Planned Maintenance Programme (Instrumentation)
		Planned Maintenance Programme (Radio Engineering)
		Master Plan Development and/or Review (Process Control Systems)
	Municipal Infrastructure Asset Management	GIS Management Programme
		Integrated Infrastructure Plan Programme (Development & Review)
		Maintenance Plans Programme Management
		Technical Operations Center Management Programme
	Municipal Buildings and Structures	Engineering Document Management Programme
		Planned Building Maintenance Programme (Civils)
		Planned Building Maintenance Programme (Electrical)
		Planned Building Maintenance Programme (Mechanical)
		Planned structures maintenance
Recreation and Environmental Services	Horticultural Management	Building Construction and New Works Programme
		Biodiversity (cemeteries) and conservation
	Sport and Recreation	Operations management
		Recreational facilities management
	Arts and Culture	Sport and recreation development
		Public libraries
		Museum
	Local Economic Development	Recreational Projects Management
Horticultural Contracts Management		
Community Capacity Building and Training		
Business Support		
Development and Support of markets		
Economic Facilitation		
Marketing and Tourism Development		

Service Delivery Unit	Programme	Functions
Urban and Rural Planning	Land Use Management (LUMS)	Building management and control
		Planning and development evaluation
		Development control, appeals and consent use
Economic Development Facilitation	Spatial and Environmental Planning Development Administration Human Settlement Programmes	Surveys, analysis, data, research and GIS information
		Property Administration
		Property Evaluations
Human Resource and Industrial Relations Services	Personnel Administration, Recruitment and Placement Personnel Maintenance and Development Labour Relations Management Organisation Development and Change Management	Tourism
		Business Support, Markets and Tourism
		Public Transport Facilities and Operations Coordination
Information, Communications and Technology Services	ICT Governance ICT Service Delivery ICT Infrastructure	Investment promotion
		SHE risk management
		Training development and education
Expenditure	Budget and Financial Management Expenditure and Cash Management	Employee wellness
		Budget and financial control
		Annual Financial Statements, assets, reporting and loans
Revenue	Revenue Control, Billing, Rates and Tariffs Revenue Enhancement Revenue Customer Relations, Credit Management and Indigent Support	Creditors management
		Payroll and policy management
		Rates, non-metered services, cash control
Supply Chain Management	Demand and Acquisitions Stores Control Logistics and Supply Chain Management Risk	Revenue control, tariff design, budget and reporting
		Billing, metered services, system tariff administration and reporting
		Metered services
		Sundry services
		Branch management and community liaison
		Customer relations and indigent support

# Appendix G:

## Audit Committee Report

The Honourable Speaker  
 Council of the City of uMhlathuze  
 Civic Centre  
 Mark Strasse  
 Richards Bay 3901

Dear Sir

### Report of the Audit Committee to Council

The Audit Committee of the City of uMhlathuze has pleasure in submitting its ninth report to the Council of the City of uMhlathuze. This report is submitted in terms of the provisions of sections 121(3)(j), 166(2)(b) and 166(2)(c) of the Municipal Finance Management Act of 2003 (the MFMA) and covers the financial year from 1 July 2012 to 30 June 2013, except where otherwise stated.

#### Members

- The following persons served as members of the Audit Committee for the year under review:

JM de Wet – Chairperson

BB Mdletshe

PC Oosthuizen (appointed 28 March 2013)

SW Kunene (deceased 28 December 2012).

Mr Kunene and subsequently Mr Oosthuizen, served as Chairperson of the Performance Audit Committee and as such, represented the Audit Committee on the Performance Audit Committee.

#### Overview of Activities

- The Audit Committee had five formal meetings during the period covered by this report. The Audit Committee therefore complied with the provisions of section 166(4)(b) of the MFMA which requires the Audit Committee to meet at least four times per year.

- The meeting dates and attendance at these meetings were as follows:

Name	16 August 2012	15 November 2012	24 January 2013 (Special meeting)	28 March 2013	27 June 2013
JM de Wet (Chairperson)	•	•	•	•	•
BB Mdletshe	x	•	•	•	•
SW Kunene	•	•			
PC Oosthuizen				•	•

- Set out below is a summary of the matters which were dealt with at the Audit Committee meetings:
  - The Internal Audit Plan for the 2012/2013 financial year was considered and approved;
  - Council's draft Enterprise Risk Management Policy document was considered and commented upon;

- The recommendations and guidance contained in Guideline 65, which was issued by National Treasury during November 2012, was considered and is dealt with in more detail below;
- At each of the meetings, reports from the internal auditors on work their in terms of the approved audit plan, was tabled, discussed and approved;
- At each meeting, a progress report of actual work done as measured against the Internal Audit Plan, was considered;
- At each meeting, feedback was received and considered relating to critical ICT issues and related risks; and
- Attention was given to Council's Performance Management System by considering reports from Council's Performance Management Committee.

## Report

5. For purposes of executing its statutory duties as contained in section 166(2)(a) of the MFMA as well as its mandate as set out in the Audit Committee Charter, the Audit Committee relies on the work done by internal audit. The internal audit function is overseen and co-ordinated by the Chief Audit Executive, who is a Council employee. In executing her mandate, the Chief Audit Executive was assisted by the following contracted firms of professional service providers:
  - PricewaterhouseCoopers (July 2012 to September 2012); and
  - Umnotho Business Consulting (November 2012 to June 2013).
 Umnotho Business Consulting was replaced as internal audit service providers by SAB & T Business Innovations Group after year end.
6. In order to be able to rely on the work performed by internal audit, the Audit Committee has to satisfy itself that the quality and scope of the work performed by internal audit is sufficient to be able to place the necessary reliance thereon. This requires that the internal auditors should be able to do their work without any restrictions and that the internal auditors are, at all times, fully independent. It is the view of the Audit Committee that the work performed by internal audit is of a high standard, that it is properly planned and controlled and that the reporting is detailed and comprehensive. There is also sufficient evidence that internal audit findings are discussed with the responsible officials and that implementation of corrective measures that have been agreed upon, is followed up regularly. Consequently we have no hesitation in relying on the work performed by internal audit for purposes of executing our mandate. We are therefore in a position to advise Council that as far as matters relating to internal financial control, the adequacy, reliability and accuracy of financial reporting, performance management and evaluation, effective governance and compliance with the MFMA and other relevant legislation are concerned, the internal audit reports considered by the Committee have not revealed any material issues that may compromise any of these functions or responsibilities. This comment should, however, be read with our concerns and recommendations, which are dealt with in paragraph 10.
7. Section 166(2)(b) of the MFMA requires the Audit Committee to "review the annual financial statements to provide the Council of the Municipality with an authoritative and credible view of the financial position of the Municipality, its efficiency and effectiveness, and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation". For these purposes, the Audit Committee relies on the work performed by the Auditor-General during its audit of the financial statements of the Municipality.
8. The members of the Audit Committee reviewed the financial statements and the report of the Auditor-General for the year ended 30 June 2013 and can report as follows:

### ***Auditor-General's report on the financial statements***

- 8.1 The Auditor-General's report on the financial statements has been noted. In this regard, it is pleasing to note that the Auditor-General expressed an unqualified audit opinion on the financial statements for the year ended 30 June 2013. Emphasis of matter items relating to significant water and electricity losses in the amount of R105.85m, material under-spending of its municipal infrastructure grant in the amount of R64.76m, and the restatement of corresponding figures as a result of errors discovered during the audit relating to the year ended 30 June 2012, was noted.

### ***Auditor-General's report on other legal and regulatory requirements***

- 8.2 The Auditor-General also reported on other legal and regulatory requirements for the year ended 30 June 2013. The

Auditor General reported the following:

- Thirty percent of planned targets were not achieved mainly because of under-spending in the Municipal Infrastructure Grant. This matter is also the subject of an investigation into alleged misconduct, which is still in progress.

#### Comment on the financial statements for the year ended 30 June 2013

8.3 An overview of the financial performance of Council for the year ended 30 June 2013, is set out in the table below.

#### Financial Performance for the Year Ended 30 June 2013

	Comment	2013	2012
		R000	R000
1	Total income	2 040 655	1 713 573
	Total expenditure	2 092 075	1 860 854
	Deficit for the year	(51 420)	(147 281)
	<i>Deficit for the year decreased compared to the previous year as a result of an increase in total revenue of 19% vs an increase in expenditure of 12%</i>		
2	Positive cash flow from operating activities <i>In spite of the deficit recorded for the year, Council achieved positive cash generation from operating activities after the removal of non-cash items (primarily depreciation)</i>	294 109	195 373
3	Revenue from property rates and service charges <i>Percentage increase</i>	1 607 816 14%	1 411 373
4	Revenue from government grants <i>Percentage increase</i>	253 530 9%	231 543
5	Employee costs <i>Percentage increase</i>	437 126 11%	393 065
6	Bulk purchases <i>Percentage increase</i>	937 247 12%	834 001

#### Financial Position at 30 June 2013

	Comment	2013	2012
		R000	R000
1	Net assets <i>Reduction as a result of the deficit for the year</i>	3 487 271	3 538 691
2	Cash and cash equivalents <i>Increase primarily due to positive cash flow from operating activities</i>	242 775	157 214
3	Trade receivables before provision for bad debts <i>Percentage increase</i>	262 463 28%	205 250
4	Provision for bad debts <i>There seems to have been a deterioration in collections which is evidenced by the increase in trade receivables (see 3 above) which required an increase in the bad debt provision</i>	(23 000)	(19 500)
5	Ratio of current assets to current liabilities <i>This ratio, which is an indicator of liquidity, has improved marginally from the previous year, which indicates that Council has made further progress in overcoming the cash flow challenges experienced previously</i>	1.1:1	1:1
6	Percentage overspending of final approved operating expenditure budget	11.8%	N/A
7	Percentage underspending of final approved capital expenditure budget	50.7%	38%
8	Percentage underspending of conditional grants received	64.6%	N/A

9. Insofar as the provisions of section 166(2)(c) of the MFMA are concerned, we can report that, in our opinion, there are no issues raised by the Auditor-General in the audit report that require Council's specific attention.

### Concerns and Recommendations

10. During the course of our meetings and discussions during the period under review, a number of important issues came to light that the Audit Committee believes should be brought to Council's attention. These matters are dealt with below:

#### ***The governance of risk***

10.1 The governance of risk is, in the view of the Audit Committee, a cornerstone of good corporate governance, and Council has, in our opinion, the responsibility to ensure that the governance of risk becomes an integrated part of the day-to-day management of Councils' affairs.

10.2 It was reported previously that a Risk Management Committee had been formed towards the latter part of the previous financial year. Due to various challenges, this committee never functioned properly and it was subsequently transformed into an Enterprise Risk Management Committee towards the end of the 2013 financial year. A Chief Risk Officer was also been appointed. As was reported in paragraph 4 above, a draft Enterprise Risk Management policy document has been prepared and is currently being circulated for comment. Hopefully, this document will serve before Council and be approved during the early part of 2014.

10.3 The challenge remains to incorporate the identified enterprise risks into Council's planning and strategies for the future, as well as in the day-to-day decision-making processes to ensure that these risks are addressed and mitigated as far as possible. Previous risk mapping exercises indicated, for instance, that many risks exist for which no effective internal audit response exists. These risks therefore remain within the realm of management to manage and control. It is therefore important that mechanisms be developed which will enable Council to identify and monitor responses to these risks so as to ensure the risks are addressed adequately.

#### ***The governance of information technology***

10.4 During the 2011 financial year, the Audit Committee started a process in which particular emphasis on Information Technology issues was placed. This process continued during the 2012 and 2013 financial years. The Audit Committee is provided with a matrix of critical issues and the progress made at each Audit Committee meeting with managements' response. Although it is pleasing to note that at the date of this report most of these critical issues were addressed or are in the process of being addressed, no progress was made with the upgrading and/or replacement of certain key network infrastructure components. The impact of a failure of the physical network infrastructure has been rated as catastrophic and it is therefore our recommendation that Council develop and approve a strategic and operational plan to address this specific issue.

#### ***Reporting and disclosure***

10.5 The preparation of Council's annual financial statements is governed by various international financial reporting standards, generally recognised accounting standards and generally accepted municipal accounting standards. In addition, there are a number of financial reporting requirements issued by National Treasury which have to be complied with. In spite of the substantial compliance burden which these standards require, Council's Treasury Department managed, as in the previous financial year, to comply with these standards to the satisfaction of the Auditor-General and Treasury, and should, in our view, be congratulated on this achievement. Future compliance with financial reporting standards will, however, continue to place severe strain on existing financial capacity and infrastructure. It is therefore crucial that Council acknowledge the importance of maintaining and improving its financial capacity to meet this ongoing challenge.

#### ***Guideline 65***

10.6 During November 2012, National Treasury issued Guideline 65 under the Municipal Finance and Management Act of 2003 titled *Internal Audit and Audit Committee*. The stated purpose of this guide was to assist municipalities in improving

the effectiveness of internal audit and their Audit Committees. The Audit Committee devoted considerable time to the recommendations contained in this document, which resulted in the following outcomes:

- The Audit Committee Charter and the Internal Audit Charter was redrafted in order to more accurately reflect the proposals and principles contained in Guideline 65; and
- The Guideline appeared to recommend that municipalities with a separate Performance Audit Committee should combine this committee and the Audit Committee into one committee. This recommendation caused considerable debate within the Municipality and culminated in the chairpersons of the Audit Committee and Performance Audit Committee being requested to engage with National Treasury to obtain clarity on this matter. This was duly done and the respective chairpersons issued a report dated 5 June 2013 in which a recommendation was made that the current status quo be retained and that the Audit Committee and Performance Audit Committee continue to function as two separate committees with the proviso that the Performance Audit Committee report to the Audit Committee as the Audit Committee has final responsibility for performance management.

#### **Internal audit issues**

10.7 During 2012, internal audit conducted a review of Planned and Unplanned Maintenance for water, sewerage and electricity, as well as Maximum Demand Metering. During the current audit cycle, the findings, recommendations and management's agreed action was followed up to determine the extent to which the agreed action plans were implemented. It is disappointing to report that out of 22 findings, only 10 have been resolved, one was found to be partially resolved and 11 findings were found to be unresolved. This result reflects, in our opinion, a serious disregard for the importance of internal audit findings and a failure by the officials concerned to implement the corrective measures which they, themselves, have agreed to.

#### **Conclusion**

11. The implementation and maintenance of proper systems of internal control, the prevention of fraud and error, the safeguarding of the assets of the Municipality and compliance with relevant laws and regulations, are Council's responsibility. The role of the Audit Committee is to monitor the efficiency of the procedures and mechanisms which Council has put in place in order to ensure that its policies and procedures are adhered to. We can report that, taking into account the exceptions noted above and based on the reports submitted to us, that our overall impression is that the systems and procedures implemented by Council are operating efficiently.
12. We also wish to take the opportunity to thank the Municipal Manager and his officials for their hard work and the dedication they display to their duties and their positive interaction with the Audit Committee.

Yours faithfully

**JM de Wet**

Chairman – Audit Committee

17 December 2013



## Appendix H: Long-term Contracts and Public Private Partnership

Type of Agreement	Duration	Value
Memorandum of Agreement	15 Jan 2014 (termination by notice)	Empangeni Invasive Alien Species Control Programme
Memorandum of Agreement	1 June 2013 – 31 May 2016	R1 000
Service Agreement	7 Nov 2013 (termination by notice)	Provision of services portion 165 of Erf 5333 R/Bay
Funding Agreement	31 July 2013 (termination by notice)	Basic water supply services
Service Level Agreement	1 April 2013 – 31 March 2014	R36 605 000
Memorandum of Agreement	1 July 2013 – 30 June 2014	R6 566 000
Agreement of Financial Support	31 Jan (termination by notice)	Graduate Programme/Grant
Memorandum of Agreement	20 June 2012 (termination by notice)	Workplace skills development

# Appendix I: Municipal Entity/Service Provider Performance Schedule

## STRATEGIES, GOALS AND OBJECTIVES

The following tables provide a summary of the municipal strategies, goals and objectives:

National KPA: Good Governance and Public Participation	
Strategy 1: Good Governance	
Goals	Objectives
1. Democratic, responsible, transparent, objective and equitable municipal governance	<ul style="list-style-type: none"> <li>Effective and efficient municipal structure that is resourced to fulfil roles and responsibilities</li> <li>Implementation of 'Batho Pele' principles</li> <li>Development of effective and efficient community participation mechanisms and processes</li> </ul>
2. Compliance with relevant legislation and policies	<ul style="list-style-type: none"> <li>Preparation of credible and implementable Integrated Development Plan</li> <li>Compilation of 'SMART' organisational performance management</li> <li>Management of records</li> <li>Establishment of occupational health and safety processes and procedures</li> <li>Development of required policies, procedures and registers</li> <li>Legal vetting of contracts</li> <li>Internal and External Audit</li> </ul>
3. Uninterrupted service delivery	<ul style="list-style-type: none"> <li>Improvement of relationship between management and labour</li> <li>Provision for service delivery during industrial action</li> </ul>
4. Public safety and security and protection of Council property	<ul style="list-style-type: none"> <li>Provision of security, fire, rescue and traffic services</li> <li>Provision of disaster management services</li> <li>Policy against fraud, corruption, theft, misuse and damage to Council property by members of the public and officials</li> </ul>

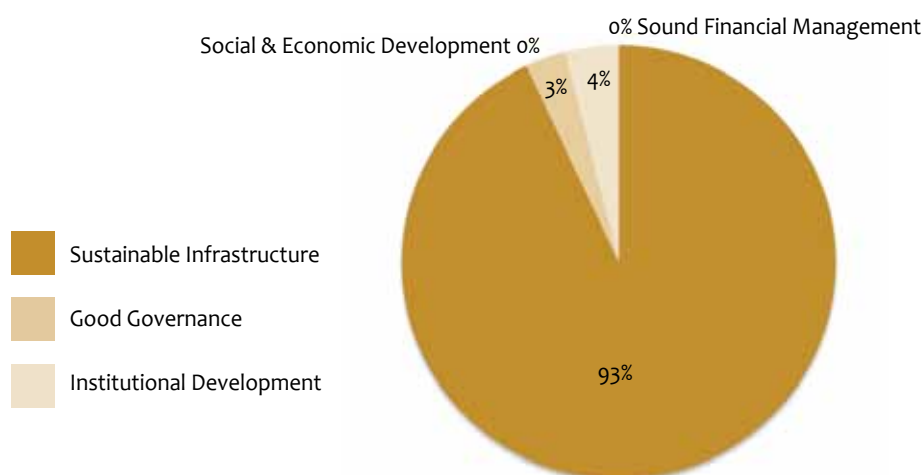
National KPA: Basic Service Delivery and Infrastructure Provision	
Strategy 2: Sustainable Infrastructure and Service Delivery	
Goals	Objectives
1. Efficient and integrated infrastructure and services	<ul style="list-style-type: none"> <li>Provision of water, sanitation, transport and electrical infrastructure</li> <li>Ensure quality control measures in respect of municipal services</li> <li>Stormwater systems and management</li> <li>Maintenance of infrastructure</li> <li>Management of council fleet and assets</li> <li>Promotion of development densification for efficient and cost-effective provision of services</li> <li>Improvements to public transport facilities and infrastructure</li> <li>Promotion of a pedestrian friendly environment</li> </ul>
2. Compliance with legislation, policies and guidelines	<ul style="list-style-type: none"> <li>Planning for provision of water, sanitation, transport and electrical infrastructure in line with relevant government legislation and policies</li> <li>Development of asset registers for management and maintenance purposes</li> </ul>
3. Integrated urban and rural development	<ul style="list-style-type: none"> <li>Identification and planning areas for future development</li> <li>Development of integrated human settlements</li> <li>Promotion of development densification for cost-effective provision of services</li> </ul>
4. Effective project management	<ul style="list-style-type: none"> <li>Completion of projects within time and budget constraints</li> </ul>
5. Environmental sustainability	<ul style="list-style-type: none"> <li>Coastal management</li> <li>Investigation of alternative energy sources and the recycling of resources</li> <li>Support environmental sustainable developments</li> <li>Solid waste management</li> <li>Development of good relationship with relevant stakeholders in order to promote sustainable development</li> <li>Implementation of relevant COP17/CMP 7 agreements</li> </ul>

National KPA: Local Economic Development	
Strategy 3: Social and Economic Development	
Goals	Objectives
1. Safe and Healthy Living Environment	<ul style="list-style-type: none"> <li>Provision of health facilities and services</li> <li>Provision of a safe and clean environment</li> <li>Management of solid waste</li> <li>Management of Horticulture</li> </ul>
2. Social Cohesion	<ul style="list-style-type: none"> <li>Provision of community and sports facilities and services, arts and culture</li> </ul>
3. Create environment conducive for economic growth and development	<ul style="list-style-type: none"> <li>Implementation of an LED plan/strategy</li> <li>Land use management</li> <li>Promotion of tourism</li> <li>Support to informal economy and SMME sector</li> <li>Identification and planning of priority nodes and corridors</li> <li>Property evaluation and administration</li> <li>Public transport coordination</li> <li>Review and implementation of tourism strategy/plan</li> </ul>

National KPA: Municipal Institutional Development and Transformation	
Strategy 4: Institutional Development	
Goals	Objectives
1. Municipality resourced and committed to attaining the vision and mission of the organisation	<ul style="list-style-type: none"> <li>Appropriate organisational climate to attract and retain appropriate skills</li> <li>Development and appropriate training of and assistance to employees</li> <li>Clean and secure working environment</li> <li>Improved relationship between management and labour</li> </ul>
2. Appropriate communication and technology services	<ul style="list-style-type: none"> <li>Improved inter-departmental communication and cooperation within Municipality</li> <li>Improved external communication</li> <li>Innovative information management systems</li> <li>Appropriate ICT infrastructure, processes and procedures</li> </ul>
3. Management of ethnic and religious diversity	<ul style="list-style-type: none"> <li>Implementation of 'Batho Pele' principles</li> <li>Promotion of synergistic partnerships with relevant stakeholders</li> </ul>

### Capital Funding per IDP Strategy

Strategy 1: Good governance	7 574 000	3
Strategy 2: Sustainable infrastructure and service delivery	239 132 100	93
Strategy 3: Social and economic development	200 000	0
Strategy 4: Institutional development	9 120 100	4
Strategy 5: Sound financial management	789 000	0
<b>Total</b>	<b>256 815 200</b>	<b>100</b>



## Appendix K(I): Revenue Collection Performance by Vote

Vote Description	Actual 2011/2012	Actual 2012/2013
Vote 1 – City development	10 832 081	16 904 368
Vote 2 – Community services – health and public safety	14 135 206	15 756 920
Vote 3 – Community services – recreation and environment	39 492 124	462 67 545
Vote 4 – Corporate services – human administration	2 020 675	2 439 708
Vote 5 – Corporate services – human resources	5 189 084	5 635 877
Vote 6 – Financial services	237 750 050	393 611 015
Vote 7 – Infrastructure and Technical Services – electrical supply services	904 480 071	1 189 944 893
Vote 8 – Infrastructure and Technical Services – water and sanitation services	340 192 719	53 882 020
Vote 9 – Infrastructure and technical services – Transport, roads and stormwater	95 275 637	103 678 633
Vote 10 – Infrastructure and Technical Services – Engineering Support services	14 799 273	13 311 718
Vote 11 – Office of the Municipal Manager	268 113	71 160
	<b>1 664 435</b>	<b>1 841 504</b>

## Appendix K(II): Revenue Collection Performance by Source

Revenue by Source	2012/2013			
	Actual 2011/2012	Actual 2012/2013	Original Budget	Adjusted Budget
Property rates	204 614	238 007	231 260	238 260
Property rates – penalties and collection charges	–	–	–	–
Service charges – electricity revenue	966 962	1 091 706	1 077 000	1 093 000
Service charges – water revenue	134 008	158 637	159 445	152 265
Service charges – sanitation revenue	59 702	66 946	69 300	67 800
Service charges – refuse revenue	46 088	52 520	51 300	52 100
Service charges – other	18 483	12 472	14 084	14 993
Rental of facilities and equipment	16 133	16 860	6 130	15 204
Interest earned – external investments	4 012	14 499	1 648	3 954
Interest earned – outstanding debtors	1 639	1 778	1 317	1 601
Dividends received	–	–	–	–
Fines	3 005	10 550	2 052	11 412
Licences and permits	1 831	1 933	1 686	1 883
Agency services	5 922	6 093	5 300	5 800
Transfers recognised – operational	183 050	137 890	204 891	204 991
Other revenue	13 129	31 612	12 655	13 262
Gains on disposal of PPE	5 857	–	–	–
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>1 664 435</b>	<b>1 841 504</b>	<b>1 838 068</b>	<b>1 876 525</b>

## Appendix L: Conditional Grants Received excluding MIG

Detail of Grant	Budget	Adjustment Budget	Actual	Variance		Major Conditions Applied by Donor
				Budget	Adjustment Budget	
Finance management	1 500 000	1 500 000	904 000	-0,40	-0,40	This grant is used to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA). An amount of R596 000 was withdrawn by National Treasury for the 2010/2011 allocation.
Municipal systems improvement	800 000	800 000	11 000	-0,99	-0,99	This grant is used to assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act (MSA) and related legislation. An amount of R789 000 was withdrawn by National Treasury for the 2010/2011 allocation.
Infrastructure Skills Development	3 000 000	3 000 000	3 000 000	-	-	This grant is used to strengthen capacity of local government to effectively and efficiently deliver quality infrastructure by increasing the pool of skills available, to facilitate lifelong learning and the transfer of knowledge and skills to municipalities.
Energy efficiency and demand side management	8 000 000	8 000 000	8 000 000	-	-	The grant is to be used to implement Energy efficiency and Demand Side management (EEDSM) initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency
Expanded Public Works Programme integrated	1 000 000	1 000 000	1 000 000	-	-	This grant is used to incentivise municipalities to expand work creation efforts through the use of labour-intensive delivery methods in compliance with EPWP guidelines
Provincial health subsidies	9 311 000	9 311 000	4 842 400	-0,48	-0,48	This grant is used exclusively to fund clinic services.
Extension to Richards Bay Airport	-	-	1 763 629	100,00	100,00	This grant is used for the expenditure incurred at the airport
Tourism development – COGTA	-	3 500 000	3 500 000	100,00	-	This grant is used for corridor development projects
Informal traders and stalls – COGTA	-	4 000 000	4 000 000	100,00	-	This grant is used for corridor development projects

Detail of Grant	Budget	Adjustment Budget	Actual	Variance		Major Conditions Applied by Donor
				Budget	Adjustment Budget	
Massification Grant	–	–	2 000 000	100,00	100,00	This grant is used for the eSikhaleni Water Systems investigation
Hostels – Dept. of Housing	8 925 000	8 925 000	20 000 000	1,24	1,24	This grant is used in the refurbishment of various hostels
Housing subsidy	–	–	2 803 555	100,00	100,00	This subsidy is used for the housing operating account
Library Subsidy – public internet access	619 800	619 800	619 800	–	–	This grant is used to appoint library computer assistants at various libraries
Library subsidy	2 784 000	2 784 000	2 784 000	–	–	This subsidy is used towards the current staffing and operational costs of the libraries
Museum subsidy	134 000	134 000	134 000	–	–	This subsidy is used in the daily running of the Empangeni museum
Environmental health subsidy	4 603 259	4 603 259	4 603 259	–	–	This subsidy is used for environmental health services
Bus Shelters and laybys – uThungulu District Council	–	–	207 384	100,00	100,00	Funds were received for the construction of bus shelters and laybys

## Appendix M(I): Capital Expenditure – Assets Programme

R	Original Budget	Adjusted Budget	Actual
<b>Infrastructure</b>			
Infrastructure – road transport	21 510	21 320	6 782
Roads, pavements and bridges	21 510	21 320	6 782
Stormwater	–	–	–
Infrastructure – electricity	10 300	17 500	3 993
Generation	–	–	–
Transmission and reticulation	8 000	15 700	3 366
Streetlighting	2 300	1 800	627
Infrastructure - water	2 605	4 840	3 412
Dams and reservoirs	–	–	–
Water purification	–	–	–
Reticulation	2 605	4 840	3 412
Infrastructure – sanitation	56 156	36 781	32 115
Reticulation	56 156	36 781	32 115
Sewerage purification	–	–	–
Infrastructure – other	1 200	20	–
Waste management	1 200	20	–
Transportation	–	–	–
Gas	–	–	–
Other	–	–	–
<b>Community</b>	60	60	36
Parks and gardens	–	–	–
Sportfields and stadia	–	–	–
Swimming pools	–	–	–
Community halls	–	–	–
Libraries	60	60	–
Recreational facilities	–	–	36
Fire, safety and emergency	–	–	–
Security and policing	–	–	–
Buses	–	–	–
Clinics	–	–	–
Museums and art galleries	–	–	–
Cemeteries	–	–	–
Social rental housing	–	–	–
Other	–	–	–
<b>Heritage assets</b>	–	–	–
Buildings	–	–	–
Other	–	–	–
<b>Investment properties</b>	–	–	–
Housing development	–	–	–
Other	–	–	–
<b>Other assets</b>	9 995	11 301	6 448
General vehicles	2 000	558	1 501
Specialised vehicles	6 795	–	–
Plant and equipment	–	631	788
Computers – hardware/equipment	–	1 114	1 024
Furniture and other office equipment	389	402	520

R	Original Budget	Adjusted Budget	Actual
Abattoirs	–		–
Markets	–		–
Civic land and buildings	81	4 234	2 479
Other buildings	495	4 072	136
Other land	235	290	–
Surplus assets – (investment or inventory)	–	–	–
Other	–	–	–
<b>Agricultural assets</b>	–	–	–
<b>Biological assets</b>	–	–	–
<b>Intangibles</b>	–	2 500	61
Computers – software and programming	–	2 500	61
Other (list sub-class)			
<b>Total capital expenditure on new assets</b>	<b>101 826</b>	<b>94 322</b>	<b>52 847</b>
<b>Specialised vehicles</b>	6 795	–	–
Refuse	6 795	–	–
Fire	–	–	–
Conservancy	–	–	–
Ambulances	–	–	–



## Appendix M(II): Capital Expenditure – Upgrade/Renewal Programme

R	Original Budget	Adjusted Budget	Actual
<b>Infrastructure</b>	67 927	92 330	28 025
Infrastructure – road transport	1 650	6 156	964
Roads, pavements & bridges	1 650	6 156	964
Stormwater			
Infrastructure – electricity	16 616	32 105	12 599
Generation			
Transmission and reticulation	15 165	29 654	11 289
Streetlighting	1 451	2 451	1 310
Infrastructure – water	37 634	48 077	11 088
Dams and reservoirs			
Water purification			
Reticulation	37 634	48 077	11 088
Infrastructure –sanitation	12 027	5 892	3 374
Reticulation	12 027	5 892	3 374
Sewerage purification			
Infrastructure – other	–	100	–
Waste management	–	100	–
Transportation	–	–	–
Gas	–	–	–
Other	–	–	–
<b>Community</b>	14 518	17 230	9 637
Parks and gardens	100	100	–
Sportfields and stadia	1 240	876	569
Swimming pools	215	599	487
Community halls	2 500	2 611	1 546
Libraries	595	544	227
Recreational facilities	–	3 500	125
Fire, safety and emergency	–	–	–
Security and policing	40	75	–
Buses	–	–	–
Clinics	–	–	–
Museums and art galleries	–	–	–
Cemeteries	903	–	637
Social rental housing	8 925	8 925	6 046
Other	–	–	–
<b>Heritage assets</b>	–	–	–
Buildings			
Other			
<b>Investment properties</b>	–	–	2 258
Housing development			
Other			2 258
<b>Other assets</b>	15 213	27 185	16 905
General vehicles	3 950	8 020	5 095
Specialised vehicles	2	2 372	872
Plant and equipment	5 046	5 452	3 241
Computers – hardware/equipment	2 996	4 707	4 903
Furniture and other office equipment	1 045	1 248	2 000

R	Original Budget	Adjusted Budget	Actual
Abattoirs	–		–
Markets	–		–
Civic land and buildings	1 650	3 651	160
Other buildings	24	1 192	634
Other land	500	543	–
Surplus assets – (investment or inventory)			–
Other			–
Agricultural assets	–		
Biological assets			
Intangibles	6 999	2 480	5 364
Computers – software and programming	6 999	2 480	5 364
Other (list sub-class)			
<b>Total capital expenditure on new assets</b>	<b>104 657</b>	<b>139 225</b>	<b>62 189</b>
<b>Specialised vehicles</b>	<b>2</b>	<b>2 372</b>	<b>872</b>
Refuse	2	–	
Fire	–	2 372	872
Conservancy			
Ambulances			

## Appendix N: Capital Programme by Project Current Year

Function	Project Description	Actual 2012/2013
Budget and Treasury Office total	Computer hardware total	13 350
	Furniture and other office equipment total	121 200
	Intangibles total	60 500
		<b>195 050</b>
Community and Social Services total	Civic centre roofing and water proofing total	263 870
	Computer hardware total	128 894
	Empangeni hall total	640 860
	Empangeni Library carpet replacement total	130 700
	Extension development of Esikhaleni Cemetery total	147 000
	Extension development of Richards Bay Cemetery total	490 127
	Furniture and other office equipment total	990 904
	Gobandlovu Hall total	394 974
	Installation of aluminium glass front shop total	33 165
	Installation of camera at Mayors parking total	7 500
	Installation of camera outside parking area total	115 957
	Internal CCTV camera total	148 517
	Internal CCTV camera project Financial Services Total	130 181
	Mandlankala Hall total	140 210
	Mzingazi Hall total	370 151
	Plant and equipment total	35 600
	Richards library – replace front desk total	68 719
	Redesign office space total	12 347
	Renovations Financial Services total	80 399
	Replacement of carpet total	27 464
Security room Alton Parks Depot total	56 738	
Tier lockers total	55 440	
		<b>4 469 714</b>
Corporate Services total	2KVA Mains solar powered UPS total	49 354
	Call Centre total	596 602
	CBD Extension South of Guldengracht total	666 309
	Civic Centre office amendments	1 377
	Computer hardware	3 707 369
	Erf 8038 Birdswood (Bhengu)	15 000
	Erf 8083 Birdswood (Bhengu)	13 990
	Erf H1766 Esikhaleni (Ntokozo Road) (Dlamini)	86 000
	Fire engine	872 000
	Furniture and other office equipment	268 005
	GIS database enhancements and capturing	364 000
	GIS Electrical Engineer	657 000
	Improvements to TOC Control Room	88 591
	Installation of telemetry equipment	56 207
	Intangibles	1 037 904
	Isuzu KB 250	311 939
	Isuzu NPR 300 truck	957 200
	Isuzu NPS 300	541 910
	Isuzu PVZ 1400 6 X 4 with F215a	1 336 804
	IT infrastructure	854 568

Function	Project Description	Actual 2012/2013
Corporate Services Total	Jeep Grand Cherokee	1 250 000
	Mazda	259 780
	MI Merc Mayoral vehicle	746 635
	Motor Vehicle	602 723
	Multi-Mode 4 Core Fibre from Empangeni Library	26 897
	Opel Vivaro 1.9 CDTI 9-seater bus	337 535
	Opel Vivaro 1.9 CDTI panel van	251 280
	Plant and Equipment	51 676
	Reception Point New TOC	116 950
	Sentinel – Security Information and Event Management	1 000 000
	Skid Unit	14 606
	Software Licensing Compliance (Microsoft)	3 304 594
	TOC upgrade	1 429 138
	Umzingwenya Informal Settlements floodline	130 565
	Waterfront development	35 892
	<b>22 040 400</b>	
Electricity Total	4-way RMU replacement Brackenham	175 000
	Aquilla Substation upgrade	181 221
	B1030 Ngwelezane	549 948
	Civic Centre office amendments	1 377
	Connections (fees) extensions domestic	2 013 467
	Connections (fees) extensions industrial	2 517 294
	Energy saving project – road intersections	1 140 816
	Esikhaleni infills	44 853
	Furniture and other office equipment	455 866
	Hercules substation – power monitoring equipment	559 879
	Hydra Substation	5 712 635
	Improvement to ablution facility electrical dept	35 000
	Metering calibration and verification tool	59 460
	MV Switchgear fault detectors	534 526
	Ngwelezane Main	20 856
	Orion 11 KV Substation fencing	63 200
	Pegasus 11 KV Substation	50 000
	Plant and equipment	219 206
	Richards Bay Minisub – energy losses	1 115 050
	Risi locking mechanisms	88 801
Tucana 11Kv Substation gate	5 900	
	<b>15 544 354</b>	
Health Total	Furniture and other office equipment	129 396
	Plant and equipment total	95 666
	<b>225 062</b>	
Housing Total	Esikhaleni refurbish hostels	6 045 656
	<b>6 045 656</b>	
Other Total	Airport	2 257 921
	<b>2 257 921</b>	
Planning And Development Total	Furniture and other office equipment	121 655
	Welcome signage total	97 267
	<b>218 922</b>	
Public Safety Total	Furniture and other office equipment	72 609
	Plant and equipment total	762 573
	Portable fire pump	147 525
	Streetlighting Empangeni main road intersection	810 296
	Streetlighting for Empangeni – replacement	299 937
	Streetlighting for Mzingazi	322 952

Function	Project Description	Actual 2012/2013
Public safety total	Esikhaleni streetlight pole replacement	199 930
	John Ross streetlight lighting	304 209
		<b>2 920 030</b>
Road transport total	Bus and Taxi laybye	1 254 323
	Civil Services infill areas J2 and H2 Area	745 436
	Furniture and other office equipment	18 956
	New Robot – Tusk Casino	964 405
	Pedestrian bridges Mkhwanazi North	497 784
	Pedestrian bridges Nseleni	484 423
	Pedestrian walkways – Esikhaleni H	173 000
	Pedestrian walkways – Rbay	48 000
	Plant and equipment	27 000
	Roads – B1030 Ngwelezane	71 800
	Speedhumps	882 720
	Umlathuze Village Phase 7	1 860 649
		<b>7 028 495</b>
Sport and Recreation total	Arboretum Pool – filtration plant	15 123
	Bay Pool – filtration plant	15 123
	Bay Pool upgrade	190 760
	Brackenhams Pool – filtration plant	15 123
	Empangeni Pool – filtration plant	15 123
	Esikhaleni College Irrigation System	139 880
	Esikhaleni Pool upgrade	35 351
	Esikhaleni Pool upgrade – Parkhome Unit	106 930
	Furniture and other office equipment	73 086
	Goal post and groundskeeper	174 572
	Leak detection unit – swimming pool	74 452
	Meerensee pool – filtration plant	15 123
	Plant and equipment	766 695
	Play ground equipment	81 250
	Pole prune machine	68 950
	RBCC Improvements Club facilities	313 639
	Recreational facilities	12 880
	Tourism development	112 345
	Velenvlei Sport Complex – security burgular gate total	43 113
	Vertical blinds	6 520
	<b>2 276 038</b>	
Waste Management total	Drop-off point Meerensee fencing	20 019
	Furniture and other office equipment	80 456
	Office amendment at Civic 2	53 000
	Plant and equipment	29 640
	183 115	
Waste Water Management total	Alarm system – IOF Pumpstation	8 040
	Empangeni Pumpstation replacement bulk sewer	3 393
	Finger print clock machine	5 850
	Furniture and other office equipment	157 177
	Khuleka Pumpstation refurbishment	118 850
	Kuleka Pumpstation pump	120 950
	Lake Ecubhu Water Treatment Works standby pumps	90 243
	Leak-free toilet system	171 993
Mzingazi Village sewer reticulation	166 554	

Function	Project Description	Actual 2012/2013
Waste Water Management Total	Oxyaceltelene porta pack with trolley	9 158
	Plant and equipment	401 239
	Portable submersible pump total	12 750
	Rural sanitation	29 607 771
	Sanitation projects	2 528 365
	Screen panel Felixton Pumpstation	19 843
	Sewerage pipeline replacement at Vulindlela	36 838
	Southern pumpstation replace existing bulk sewer	161 344
	Submersible pump	171 182
	Umhlathuze Village Phase 7	1 200 000
	Vulindlela network replacement	1 140 207
	<b>36 131 745</b>	
Water Total	Bulk water master	1 559 166
	Civic centre office amendments	2 295
	Computer hardware	25 387
	Computer hardware equipment	1 462
	Esikhaleni water system	1 887 452
	Esikhaleni Water Treatment Plant	186 918
	Esikhaleni water works improvement	8 451 945
	Furniture and other office equipment	87 944
	Jojo Tank	19 900
	Orion Star A212 Conductivity Bechtop Meter	7 043
	Plant and equipment	1 371 179
	Scientific services – office amendments	4 591
	Umhlathuze Village Phase 7 – Water	676 771
	Water meters – Rural Areas	749 816
	Water supply – Migvat	28 020
	Water supply – Ruralsemi Urban Areas	164 503
Water supply Dube Tribal Area	132 415	
Water supply Mkhwanazi North – Rural Area	143 169	
	<b>15 499 976</b>	
<b>Total Capital Expenditure By Project</b>		<b>115 036 478</b>

# Appendix O:

## Capital Programme by Project by Ward

### Current Year

Function	Project Description	Works Completed (Y/N)	Ward Affected
Budget and Treasury Office	Computer hardware total	Completed	All Wards
	Furniture and other office equipment total	Completed	All Wards
	Intangibles total	In Progress	All Wards
Community & Social Services	Civic centre roofing and water proofing total	In Progress	All Wards
	Computer hardware	Completed	Ward 14
	Empangeni Hall	In Progress	Ward 23
	Empangeni Library carpet replacement	In Progress	Ward 23
	Extension development of Esikhaleni Cemetery	In Progress	Ward 14
	Extension development of Richards Bay Cemetery	In Progress	Ward 26
	Furniture and other office equipment	Completed	All Wards
	Gobandlovu Hall	Completed	Ward 14
	Installation of aluminium glass front shop	Completed	All Wards
	Installation of camera mayors parking	Completed	Ward 2
	Installation of camera outside parking area	Completed	Ward 2
	Internal CCTV camera	Completed	Ward 2
	Internal CCTV camera project, financial services	Completed	All Wards
	Mandlankala Hall	In Progress	Ward 12
	Mzingazi Hall	In Progress	All Wards
	Plant and Equipment	Completed	All Wards
	Richards Bay Library – replace front desk	In Progress	Ward 2
	Redesign office space	In Progress	All Wards
	Renovations Financial Services	In Progress	All Wards
	Replacement of carpet	In Progress	Ward 2
Security Room Alton Parks Depot	Completed	Ward 2	
Tier lockers	Completed	Ward 9	
Corporate Services	2KVA Mains solar powered UPS	Completed	All Wards
	Call Centre	Completed	All Wards
	CBD Extension south of Guldengracht	In Progress	All Wards
	Civic Centre office amendments	Completed	All Wards
	Computer hardware	Completed	All Wards
	Erf 8038 Birdwood (Bhengu)	Completed	Ward 4
	Erf 8083 Birdwood (Bhengu)	Completed	Ward 4
	Erf H1766 Esikhaleni (Ntokozo Road) (Dlamini)	Completed	Ward 2
	Fire engine	In Progress	All Wards
	Furniture and other office equipment	Completed	All Wards
	GIS database enhancements and capturing	Completed	All Wards
	GIS Electrical Engineer	Completed	All Wards
	Improvements to TOC Control Room	Completed	All Wards
	Installation telemetry equipment	Completed	All Wards
	Intangibles	In Progress	All Wards
	Isuzu KB 250	Completed	All Wards
	Isuzu Npr 300 truck	Completed	All Wards
	Isuzu Nps 300 total	Completed	All Wards
	Isuzu Pvz1400 6 X 4 with F215A total	Completed	All Wards
	IT infrastructure total	Completed	All Wards
	Jeep Grand Cherokee	Completed	All wards
	Mazda	Completed	All wards
	MI Merc Mayoral vehicle	Completed	All wards
Motor vehicle	Completed	All wards	

Function	Project Description	Works Completed (Y/N)	Ward Affected
Corporate Services	Multi-mode 4 Core fibre from Empangeni Library	Completed	All wards
	Opel Vivaro 1.9 CDTI 9-Seater bus	Completed	All wards
	Opel Vivaro 1.9 CDTI panel van	Completed	All wards
	Plant and equipment	Completed	All wards
	Reception point new TOC	Completed	All wards
	Sentinel – Security information and event management	In Progress	All wards
	Skid unit	Completed	All wards
	Software licensing compliance (Microsoft)	Completed	All wards
	TOC Upgrade	Completed	All wards
	Umzingwenya Informal Settlements floodline	In Progress	All wards
	Waterfront development	Completed	Ward 2
Electricity	4-Way RMU replacement Brackenheim	Completed	Ward 4
	Aquila Substation Upgrade	Completed	Ward 3
	B1030 Ngwelezane	Completed	Ward 25
	Civic Centre office amendments	Completed	All wards
	Connections (fees) extensions domestic	Completed	All wards
	Connections (fees) extensions industrial	Completed	All wards
	Energy saving project – road intersections	In Progress	All wards
	Esikhaleni infills	In Progress	Ward 16, 17, 20, 21
	Furniture and other office equipment	Completed	All wards
	Hercules Substation – power monitoring equipment	Completed	All wards
	Hydra Substation	In Progress	Ward 25
	Improvement to ablution facility electrical dept	In Progress	All wards
	Metering calibration and verification tool	Completed	All wards
	MV switchgear fault detectors	Completed	All wards
	Ngwelezane Main	Completed	All wards
	Orion 11KV Substation fencing	Completed	All wards
	Pegasus 11 KV Substation	Completed	All wards
	Plant and equipment	Completed	All wards
	Richards Bay Minisub – energy losses	In Progress	All wards
	Risi locking mechanisms	Completed	All wards
Tucana 11KV Substation gate	Completed	All wards	
Health	Furniture and other office equipment	Completed	Ward 2, 24
	Plant and equipment	Completed	Ward 2, 24
Housing	Esikhaleni refurbish hostels	In Progress	Ward 20, 21
Other	Airport	Completed	All wards
Planning And Development	Furniture and other office equipment	Completed	All wards
	Welcome signage	Completed	All wards
Public Safety	Furniture and other office equipment	Completed	Ward 2, 24
	Plant and equipment	Completed	Ward 2, 24
	Portable fire pump	Completed	Ward 2, 24
	Streetlighting Empangeni Main Road intersection	In Progress	All wards
	Streetlighting for Empangeni – replacement	Completed	All wards
	Streetlighting for Mzingazi	Completed	All wards
	Streetlight poles Esikhaleni replacement	Completed	Ward 15, 16, 17, 21, 22
Streetlight lighting John Ross	In Progress	Ward 2, 9, 23, 26	
Road Transport	Bus and Taxi Laybye	Completed	Ward 1, 2, 21, 28
	Civil Services Infill Areas J2 and H2 Area	In Progress	Ward 20, 21
	Furniture and other office equipment	Completed	
	New Robot – Tusk Casino	In Progress	Ward 4, 9, 28
	Pedestrian bridges – Mkhwanazi North	Completed	Ward 1, 5, 6, 11, 13, 18, 24, 25
	Pedestrian Bridges Nseleni	Completed	Ward 1, 5, 6, 11, 13, 18, 24, 25



Function	Project Description	Works Completed (Y/N)	Ward Affected
Road Transport	Pedestrian walkways – Esikhaleni H	In Progress	Ward 2, 6, 8, 9, 16, 23, 28, 30
	Pedestrian walkways – Richards Bay	In Progress	Ward 2, 6, 8, 9, 16, 23, 28, 30
	Plant and equipment	Completed	
	Roads – B1030 Ngwelezane	In Progress	Ward 28
	Speedhumps	Completed	Ward 1, 2, 3, 4, 6, 7, 8, 9, 14, 16, 17, 19, 20, 21
	Umhlathuze Village Phase 7	In Progress	Ward 9
Sport and Recreation	Arboretum Pool – filtration plant	Completed	Ward 3, 23
	Bay Pool – filtration plant	Completed	Ward 3, 23
	Bay Pool upgrade	In Progress	Ward 32
	Brackenham Pool – filtration plant	Completed	Ward 3, 23
	Empangeni Pool – filtration plant	Completed	Ward 3, 23
	Esikhaleni College irrigation system	Completed	Ward 17
	Esikhaleni Pool upgrade	Completed	Ward 15
	Esikhaleni Pool upgrade – Parkhome Unit	Completed	Ward 15
	Furniture and other office equipment	Completed	All wards
	Goal post and groundskeeper	Completed	Ward 2, 17
	Leak Detection Unit – swimming pool	Completed	Ward 1, 3, 8, 23, 17, 28
	Meerensee Pool – filtration plant	Completed	Ward 3, 23
	Plant and equipment	Completed	Ward 2, 8, 9, 14, 17, 18, 23, 30
	Play ground equipment	Completed	Ward 2, 8, 9, 14, 17, 18, 23, 30
	RBCC Improvements Club facilities	In Progress	Ward 1, 23
	Recreational facilities	Completed	Ward 2
	Tourism development	Completed	Ward 2
	Velenvlei Sport Complex – security burglar gate	Completed	All wards
Verticle blinds	Completed	Ward 2	
Waste Management	Drop-off point Meerensee fencing	Completed	All wards
	Furniture and other office equipment	Completed	Ward 2
	Office amendment at Civic 2	Completed	Ward 2
	Plant and equipment	Completed	Ward 2
Waste Water Management	Alarm system – IOF Pumpstation	Completed	All wards
	Empangeni Pumpstation replacement bulk sewer	In Progress	Rural wards
	Finger print clock machine	Completed	All wards
	Furniture and other office equipment	Completed	All wards
	Khuleka Pumpstation refurbishment	Completed	Rural wards
	Kuleka Pumpstation pump	Completed	Rural wards
	Lake Ecubhu Water Treatment Works standby pumps	In Progress	Rural wards
	Leak-free toilet system	Completed	Rural wards
	Mzingazi Village sewer reticulation	In Progress	Ward 1
Oxyaceltelene Porta Pack with trolley	Completed	All wards	
Waste Water Management	Plant and equipment	Completed	Rural wards
	Portable submersible pump	Completed	All wards
	Rural sanitation	In progress	Rural wards
	Sanitation projects	In progress	Rural wards
	Screen Panel Felixton Pumpstation	Completed	Rural wards
	Sewerage pipeline replacement at Vulindlela	Completed	Rural wards
	Southern Pumpstation replace existing bulk sewer	In progress	Rural wards
	Submersible pump	Completed	All wards
Umhlathuze Village Phase 7	Completed	Ward 9	
Vulindlela network replacement	In progress	Rural wards	

Function	Project Description	Works Completed (Y/N)	Ward Affected
Water	Bulk water master	In progress	All wards
	Civic Centre office amendments	Completed	All wards
	Computer hardware	Completed	All wards
	Esikhaleni water system	Completed	All wards
	Esikhaleni Water Treatment Plant	Completed	Ward 13
	Esikhaleni Water Works improvement	In progress	Rural wards
	Furniture and other office equipment	Completed	All wards
	Jojo tank	Completed	All wards
	Orion Star A212 Conductivity Bechtop Meter	Completed	All wards
	Plant and equipment	Completed	All wards
	Scientific Services – office amendments	Completed	All wards
	Umhlathuze Village Phase 7 – water	Completed	Ward 7
	Water meters – rural areas	Completed	Rural wards
	Water supply – Migvat	Completed	Rural wards
	Water supply – Rural semi urban areas	In progress	Rural wards
	Water supply Dube tribal area	Completed	Rural wards
	Water supply Mkhwanazi North – rural area	In progress	Rural wards

## Appendix R: Declaration of Loans and Grants made by the Municipality

Declaration of Loans and Grants made by the Municipality			
All Organisations or Persons in Receipt of Grants Provided by the Municipality	Nature of Project	Conditions Attached to Funding	Value
Richards Bay Country Club	Grant-in-aid	None	350 030
Davulution Agriculture Primary	Grant-in-aid	None	50 000
SPCA	Grant-in-aid	None	105 000
Schools and uThungulu Community Forum	Grant-in-aid	None	25 000
Various grants in aid	Grant-in-aid	None	267 664
Property Rates Relief	Grant-in-aid	None	705 365
Dolos Festival	Grant-in-aid	None	70 000
uMhlathuze Rangers FC	Grant-in-aid	None	70 000
Mhlacufest	Grant-in-aid	None	70 000
COSATU KwaZulu-Natal May Day	Grant-in-aid	None	60 000
Ezemvelo KZN Wildlife	Grant-in-aid	None	32 550
Youth Summit	Grant-in-aid	None	223 412
World Aids Day	Grant-in-aid	None	61 486
			<b>2 090 507</b>

## Appendix S: Declaration of Returns Not Made in Due Time Under MFMA S71

All returns were submitted on time as required in terms of MFMA Section 71.

## For the Year Ended 20 June 2013

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## REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE AND COUNCIL ON UMHLATHUZE MUNICIPALITY

### REPORT ON THE FINANCIAL STATEMENTS

#### Introduction

1. I have audited the financial statements of the Umhlathuze Municipality set out on pages 161 to 228, which comprise the Statement of Financial Position as at 30 June 2013, the Statement of Financial Performance, Statement of Changes in Net Assets and the Cash Flow Statement for the year then ended, and the Notes, comprising a summary of significant accounting policies and other explanatory information.

#### Accounting Officer's Responsibility for the Financial Statements

2. The Accounting Officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (DoRA), and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor-General's Responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the uMhlathuze Municipality as at 30 June 2013, and its financial performance and cash flows for the year then ended in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

#### Emphasis of Matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

#### Restatement of Corresponding Figures

8. As disclosed in note 33 to the financial statements, the corresponding figures for 30 June 2012 have been restated as a result of an error discovered during 30 June 2013 in the financial statements of the uMhlathuze Municipality at, and for the year ended, 30 June 2012.

#### Material Losses

9. As disclosed in note 26 to the financial statements, the Municipality has incurred material losses relating to water amounting to R20,37 million (29,42 million kilolitres) (2012: R16,05 million [27,11 million kilolitres]). The losses were incurred due to bulk metering of the traditional authorities and aging reticulation without sufficient refurbishment and maintenance.
10. As disclosed in note 26 to the financial statements, the Municipality has incurred material losses relating to electricity amounting to R85,48 million (144,88 million kilowatts) (2012: R123,54 million [257,37 million kilowatts]). The losses were incurred due to theft, incorrect metering and aging of the network without sufficient refurbishment and maintenance.

#### Unauthorised Expenditure

11. As disclosed in note 42.2.2 to the financial statements,

the Municipality has overspent on the depreciation and amortisation by R239,10 million due to the depreciation charge not being budgeted for against rates and general as required by MFMA section 4(3).

#### **Material Underspending of Municipal Infrastructure Grant**

12. As disclosed in note 18.6 and note 42.2.4 to the financial statements, the Municipality has materially underspent the budget on its municipal infrastructure grant to the amount of R64,76 million.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

13. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

#### **Predetermined Objectives**

14. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 176 of the annual report.
15. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned development objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.
16. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
17. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

#### **Additional Matter**

18. Although no material findings concerning the usefulness and reliability of the performance information was identified in the annual performance report, I draw attention to the following matter:

#### **Achievement of Planned Targets**

19. Of the total number of 53 targets planned for the year, 16 of these targets were not achieved during the year under review. This represents 30% of total planned targets that were not achieved during the year under review. This was due to the underspending in the Municipal Infrastructure Grant disclosed in note 18.6 to the financial statements.

#### **Compliance with Laws and Regulations**

20. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA.

#### **Internal Control**

21. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

#### **OTHER REPORT**

##### **Investigation in Progress**

22. One investigation into allegations of misconduct in the Infrastructure Department relating to the non-spending of the Municipal Infrastructure Grant was in progress at the Municipality.

*Auditor-General*

Pietermaritzburg  
30 November 2013


## STATEMENT OF THE MUNICIPAL MANAGER'S RESPONSIBILITY CITY OF UMHLATHUZE

### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

The uMhlathuze Municipality, situated at 5 Mark Strasse, Richards Bay is a category B municipality, established in terms of section 12 (1) of the Municipal Structures Act, No 117 of 1998 and published in terms of Provincial Government Notice 346 on the 19 September 2000. The Local Government operations of the Municipality are assigned by section 156 and 229 of the South African Constitution and defined specifically in terms of section 83 of the Municipal Structures.

I am responsible for the preparation of these annual financial statements, which are set out on pages 161 to 228, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 21 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

  
DR NJ SIBEKO  
CITY MANAGER

  
DATE

## STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2013

	Notes	2013	Restated 2012
		R	R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net assets</b>		<b>3 487 271 244</b>	<b>3 538 691 219</b>
Housing Development Fund	1	50 306 402	56 847 525
Accumulated surplus		3 436 964 842	3 481 843 694
<b>Non-current liabilities</b>		<b>829 668 359</b>	<b>950 853 599</b>
Long-term liabilities	2	625 249 504	732 521 599
Post employment medical aid benefits	30	204 418 855	218 332 000
<b>Current liabilities</b>		<b>533 398 724</b>	<b>439 206 674</b>
Consumer deposits	3	39 779 079	38 919 257
Trade and other payables	4	250 275 664	237 710 786
Provisions	31	23 317 157	20 270 069
Unspent conditional grants and receipts	5	113 802 638	47 515 600
Current portion of long-term liabilities	2	106 224 186	94 790 962
<b>Total net assets and liabilities</b>		<b>4 850 338 327</b>	<b>4 928 751 492</b>
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>4 250 365 954</b>	<b>4 489 525 663</b>
Property, plant and equipment	9	4 103 818 372	4 347 280 241
Investment property	11	133 156 869	132 531 646
Intangible assets	10	10 545 415	6 779 298
Heritage assets	8	2 488 594	2 488 594
Non-current receivables	13	356 704	445 884
<b>Current assets</b>		<b>599 972 373</b>	<b>439 225 829</b>
Inventory	7	74 703 285	65 664 644
Trade receivables	12	239 462 934	185 750 252
Other receivables	14	26 906 002	22 723 219
VAT	6	16 013 786	7 716 708
Current portion of long-term receivables	13	110 873	157 272
Cash and cash equivalents	15	242 775 493	157 213 733
<b>Total assets</b>		<b>4 850 338 327</b>	<b>4 928 751 492</b>

## STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013	2012
		R	R
<b>REVENUE</b>			
<b>Non-exchange revenue</b>		<b>516 243 120</b>	<b>439 806 160</b>
Property rates	16	238 006 738	204 613 796
Fines		10 549 626	3 004 784
Government grants and subsidies	18	253 530 276	231 543 392
Public contributions		243 335	644 188
Reduction on post-employment benefit obligations	30	13 913 145	-
<b>Exchange revenue</b>		<b>1 524 411 752</b>	<b>1 273 766 535</b>
Service charges	17	1 369 809 756	1 206 759 627
Rental of facilities and equipment		16 860 051	16 132 869
Interest earned – external investments		14 498 748	4 012 177
Interest earned – outstanding debtors		1 778 337	1 639 381
Licences and permits		1 932 878	1 831 263
Income for agency services		6 093 399	5 922 207
Other income	19	112 869 933	31 611 923
Gains on sale of land		-	5 857 088
Gains on disposal of property, plant and equipment		568 650	-
<b>Total revenue</b>		<b>2 040 654 872</b>	<b>1 713 572 695</b>
<b>EXPENDITURE</b>			
Employee-related costs	20	437 125 880	393 064 515
Remuneration of Councillors	21	17 147 836	15 863 285
Bad debts	12	3 646 893	3 000 000
Collection costs		117 821	56 956
Depreciation	9,11	343 657 602	299 567 639
Amortisation	10	1 657 881	1 333 078
Post-employment benefit expenses	30	-	28 941 000
Conditional grant expenditure		9 060 384	7 744 926
Repairs and maintenance		65 438 417	40 270 918
Finance costs	22	79 985 065	82 480 951
Bulk purchases	23	937 246 910	834 000 556
Contracted services		98 864 566	83 808 772
Grants and subsidies paid	24	2 090 507	1 177 025
Loss on sale of land		469 904	-
General expenses	36	95 565 179	69 544 278
<b>Total expenditure</b>		<b>2 092 074 844</b>	<b>1 860 853 900</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>(51 419 972)</b>	<b>(147 281 205)</b>



## STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	Housing Development Fund	Accumulated Surplus	Total
		R	R	R
<b>2012</b>				
Balance at 30 June 2011		54 279 060	3 498 167 984	3 552 447 044
Inventory land not brought in previous year			7 371 930	7 371 930
Correction of depreciation			12 763 155	12 763 155
Heritage assets recognised	33		177 211	177 211
Council properties recognised – cost	33		1 831 000	1 831 000
Accumulated depreciation on recognised properties	33		(292 960)	(292 960)
Restated balance 30 June 2011		<b>54 279 060</b>	<b>3 520 018 320</b>	<b>3 574 297 380</b>
Surplus/(deficit) for the year			(147 281 205)	(147 281 205)
Transfer to Housing Development Fund		2 568 465	(2 568 465)	-
<b>Balance at 30 June 2012</b>		<b>56 847 525</b>	<b>3 370 168 647</b>	<b>3 427 016 175</b>
<b>2013</b>				
Balance at 30 June 2012		56 847 525	3 370 168 647	3 427 016 175
Inventory land not brought into account previous year	33		240 000	240 000
Prior year loss on disposal of Council property	33		(1 788)	(1 788)
Change in accounting policy	40		1 155 909	1 155 909
Recognised Council properties depreciation for 2012	33		(61 752)	(61 752)
Correction of accumulated depreciation	33		110 342 679	110 342 679
Restated balance 30 June 2012		<b>56 847 525</b>	<b>3 481 843 694</b>	<b>3 538 691 221</b>
Surplus/(deficit) for the year			(51 419 972)	(51 419 972)
Transfer to Housing Development Fund		(6 541 123)	6 541 123	-
<b>Balance at 30 June 2013</b>		<b>50 306 402</b>	<b>3 436 964 841</b>	<b>3 487 271 241</b>

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013	2012
		R	R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts from ratepayers, government and other		2 020 925 727	1 670 364 645
Cash paid to suppliers and employees		(1 661 330 860)	(1 396 522 437)
Cash generated from operations	25	359 594 868	273 842 208
Interest received		14 498 748	4 012 177
Interest paid		(79 985 065)	(82 480 951)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		294 108 551	195 373 434
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(115 036 478)	(75 311 486)
Proceeds on disposal of property, plant and equipment		2 192 983	-
Decrease in non-current receivables		135 579	155 483
<b>NET CASH UTILISED FROM INVESTING ACTIVITIES</b>		(112 707 916)	(75 156 003)
<b>CASH FLOWS UTILISED FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	78 000 000
Repayment of borrowings		(95 838 873)	(80 562 587)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		(95 838 873)	(2 562 587)
<b>Net increase/(decrease) in cash and cash equivalents</b>		85 561 761	117 654 845
<b>Cash and cash equivalents at the beginning of the year</b>		157 213 733	39 558 888
<b>Cash and cash equivalents at the end of the year</b>	15	242 775 493	157 213 733

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2013

	Note	Actual	Approved Budget	Final Budget	Variance: Final Budget And Actual Amounts	Variance
		R'000	R'000	R'000	R'000	%
<b>STATEMENT OF FINANCIAL POSITION</b>	42.2.1					
Total current assets		599 972	359 532	416 833	(183 139)	(43,94)
Total non-current assets		4 250 366	4 394 707	4 315 917	65 551	1,52
<b>Total assets</b>		<b>4 850 338</b>	<b>4 754 239</b>	<b>4 732 750</b>	<b>(117 588)</b>	<b>(2,48)</b>
Total current liabilities		533 399	360 824	361 547	(171 852)	(47,53)
Total non-current liabilities		829 668	733 975	830 819	1 151	0,14
<b>Total liabilities</b>		<b>1 363 067</b>	<b>1 094 799</b>	<b>1 192 366</b>	<b>(170 701)</b>	<b>(14,32)</b>
Total net assets		3 487 271	3 659 440	3 540 384	53 113	1,50
<b>Total net assets and liabilities</b>		<b>4 850 338</b>	<b>4 754 239</b>	<b>4 732 750</b>	<b>(117 588)</b>	<b>(2,48)</b>
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	42.2.2					
Property rates		238 007	231 260	238 260	253	0,11
Service charges		1 369 810	1 357 045	1 365 165	(4 645)	(0,34)
Rental of facilities and equipment		16 860	6 130	15 204	(1 656)	(10,89)
Interest earned – external investments		14 499	1 648	3 954	(10 545)	(266,69)
Interest earned – outstanding debtors		1 778	1 317	1 601	(177)	(11,06)
Fines		10 550	2 052	11 412	862	7,55
Licences and permits		1 933	1 686	1 883	(50)	(2,66)
Income for agency fees		6 093	5 300	5 800	(293)	(5,05)
Government grants and subsidies		253 530	306 435	314 435	60 905	19,37
Public contributions		243	-	-	(243)	-
Other income		112 870	26 739	28 255	(84 615)	(299,47)
Reduction on post-employment benefits		13 913	-	-	(13 913)	-
Gains on sale of property, plant and equipment		569	-	-	(569)	-
<b>Total revenue</b>		<b>2 040 655</b>	<b>1 939 612</b>	<b>1 985 969</b>	<b>(54 686)</b>	<b>(2,75)</b>
Employee-related costs		437 126	451 428	449 751	12 625	2,81
Remuneration of Councillors		17 148	19 388	19 388	2 240	11,55
Debt impairment		3 647	2 500	2 500	(1 147)	(45,88)
Collection costs		118	118	118	-	-
Depreciation and amortisation		345 316	106 218	106 218	(239 098)	(225,10)
Conditional grant expenditure		9 060	6 851	6 451	(2 609)	(40,44)
Repairs and maintenance		65 438	65 309	63 765	(1 673)	(2,62)
Finance costs		79 985	82 441	82 441	2 456	2,98
Bulk purchases		937 247	892 886	914 223	(23 024)	(2,52)
Contracted services		98 865	86 113	94 059	(4 806)	(5,11)
Grants and subsidies paid		2 091	1 824	2 528	437	17,29
Loss on sale of land		470	-	-	(470)	-
General expenses		95 565	97 219	129 866	34 301	26,41
<b>Total expenditure</b>		<b>2 092 076</b>	<b>1 812 295</b>	<b>1 871 308</b>	<b>(220 768)</b>	<b>(11,80)</b>
<b>Surplus/(Deficit) for the year</b>		<b>(51 421)</b>	<b>127 317</b>	<b>114 661</b>	<b>166 082</b>	<b>144,85</b>

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

	Note	Actual	Approved Budget	Final Budget	Variance: Final Budget And Actual Amounts	Variance
		R'000	R'000	R'000	R'000	%
<b>CASH FLOW STATEMENT</b>	42.2.3					
Net cash from (used) operating		294 109	236 454	223 788	(70 321)	(31,42)
Net cash from (used) investing		(72 708)	(206 483)	(83 483)	(10 775)	12,91
Net cash from (used) financing		(95 839)	(94 791)	(94 791)	1 048	(1,11)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>125 562</b>	<b>(64 820)</b>	<b>45 514</b>	<b>(80 048)</b>	<b>(175,88)</b>
<b>CAPITAL EXPENDITURE</b>	42.2.4					
Budget and Treasury Office		196	409	2 202	2 006	91,10
Community and Social Services		4 470	6 599	11 116	6 646	59,79
Corporate Services		22 040	23 483	26 792	4 752	17,74
Electricity		15 544	23 179	45 665	30 121	65,96
Executive and Council		-	-	202	202	100,00
Health		225	320	263	38	14,45
Housing		6 046	8 925	8 925	2 879	32,26
Other		2 258	-	-	(2 258)	-
Planning and Development		219	72	136	(83)	(61,03)
Public Safety		2 920	4 916	5 491	2 571	46,82
Road Transport		7 028	23 160	27 480	20 452	74,43
Sport and Recreation		2 276	4 199	7 564	5 288	69,91
Waste Management		183	1 220	1 070	887	82,90
Waste Water Management		36 584	68 986	43 225	6 641	15,36
Water		15 048	41 016	53 415	38 367	71,83
<b>Total</b>		<b>115 037</b>	<b>206 484</b>	<b>233 546</b>	<b>118 509</b>	<b>50,74</b>

## ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### 1. BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003) with the exception of certain accounting policies adopted in accordance with International Accounting Standards (IAS).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 9	Revenue from Exchange Transactions
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 21	Impairment of Non-cash Generating Assets
GRAP 23	Revenue from Non-exchange Transactions
GRAP 24	Presentation of Budget Information
GRAP 26	Impairment of Cash Generating Assets
GRAP 100	Non-Current Assets Held for Sale and Discontinued Operations
GRAP 102	Intangible Assets
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
IPSAS 20	Related Party Disclosure
IAS19	Employee Benefits

### 2. PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand. The figures are rounded off to the nearest thousand.

### 3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

### 4. OFFSETTING

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

### 5. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standard has been issued but is not yet effective and has not been adopted early by the Municipality:

- GRAP 25 Employee Benefits – effective 01 April 2013

Management has considered all of the above-mentioned GRAP standards issued but not yet effective, and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the Municipality.

## 6. PROPERTY, PLANT AND EQUIPMENT

### 6.1 Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

Infrastructure assets in particular are those that are part of a system or network, specialised in nature and do not have alternative uses, are immovable and may be subject to constraints on disposal.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and if the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially recognised at cost on its' acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, is measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the Municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

### 6.2 Subsequent Measurement

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the Municipality replaces parts of an asset, it de-recognises the part of the asset being replaced and capitalises the new component.

Subsequently, all property, plant and equipment, are measured at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

### 6.3 Depreciation

Land is not depreciated as it is regarded as having an infinite life. Depreciation on assets other than land is calculated on cost, using the straight-line method, to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the Municipality. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are based on the following estimated useful lives.

Depreciation only commences when the asset is available for use, unless stated otherwise.

**ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

## 6. PROPERTY, PLANT AND EQUIPMENT

### 6.3 Depreciation (continued)

Infrastructure	Years	Other	Years
Roads and paving	15-65	Buildings	30
Pedestrian malls	30	Specialised vehicles	10
Electricity	20-30	Other vehicles	3-7
Water	15-65	Office equipment	3-5
Sewerage	15-50	Furniture and fittings	7
Housing	30	Watercraft	15
Community		Bins and containers	5-10
Buildings	30	Specialised plant and equipment	10-15
Recreational facilities	20-30	Other items of plant and equipment	2-5
Security	5		

The assets residual values, estimated useful lives and depreciation method are reviewed annually, and adjusted retrospectively if appropriate, at each reporting date.

## 7. LEASES

### The Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease expenses are recognised on a straight-line basis over the lease term.

### The Municipality as Lessor

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Depreciation on leased assets has been calculated in accordance with GRAP 17 Property, plant and equipment.

## 8. IMPAIRMENT OF NON-FINANCIAL ASSETS

In assessing whether there is any indication that an asset may be impaired, the following have been considered:

### External sources of information

- Cessation or near cessation of the demand or need for services provided by the asset;
- Significant long-term changes with an adverse effect on the entity that have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

### Internal sources of information

- Evidence of physical damage of an asset;
- Increased expenditure on repairs and maintenance on the asset.

## 8. IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)

### Impairment of Cash Generating Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount.

The recoverable amount is the higher of the asset's fair value less cost to sell, or its value in use.

### Impairment of Non-cash Generating Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or circumstances indicate that the serviceable amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount exceeds the serviceable amount.

The serviceable amount is the higher of the asset's fair value less cost to sell, or its value in use.

## 9. INTANGIBLE ASSETS

The Municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or the service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Internally generated intangible assets are subject to strict recognition criteria before they are capitalised.

Intangible assets are initially recognised at cost. Where an intangible asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an intangible asset is amortised over the useful life of three years.

An intangible asset is derecognised when it is permanently withdrawn from use and no future economic benefit or service potential is derived from it.

## 10. INVESTMENT PROPERTIES

### Initial Recognition

Investment property is recognised as an asset where, only where:

- It is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity; and
- The cost or fair value of the investment property can be measured reliably.

Investment properties have been initially measured at cost.

### Subsequent Measurement

Subsequently, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on cost, using the straight-line method over the useful life of the property. Vacant land held under investment properties is not depreciated.

An investment property is derecognised upon disposal, or when it is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. Any gain or loss arising from the retirement or disposal of investment property is included in surplus or deficit in the period of the retirement or disposal.



## ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2013

### 11. INVENTORIES

Consumable stores, raw materials, work-in-progress and finished goods and land held for sale are valued at the lower cost and net realisable value. In general, the basis of determining cost is the first-in, first-out method.

Unsold water at year-end is valued at the lower of cost and net realisable value.

For the land component recognised in terms of GRAP 12, land is recognised at cost with the cost based on fair value at date of recognition. Assessing historical cost of land and then breaking it down into individual costs was impractical and inaccurate. The 2007/2008 valuation of land in terms of the MPRA, which is very reliable, was used to determine cost.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

### 12. REVENUE RECOGNITION

#### 12.1 Revenue from Exchange Transactions

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue in the period of consumption. Where meters cannot be read during a particular month, they are provisionally billed with the necessary adjustments made in the month in which they were read. Revenue from the sale of electricity prepaid meter cards is deferred and recognised as revenue on the consumption basis, commencing on date of purchase.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly, based on the number of refuse containers on each property, regardless of whether or not all containers are emptied.

Service charges from sewerage are based on the water consumption on each developed property using the tariffs approved from Council, and are levied monthly.

Interest and rentals are recognised on a time apportionment basis. Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariffs. This includes the issuing of licences and permits.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Revenue from the sale of goods is recognised when the risk is passed to the consumer.

Revenue from public contributions is recognised when all conditions associated with the contribution has been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the Municipality has not met the condition, a liability is recognised.

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts allowed by the Municipality.

#### 12.2 Revenue from Non-Exchange Transactions

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

## 12. REVENUE RECOGNITION (CONTINUED)

### 12.2 Revenue from Non-Exchange Transactions (continued)

Contributed property, plant and equipment are recognised when such items or property, plant and equipment are brought into use. Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

## 13. PROVISIONS

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate. Contingent liabilities and assets are not recognised but disclosed.

## 14. HOUSING DEVELOPMENT FUND

Housing selling schemes, both complete and in progress at 1 April 1998, were also transferred to the Housing Development Fund. All proceeds from housing developments, which include rental income and sales of houses, is paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund are used to finance housing developments within the municipal area.

## 15. RETIREMENT BENEFITS

The Municipality provides post-retirement medical aid benefits to retired employees. The entitlement to these benefits is usually conditional on the employee remaining in employment up to retirement age.

The expected costs of these benefits are accrued of the period of employment. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the Statement of Financial Performance for the reporting period.

The defined benefit obligations are valued once in two years by independent qualified actuaries.

## 16. BORROWING COSTS

The Municipality capitalises borrowing costs incurred that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset only when the commencement date for capitalisation is on or after 1 July 2008, while all other borrowing costs incurred (including borrowing cost incurred on qualifying assets where the commencement date for capitalisation is prior to 1 July 2008) are recognised as an expense in the Statement of Financial Performance in accordance with the requirements of GRAP 5 and ASB Directive 3.

It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established – the Municipality expenses borrowing costs when it is inappropriate to capitalise it. The Municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete.

## 17. FINANCIAL INSTRUMENTS

Financial Instruments are recognised when the Municipality becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. The classification of financial instruments and purpose is determined at the time of initial recognition.

### 17.2.1 Investments

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as financial instruments and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

## ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 30 JUNE 2013

## 17. FINANCIAL INSTRUMENTS (CONTINUED)

### 17.2.2 Trade and Other Receivables

Trade and other receivables are categorised as financial assets: loans and receivables and recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probabilities that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off.

### 17.2.3 Trade Payables and Borrowings

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost, which is the initial carrying amount, less repayments, plus interest. Amounts that are payable within 12 months from the reporting date are classified as current.

### 17.2.4 Cash and Cash Equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less, and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and net of bank overdraft.

Bank overdrafts are recorded based on the facility used. Finance charges on bank overdrafts are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities.

## 18. HERITAGE ASSETS

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and is held and preserved indefinitely for the benefit of present and future generations.

A heritage asset that qualifies for recognition as an asset shall be measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.

Heritage assets are not depreciated, since their long economic life and high residual value mean that any depreciation would be immaterial.

## 19. BUDGET INFORMATION

The budget is prepared on an accrual basis. The budget amounts are scheduled as an additional financial statement called the statement of comparison of budget and actual amounts. Explanatory comments are provided in the notes to the annual financial statements, first stating reasons for changes from approved to final budget and secondly reasons for overspending or underspending on line items.

## 20. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## 21. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## 22. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## 23. COMPARATIVE INFORMATION

### 23.1 Current year comparatives

Budgeted amounts have been included in the annual financial statements for the current financial year only.

### 23.2 Prior year comparatives

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2013

		2013	2012
		R	R
<b>1</b>	<b>HOUSING DEVELOPMENT FUND</b>		
	The Housing Development Fund is represented by the following assets:		
	Fixed assets	71 031 750	48 327 919
	Bank and cash	32 123 792	19 162 487
	Accumulated surplus	(52 849 140)	(10 642 882)
	<b>Total Housing Development Fund assets and liabilities</b>	<b>50 306 402</b>	<b>56 847 524</b>
<b>2</b>	<b>LONG-TERM LIABILITIES</b>		
	Annuity loans	731 473 690	827 312 561
	Less: Current portion transferred to current liabilities	(106 224 186)	(94 790 962)
	<b>Total external loans</b>	<b>625 249 504</b>	<b>732 521 599</b>
	Refer to Appendix A for more detail on long-term liabilities		

## 2 LONG-TERM LIABILITIES (continued)

External loan repayments – future years

	DBSA	DBSA	INCA	Standard Bank	Nedbank	INCA	DBSA	DBSA	DBSA	Nedbank	Nedbank	Totals
	17 703 628	5 046 390	9 652 565	30 498 359	33 472 656	153 665 299	167 636 054	23 704 819	72 683 184	144 098 661	73 312 074	731 473 689
	12,00%	14,50%	13,95%	6,46%	5,25%	8,75%	11,70%	6,75%	11,57%	11,26%	9,59%	
2014	5 347 477	1 403 464	2 570 621	13 868 896	12 337 728	33 473 084	42 207 733	4 871 725	17 142 868	31 894 160	12 302 863	177 420 619
2015	5 347 477	1 403 464	2 570 621	13 868 896	12 337 728	33 473 084	42 207 733	4 871 725	17 142 868	31 894 160	12 302 863	177 420 619
2016	5 347 477	1 403 464	2 570 621	6 934 448	6 168 864	33 473 084	42 207 733	4 871 725	17 142 868	31 894 160	12 302 863	164 317 307
2017	5 347 477	1 403 464	2 570 621			33 473 084	42 207 733	4 871 725	17 142 868	31 894 160	12 302 863	151 213 995
2018	5 347 477	1 403 464	2 570 621			33 473 084	42 207 733	4 871 725	17 142 868	31 894 160	12 302 863	151 213 995
2019			1 298 842			33 473 084	21 103 724	4 871 725	17 142 868	31 894 160	12 302 863	122 087 266
2020										15 947 080	12 302 863	28 249 943
2021											12 302 863	12 302 863
2022											12 302 863	12 302 863

### Disclosure about the Terms and Conditions of Financial Instruments – Borrowings

Future payments are based on the balances at 30 June 2013:

- (i) The interest rate applicable to the Standard Bank and Nedbank loan is variable and yearly instalments are therefore subject to interest rate risk;
- (ii) Lease liability has been settled in full; and
- (iii) Yearly instalments payable bi-annually, consist of capital redemption and interest due and no other requirements are attached.

No early settlement options are profitable to Council.

Conversion options are not applicable.

There is no security given against the loans.

Receipts or payments of the loans are in South African Rand.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	R	R
<b>3 CONSUMER DEPOSITS</b>		
Electricity and water	35 678 241	33 906 339
Other	4 100 837	5 012 918
<b>Total deposits</b>	<b>39 779 079</b>	<b>38 919 257</b>
Guarantees held in lieu of electricity and water deposits	<b>52 089 633</b>	<b>52 001 278</b>
<b>4 TRADE AND OTHER PAYABLES</b>		
Trade payables	60 931 142	53 048 035
Other payables	113 957 126	140 260 968
Retentions	10 482 128	8 563 273
Amounts received in advance	64 905 267	35 838 509
<b>Total creditors</b>	<b>250 275 664</b>	<b>237 710 786</b>
<b>5 UNSPENT CONDITIONAL GRANTS AND RECEIPTS</b>		
<b>Conditional grants from other spheres of government</b>		
Financial Management Grant	1 489 726	2 085 731
Restructuring Grant	215 969	215 969
Municipal Systems Improvement Grant	-	364 131
Infrastructure Skills Development Grant	(778 800)	-
Municipal Infrastructure Grant	64 763 706	22 800 333
Energy Efficiency and Demand Side Management Grant	6 683 312	-
Extended Public Works Programme Integrated Grant	(3 915)	-
Provincial Local Government Grants	11 255 977	5 143 536
Provincial Development Planning Grants	54 849	54 849
Provincial Housing Grants	28 101 143	12 080 063
Provincial Library Services Subsidies	215 729	126 688
Provincial Community Development Workers Programme	19 038	19 038
Provincial Department of Transport Subsidy	167 279	167 279
Department of Sport & Recreation	12 666	12 666
Department of Water Affairs (DWAF) Water Services Programme	205 307	205 307
Department of Water Affairs (DWAF) Refurbishment Grant	70	70
Department of Water Affairs (DWAF) Water Conservation and Demand Management Grant	889 236	1 725 893
Department of Water Affairs (DWAF) Accelerated Infrastructure Programme	-	75 700
Department of Water Affairs (DWAF) Regional Bulk Water Project	-	1 500 000
Department of Agriculture and Environmental Affairs	385 941	750 691
uThungulu District Municipality Capacity Building Grant	3 513	125 285
uThungulu District Municipality Museum Operating Subsidy	11 849	11 849
uThungulu District Municipality Hosting of Annual SMME Fair	-	50 522
uThungulu District Municipality Bus Shelters and Laybys	110 043	-
	<b>113 802 638</b>	<b>47 515 600</b>
See Note 18 for reconciliation of grants from other spheres of government.		

		2013	2012
		R	R
<b>6</b>	<b>VAT</b>		
	Output suspense	12 010 918	8 247 508
	Input suspense	(15 530 057)	(16 885 002)
	Output payable	(12 494 647)	920 786
	<b>VAT (claimable)</b>	<b>(16 013 786)</b>	<b>(7 716 708)</b>
	VAT is payable on the payment basis. Only once payment is made or received is VAT claimed or paid over to SARS. All VAT returns have been submitted by the due date throughout the year.		
<b>7</b>	<b>INVENTORY</b>	<b>2013</b>	<b>2012</b>
		R	R
			<b>Restated</b>
	<b>Closing balance of inventories</b>	<b>74 703 285</b>	<b>65 664 644</b>
	Consumable stores – at cost	14 932 435	10 409 034
	Water – at cost	255 850	260 610
	Land	59 515 000	54 995 000
<b>8</b>	<b>HERITAGE ASSETS</b>	<b>2013</b>	<b>2012</b>
		R	R
			<b>Restated</b>
	<b>Opening balance</b>	<b>2 488 594</b>	68 702
	Buildings	2 242 681	-
	Paintings and statues	245 913	68 702
	<b>Transfers/adjustments</b>	-	2 419 892
	Buildings	-	2 242 681
	Paintings and statues	-	177 211
	<b>Additions</b>	-	-
	Buildings	-	-
	Paintings and statues	-	-
	<b>Disposals</b>	-	-
	Buildings	-	-
	Paintings and statues	-	-
	<b>Carrying value</b>	<b>2 488 594</b>	<b>2 488 594</b>
	Buildings	2 242 681	2 242 681
	Paintings and statues	245 913	245 913



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

**9 PROPERTY, PLANT AND EQUIPMENT**

30 June 2013

	Reconciliation of Carrying Values					
	Land	Housing	Infrastructure	Community	Other	Total
	R	R	R	R	R	R
<b>Carrying Values</b>						
<b>At 1 July 2012</b>	545 330 950	66 104 239	3 339 184 675	205 092 713	191 567 664	4 347 280 241
Cost	545 330 950	72 613 358	2 157 412 760	283 577 376	435 468 886	3 494 403 330
Deemed cost			7 356 245 978			7 356 245 978
Accumulated depreciation	-	(6 509 119)	(6 174 474 063)	(78 484 663)	(243 901 222)	(6 503 369 067)
Acquisitions	-	-	17 120 428	1 107 928	20 492 620	38 720 976
Capital under construction		6 045 656	57 804 683	2 519 628	2 263 616	68 633 583
Transfer to inventory land	(7 151 000)	-	-	-	-	(7 151 000)
Transfer from investment properties		-	-	-	272	272
Transfer of accumulated depreciation					(272)	(272)
Depreciation		(1 118 145)	(288 324 225)	(12 477 129)	(41 605 406)	(343 524 905)
Based on cost	-	(1 118 145)	(288 324 225)	(12 477 129)	(41 605 406)	(343 524 905)
Based on revaluation					(140 523)	(140 523)
Carrying value of disposals					(2 090 408)	(2 090 408)
Cost	-					-
Revaluation					1 949 885	1 949 885
Accumulated depreciation						
<b>Carrying values</b>						
<b>At 30 June 2013</b>	538 179 950	71 031 750	3 125 785 561	196 243 140	172 577 971	4 103 818 372
Cost	538 179 950	78 659 014	2 232 337 871	287 204 932	456 134 986	3 592 516 753
Deemed cost			7 356 245 978			7 356 245 978
Accumulated depreciation		(7 627 264)	(6 462 798 288)	(90 961 792)	(283 557 015)	(6 844 944 359)
Cost	-	(7 627 264)	(6 462 798 288)	(90 961 792)	(283 557 015)	(6 844 944 359)

## 9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED) – RESTATED

Reconciliation of Carrying Values	Land		Housing		Infrastructure		Community		Other		Total	
	R	R	R	R	R	R	R	R	R	R	R	R
<b>Carrying values</b>												
<b>At 1 July 2011</b>	<b>558 833 950</b>	<b>49 447 754</b>	<b>3 439 449 413</b>	<b>214 844 508</b>	<b>211 318 996</b>	<b>4 473 894 621</b>						
Cost	558 833 950	72 036 586	2 085 461 937	287 085 059	428 925 473	3 432 343 005						
Deemed cost			7 356 245 978		1 831 000	7 356 245 978						
Asset recognised – prior year						1 831 000						
Accumulated depreciation	-	(22 588 832)	(6 002 258 502)	(72 240 551)	(219 144 517)	(6 316 232 402)						
Accumulated depreciation – recognised assets prior year					(292 960)	(292 960)						
Acquisitions	-	-	13 541 804	173 460	16 902 735	30 617 999						
Capital under construction		622 772	43 836 536	1 066 678	426 496	45 952 482						
Transfer	-	-	14 572 483	(2 505 140)	(12 067 343)	-						
Transfer to land inventory	(13 503 000)	(46 000)	-	-	-	(13 549 000)						
Transfer to heritage assets	-	-	-	(2 242 681)	-	(2 242 681)						
Reversal of depreciation on heritage asset				1 155 909		1 155 909						
Depreciation on assets recognised					(61 752)	(61 752)						
Transfer of accumulated depreciation	-		(3 257 825)	501 536	2 756 289	-						
Depreciation	-	(1 696 607)	(254 755 712)	(12 006 388)	(31 085 535)	(299 544 242)						
Based on cost	-	(1 696 607)	(254 755 712)	(12 006 388)	(31 085 535)	(299 544 242)						
Based on revaluation						-						
Carrying value of disposals	-	-	-	-	(448 288)	(448 288)						
Cost	-		-	-	(549 475)	(549 475)						
Revaluation	-		-			-						
Accumulated depreciation	-		-		101 187	101 187						
Correction of accumulated depreciation – prior year error		17 776 320	85 797 976	4 104 831	3 826 066	111 505 193						
<b>Carrying values</b>												
<b>At 30 June 2012</b>	<b>545 330 950</b>	<b>66 104 239</b>	<b>3 339 184 675</b>	<b>205 092 713</b>	<b>191 567 664</b>	<b>4 347 280 241</b>						
Cost	545 330 950	72 613 358	2 157 412 760	283 577 376	435 468 886	3 494 403 330						
Deemed cost			7 356 245 978			7 356 245 978						
Accumulated depreciation		(6 509 119)	(6 174 474 063)	(78 484 663)	(243 901 222)	(6 503 369 067)						
Cost	-	(6 509 119)	(6 174 474 063)	(78 484 663)	(243 901 222)	(6 503 369 067)						

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

**10 INTANGIBLE ASSET**

30 June 2013

Reconciliation of Carrying Values		Total
		R
<b>Carrying Values</b>		
<b>At 1 July 2012</b>		<b>6 779 298</b>
Cost		17 646 064
Accumulated amortisation		(10 866 766)
Acquisitions		4 374 224
Work in progress		1 049 774
Amortisation		(1 657 881)
<b>Carrying values</b>		
<b>At 30 June 2013</b>		<b>10 545 415</b>
Cost		23 070 062
Accumulated Amortisation		(12 524 647)
<b>30 June 2012</b>		
Reconciliation of carrying values		Total
		R
<b>Carrying values</b>		
<b>At 1 July 2011</b>		<b>7 841 885</b>
Cost		15 483 263
Accumulated amortisation		(7 641 378)
Acquisitions		48 264
Work in progress		2 114 537
Amortisation		(1 333 078)
Correction of accumulated amortisation – prior years		(1 892 310)
<b>Carrying values</b>		
<b>At 30 June 2012</b>		<b>6 779 298</b>
Cost		17 646 064
Accumulated amortisation		(10 866 766)

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

**11 INVESTMENT PROPERTY**

30 June 2013

	Town	Stand No.	Deeds No.	Name	Life Span	Carrying Values as at 1 July 2012	Cost
	Richards Bay	33	T40385/2001	Harvey JR	-	1 500 000	1 500 000
	Empangeni	45	T29874/1996	Zululand Built-It	-	1 000	1 000
	Empangeni	56	T2643/1933	Manilall A	-	4 300 000	4 300 000
	Empangeni	63	T2437/1970	YS Cellular CC	-	2 000 000	2 000 000
	Richards Bay	67	T40386/2001	Van Rooyen KM	-	1 350 000	1 350 000
	Richards Bay	GV15825	T12114/1976	Richards Bay Airport Company (Pty) Ltd	25	18 250 012	23 057 941
	Empangeni	246	G93/1960	Emanzini Leisure Resort	-	1 100 000	1 100 000
	Richards Bay	617	T22887/2000	Meerensee Mall Scoonies Vier	25	3 992 213	6 663 646
	Richards Bay	620	T15638/1978	Schoonies Vier (Pty) Ltd	-	4 500 000	4 500 000
	Ngwelezane	752	T64286/2000	Biyela A S	-	47 000	47 000
	Nseleni	1 342	TG65440/2003	Gumede S M	-	40 000	40 000
	Empangeni	2 015	T5367/1980	Mtshali D	-	680 000	680 000
	Richards Bay	2 305	G128/1973	Bundu Nursery	-	250 000	250 000
	Richards Bay	5 333	T14569/1979	Grindrod Terminals	-	9 000 000	9 000 000
	Richards Bay	5 333	T6915/1993	Benians BS Construction	-	1 000 000	1 000 000
	Richards Bay	5 333	T6915/1993	Benians BS Construction	-	700 000	700 000
	Richards Bay	5 333	T6915/1993	Lease Group 5 Civils	-	860 000	860 000
	Richards Bay	5 333	T6915/1993	Morganrite SA (Pty) Ltd	-	180 000	180 000
	Richards Bay	5 333	T4097/2006	Lease Foskor (Gypsum Dam)	-	70 000	70 000
	Richards Bay	5 333	T4097/2006		-	250 000	250 000
	Richards Bay	5 333	T4097/2006	Lease Foskor (Conveyer Beld)	-	75 000	75 000
	Richards Bay	5 333	T4097/2006	Lease Foskor (Conveyer Beld)	-	500 000	500 000
	Richards Bay	5 333	T4097/2006	Waste Site	-	1 500 000	1 500 000
	Richards Bay	5 333	T19417/2001	Lease Grindrod Terminals	-	1 500 000	1 500 000
	Richards Bay	5 333	T19417/2001	Green Africa Nursery	-	150 000	150 000
	Richards Bay	5 333	T19417/2001	Ribeiro LMR	-	4 500 000	4 500 000
	Richards Bay	6 364	T4199/1980	Checkers	-	240 000	240 000
	Empangeni	8 436	T37193/1995	Neliswa Eating House	-	6 100 000	6 100 000
	Richards Bay	9 893	T26939/1988	Naicker V	-	380 000	380 000
	Richards Bay	10 033	T28872/1991	LOT 11161 (Pty) Ltd	-	530 000	530 000
	Richards Bay	11 376	T34219/1993	Pulp United (Pty) Ltd	-	56 000 000	56 000 000
	Richards Bay	11 377	T21885/1993	Mantis Properties CC	-	1 600 000	1 600 000
	Richards Bay	2 627	T16212/1978	Ferreira MS	-	1 200 000	1 200 000
	Richards Bay	GV16990	T789/1999	Imvubu Lodge/River Rock	25	8 186 420	9 448 505
						<b>132 531 645</b>	<b>141 273 092</b>
Land held under investment properties is not depreciated and thus no useful lives provided.							

	Accumulated Depreciation	Transfer Cost	Transfer Acc Depreciation	Addition/ (Disposal)	Depreciation	Carrying Values as at 30 June 2013	Cost	Accumulated Depreciation
	-			(1 500 000)	-	-	-	-
	-				-	1 000	1 000	-
	-				-	4 300 000	4 300 000	-
	-				-	2 000 000	2 000 000	-
	-				-	1 350 000	1 350 000	-
	(4 807 929)	(272)	272	2 257 921	(107 557)	20 400 376	25 315 590	(4 915 214)
	-				-	1 100 000	1 100 000	-
	(2 671 433)				(14 381)	3 977 832	6 663 646	(2 685 814)
	-				-	4 500 000	4 500 000	-
	-				-	47 000	47 000	-
	-				-	40 000	40 000	-
	-				-	680 000	680 000	-
	-				-	250 000	250 000	-
	-				-	9 000 000	9 000 000	-
	-				-	1 000 000	1 000 000	-
	-				-	700 000	700 000	-
	-				-	860 000	860 000	-
	-				-	180 000	180 000	-
	-				-	70 000	70 000	-
	-				-	250 000	250 000	-
	-				-	75 000	75 000	-
	-				-	500 000	500 000	-
	-				-	1 500 000	1 500 000	-
	-				-	1 500 000	1 500 000	-
	-				-	150 000	150 000	-
	-				-	4 500 000	4 500 000	-
	-				-	240 000	240 000	-
	-				-	6 100 000	6 100 000	-
	-				-	380 000	380 000	-
	-				-	530 000	530 000	-
	-				-	56 000 000	56 000 000	-
	-				-	1 600 000	1 600 000	-
	-				-	1 200 000	1 200 000	-
	(1 262 085)				(10 759)	8 175 661	9 448 505	(1 272 844)
	<b>(8 741 447)</b>	<b>(272)</b>	<b>272</b>	<b>757 921</b>	<b>(132 697)</b>	<b>133 156 869</b>	<b>142 030 741</b>	<b>(8 873 872)</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

**11 INVESTMENT PROPERTY (CONTINUED)**

30 June 2012 (Restated)

	Town	Stand No.	Deeds No.	Name	Useful Live	Carrying Values as at 1 July 2011	Cost
	Richards Bay	33	T40385/2001	Harvey JR	-	1 500 000	1 500 000
	Empangeni	45	T29874/1996	Zululand Built-It	-	1 000	1 000
	Empangeni	56	T2643/1933	Manilall A	-	4 300 000	4 300 000
	Empangeni	63	T2437/1970	YS Cellular CC	-	2 000 000	2 000 000
	Richards Bay	67	T40386/2001	Van Rooyen KM	-	1 350 000	1 350 000
	Richards Bay	GV15825	T12114/1976	Richards Bay Airport Company (Pty) Ltd	25	9 781 218	14 749 162
	Empangeni	246	G93/1960	Emanzini Leisure Resort	-	1 100 000	1 100 000
	Richards Bay	617	T22887/2000	Meerensee Mall Scoonies Vier	25	3 683 658	6 663 646
	Richards Bay	620	T15638/1978	Scoonies Vier (Pty) Ltd	-	4 500 000	4 500 000
	Ngwelezane	752	T64286/2000	Biyela AS	-	47 000	47 000
	Nseleni	1 342	TG65440/2003	Gumede SM	-	40 000	40 000
	Empangeni	2 015	T5367/1980	Mtshali D	-	680 000	680 000
	Richards Bay	2 305	G128/1973	Bundu Nursery	-	250 000	250 000
	Richards Bay	5 333	T14569/1979	Grindrod Terminals	-	9 000 000	9 000 000
	Richards Bay	5 333	T6915/1993	Benians BS Construction	-	1 000 000	1 000 000
	Richards Bay	5 333	T6915/1993	Benians BS Construction	-	700 000	700 000
	Richards Bay	5 333	T6915/1993	Lease Group 5 Civils	-	860 000	860 000
	Richards Bay	5 333	T6915/1993	Morganrite SA (Pty) Ltd	-	180 000	180 000
	Richards Bay	5 333	T4097/2006	Lease Foskor (Gypsum Dam)	-	70 000	70 000
	Richards Bay	5 333	T4097/2006	Lease Foskor (Retention Dam)	-	250 000	250 000
	Richards Bay	5 333	T4097/2006	Lease Foskor (Conveyer Beld)	-	75 000	75 000
	Richards Bay	5 333	T4097/2006	Lease Foskor (Conveyer Beld)	-	500 000	500 000
	Richards Bay	5 333	T4097/2006	Waste Site	-	1 500 000	1 500 000
	Richards Bay	5 333	T19417/2001	Lease Grindrod Terminals	-	1 500 000	1 500 000
	Richards Bay	5 333	T19417/2001	Green Africa Nursery	-	150 000	150 000
	Richards Bay	5 333	T19417/2001	Ribeiro LMR	-	4 500 000	4 500 000
	Richards Bay	6 364	T4199/1980	Checkers	-	240 000	240 000
	Empangeni	8 436	T37193/1995	Neliswa Eating House	-	6 100 000	6 100 000
	Richards Bay	9 893	T26939/1988	Naicker V	-	380 000	380 000
	Richards Bay	10 033	T28872/1991	LOT 11161 (Pty) Ltd	-	530 000	530 000
	Richards Bay	11 376	T34219/1993	Pulp United (Pty) Ltd	-	56 000 000	56 000 000
	Richards Bay	11 377	T21885/1993	Mantis Properties CC	-	1 600 000	1 600 000
	Richards Bay	2 627	T16212/1978	Ferreira MS	-	1 200 000	1 200 000
	Richards Bay	GV16990	T789/1999	Imvubu Lodge/River Rock	25	8 048 611	9 448 505
						<b>123 616 487</b>	<b>132 964 313</b>
Land held under investment propertieess is not depreciated and thus no useful lives provided.							

	Accumulated Depreciation	Work in Progress	Depreciation Written Back (Correction)	Depreciation	Carrying Values as at 30 June 2012	Cost	Accumulated Depreciation
	-			-	1 500 000	1 500 000	-
	-			-	1 000	1 000	-
	-			-	4 300 000	4 300 000	-
	-			-	2 000 000	2 000 000	-
	-			-	1 350 000	1 350 000	-
	(5 069 126)	8 308 779	268 825	(7 628)	18 250 012	23 057 941	(4 807 929)
	-			-	1 100 000	1 100 000	-
	(2 987 962)		316 529	-	3 992 213	6 663 646	(2 671 433)
	-			-	4 500 000	4 500 000	-
	-			-	47 000	47 000	-
	-			-	40 000	40 000	-
	-			-	680 000	680 000	-
	-			-	250 000	250 000	-
	-			-	9 000 000	9 000 000	-
	-			-	1 000 000	1 000 000	-
	-			-	700 000	700 000	-
	-			-	860 000	860 000	-
	-			-	180 000	180 000	-
	-			-	70 000	70 000	-
	-			-	250 000	250 000	-
	-			-	75 000	75 000	-
	-			-	500 000	500 000	-
	-			-	1 500 000	1 500 000	-
	-			-	1 500 000	1 500 000	-
	-			-	150 000	150 000	-
	-			-	4 500 000	4 500 000	-
	-			-	240 000	240 000	-
	-			-	6 100 000	6 100 000	-
	-			-	380 000	380 000	-
	-			-	530 000	530 000	-
	-			-	56 000 000	56 000 000	-
	-			-	1 600 000	1 600 000	-
	-			-	1 200 000	1 200 000	-
	(1 390 758)		144 442	(15 769)	8 186 420	9 448 505	(1 262 085)
	<b>(9 447 846)</b>	<b>8 308 779</b>	<b>729 796</b>	<b>(23 397)</b>	<b>132 531 646</b>	<b>141 273 092</b>	<b>(8 741 447)</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

**12 TRADE RECEIVABLES**

	2013	2012
	R	R
<b>As at 30 June 2013</b>		
<b>From exchange transactions</b>		203 425 847
Electricity	42 094 275	
June consumption billed in July	94 359 323	136 453 598
Water	35 266 002	
June consumption billed in July	13 053 044	
June water surcharge billed in July	214 699	48 533 744
Sewerage	11 390 973	
Special sewer charges	241 850	
June sewer surcharge billed in July	191 277	11 824 100
Refuse		6 614 405
Rental		10 488 375
Sundry		22 122 740
<b>From non-exchange transactions</b>		
Rates		26 425 973
<b>Gross balance</b>		262 462 934
Less: Provision for bad debts		(23 000 000)
<b>Net balance</b>		239 462 934
<b>As at 30 June 2012</b>		
<b>From exchange transactions</b>		159 174 715
Electricity	38 590 718	
June consumption billed in July	78 820 247	117 410 965
Water	21 986 917	
June consumption billed in July	2 764 052	
June water surcharge billed in July	234 897	24 985 865
Sewerage	10 469 714	
Special Sewer charges	237 686	
June sewer surcharge billed in July	127 966	10 835 366
Refuse		5 942 519
Rental		5 553 751
Sundry		15 653 371
<b>From non-exchange transactions</b>		
Rates		24 868 415
<b>Gross balance</b>		205 250 252
Less: Provision for bad debts		(19 500 000)
<b>Net balance</b>		185 750 252



## 12 TRADE RECEIVABLES (CONTINUED)

	2013	2012
	R	R
<b>Rates ageing</b>		
Current (0 - 30) days	14 485 663	13 958 686
31 - 60 days	2 038 909	1 754 547
61 - 90 days	790 507	998 638
91 - 120 days	655 271	659 212
121 - 360 days	4 328 718	4 105 197
361+ days	4 126 905	3 392 135
<b>Total</b>	<b>26 425 973</b>	<b>24 868 415</b>
<b>Electricity, water, sewerage and refuse ageing</b>		
Current (0 - 30) days	161 231 779	128 448 870
31 - 60 days	8 277 109	6 353 563
61 - 90 days	4 233 470	3 633 751
91 - 120 days	2 346 183	2 333 601
121 - 360 days	12 059 527	8 324 785
361+ days	15 277 778	10 080 146
<b>Total</b>	<b>203 425 847</b>	<b>159 174 715</b>
<b>Rental</b>		
Current (0 - 30) days	131 604	770 313
31 - 60 days	478 033	182 960
61 - 90 days	389 577	170 391
91 - 120 days	413 828	176 732
121 - 360 days	5 525 287	1 330 165
361+ days	3 550 046	2 923 190
<b>Total</b>	<b>10 488 375</b>	<b>5 553 751</b>
<b>Sundry</b>		
Current (0 - 30) days	(501 178)	1 967 590
31 - 60 days	2 223 012	2 501 988
61 - 90 days	2 944 926	639 998
91 - 120 days	25 299	(348 584)
121 - 360 days	6 356 272	5 555 143
361+ days	11 074 410	5 337 236
<b>Total</b>	<b>22 122 740</b>	<b>15 653 370</b>
Neither passed due nor impaired	196 723 412	161 381 294
Past due and impaired	23 000 000	19 500 000
Past due not impaired	42 739 522	24 368 958
	<b>262 462 934</b>	<b>205 250 252</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

**12 TRADE RECEIVABLES (CONTINUED)**

Summary of debtors by customer classification

	Residential	Industry/ Commercial	State	Total
	R	R	R	R
<b>30 June 2013</b>				
Current (0 - 30) days	42 347 179	124 601 065	14 582 282	181 530 526
31 - 60 days	1 636 314	6 884 337	1 081 865	9 602 516
61 - 90 days	1 555 952	1 568 713	294 569	3 419 233
91 - 120 days	1 582 755	1 962 391	120 194	3 665 340
121+ days	28 460 564	31 475 971	4 308 783	64 245 318
Sub-total	75 582 765	166 492 477	20 387 692	262 462 934
Less provision for bad debt	(6 629 376)	(14 582 416)	(1 788 208)	(23 000 000)
<b>Total debtors by customer classification</b>	<b>68 953 388</b>	<b>151 910 061</b>	<b>18 599 484</b>	<b>239 462 934</b>
<b>30 June 2012</b>				
Current (0 - 30) days	40 374 412	100 011 256	8 059 236	148 444 904
31 - 60 days	1 629 913	3 695 823	835 339	6 161 075
61 - 90 days	1 270 004	2 075 558	668 269	4 013 832
91 - 120 days	1 284 953	923 445	148 967	2 357 366
121+ days	22 488 548	18 259 675	3 524 853	44 273 076
Sub-total	67 047 830	124 965 757	13 236 665	205 250 253
Less provision for bad debt	(6 367 720)	(11 875 157)	(1 257 123)	(19 500 000)
<b>Total debtors by customer classification</b>	<b>60 680 109</b>	<b>113 090 601</b>	<b>11 979 542</b>	<b>185 750 253</b>
<b>Reconciliation of the bad debt provision</b>		<b>2013</b>	<b>2012</b>	
		<b>R</b>	<b>R</b>	
Balance at beginning of the year		19 500 000	16 500 000	
Contributions to provision		3 646 893	3 000 000	
Bad debts written off against provision		(146 893)	-	
<b>Balance at end of year</b>		<b>23 000 000</b>	<b>19 500 000</b>	
<b>13 NON-CURRENT RECEIVABLES</b>				
Housing loans to staff		265 570	286 563	
Study loans		202 007	316 593	
Bursaries		-	-	
		467 577	603 156	
Less: Current portion transferred to current assets		(110 873)	(157 272)	
<b>Total receivables</b>		<b>356 704</b>	<b>445 884</b>	

Housing Loans, car loans and bursaries were made in terms of Council policies on these schemes. No new housing or car loans have been granted since the effective implementation date of the Municipal Finance Management Act of 2003. There are no significant terms or conditions that will affect the timeous recovery of these amounts.

## 14 OTHER RECEIVABLES

	2013	2012
	R	R
Payments made in advance	479 845	477 504
Other receivables	26 426 158	22 245 715
<b>Total other debtors</b>	<b>26 906 002</b>	<b>22 723 219</b>
<b>15 BANK, CASH AND CALL INVESTMENTS</b>		
Cash and cash equivalents included in the Cash Flow Statement comprise the following statement of amounts indicating financial position:		
Bank balances and cash	202 775 493	77 213 733
Call investment deposits	40 000 000	80 000 000
<b>Total bank balances and cash</b>	<b>242 775 493</b>	<b>157 213 733</b>
<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	(30 057 643)	3 703 818
Cash book balance at end of year	(22 308 662)	(30 057 643)
Bank statement balance at beginning of year	2 563 073	3 667 775
Bank statement balance at end of year	15 959 441	2 563 073
<b>Deposit Account</b>		
ABSA Bank – Richards Bay		
Current/Deposit account number 2150000095		
Cash book balance at beginning of year	6 825 965	5 176 832
Cash book balance at end of year	22 671 751	6 825 965
Bank statement balance at beginning of year	5 673 566	2 827 652
Bank statement balance at end of year	21 069 963	5 673 566
<b>Hostel Account</b>		
ABSA Bank – Richards Bay		
Current/Deposit account number 90 8291 6767		
Cash book balance at beginning of year	4 007 144	4 614 109
Cash book balance at end of year	1 621 397	4 007 144
Bank statement balance at beginning of year	4 007 144	4 614 109
Bank statement balance at end of year	1 618 259	4 007 144
<b>Hostel Account – Phase 2</b>		
ABSA Bank – Richards Bay		
Current/Deposit account number 92 3367 4990		
Cash book balance at beginning of year	8 501 419	8 132 035
Cash book balance at end of year	8 872 875	8 501 419
Bank statement balance at beginning of year	8 501 419	8 132 035
Bank statement balance at end of year	8 850 204	8 501 419

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

**15 BANK, CASH, CALL INVESTMENTS AND OVERDRAFT BALANCES (CONTINUED)**

	2013	2012
	R	R
<b>Hostel Account – Phase 3</b>		
ABSA Bank – Richards Bay		
Current/Deposit account number 92 8322 1999		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	20 245 048	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	20 209 133	-
<b>Housing Account – Brackenham</b>		
ABSA Bank – Richards Bay		
Current/Deposit account number 91 2361 5121		
Cash book balance at beginning of year	4 741 652	4 535 630
Cash book balance at end of year	4 945 013	4 741 652
Bank statement balance at beginning of year	4 741 652	4 535 630
Bank statement balance at end of year	4 927 799	4 741 652
<b>Housing Account – Ngwelezane</b>		
ABSA Bank – Richards Bay		
Current/Cheque account number 91 7137 3496		
Cash book balance at beginning of year	1 996 534	1 909 786
Cash book balance at end of year	2 083 770	1 996 534
Bank statement balance at beginning of year	1 996 534	1 909 786
Bank statement balance at end of year	2 076 516	1 996 534
<b>Housing Account – Pionierhof</b>		
ABSA Bank – Richards Bay		
Current/Deposit account number 90 9224 7889		
Cash book balance at beginning of year	12 424 301	2 258 731
Cash book balance at end of year	4 849 961	12 424 301
Bank statement balance at beginning of year	12 424 301	2 258 731
Bank statement balance at end of year	4 842 451	12 424 301
<b>Conditional Grants</b>		
ABSA Bank – Richards Bay		
Current/Deposit account number 91 7137 3917		
Cash book balance at beginning of year	38 350 228	9 196 097
Cash book balance at end of year	107 697 729	38 350 228
Bank statement balance at beginning of year	38 350 228	9 196 097
Bank statement balance at end of year	107 322 834	38 350 228
<b>Capital Replacement Reserve</b>		
ABSA Bank – Richards Bay		
Current/Deposit account number 92 7206 8005		
Cash book balance at beginning of year	30 386 158	-
Cash book balance at end of year	52 061 052	30 386 158
Bank statement balance at beginning of year	30 386 158	-
Bank statement balance at end of year	52 037 979	30 386 158

## 15 BANK, CASH, CALL INVESTMENTS AND OVERDRAFT BALANCES (CONTINUED)

	2013	2012
	R	R
<b>Petty cash</b>		
Balance at beginning of year	32 550	31 850
Balance at end of year	32 550	32 550
<b>Deposit account</b>		
ABSA Bank – Richards Bay		
Current/Deposit account number 40 7928 6548		
Cash book balance at beginning of year	5 425	-
Cash book balance at end of year	3 010	5 425
Bank statement balance at beginning of year	5 425	-
Bank statement balance at end of year	633 461	5 425
<b>16 PROPERTY RATES</b>		
<b>Actual</b>		
Residential	93 413 650	86 014 039
Commercial	133 920 860	109 186 304
State	10 672 228	9 413 453
<b>Total assessment rates</b>	<b>238 006 738</b>	<b>204 613 796</b>
<b>Property valuations</b>		
Residential	15 397 716 899	16 095 913 599
Commercial	10 768 444 700	9 808 656 000
State	1 657 085 100	1 688 788 900
Municipal	1 489 942 500	1 482 899 700
<b>Total property valuations</b>	<b>29 313 189 199</b>	<b>29 076 258 199</b>
The first valuation in terms of the Property Rates Act No 6 of 2004 came into effect on 01 July 2008. Valuations were performed on land and buildings together. Three supplementary valuations and objections in terms of the new Act were processed during the financial year. The following rate randage and ratio to residential tariff were applied:		
<b>Predominant Use</b>	<b>Rate Randage</b>	<b>Ratio to Residential Tariff</b>
Residential properties	0,00674	1:1
Business, commercial and industrial properties and mining	0,01348	1:2
Agricultural properties	0,00169	1:0,25
Agricultural properties (business)	0,01348	1:2
State trust land	0,00674	1:1
State owned properties	0,00674	1:1
Public service infrastructure	0,00169	1:0,25
Public benefit organisations	0,00169	1:0,25

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

**16 PROPERTY RATES (CONTINUED)**

	2013	2012
	R	R
Subject to the provisions contained in the Rate Policy and upon application, the following rebates were applied:		
Agricultural properties – 5%		
Public Benefit Organisations – 100%		
Sporting bodies – 100%		
Pensioners – R100 000 valuation reduction on primary developed property		
In addition to the statutory R15 000 reduction in the valuation on residential properties, a further reduction of R60 000 of the valuation on all developed residential properties with < R375 000 was made.		
Rates are levied on a monthly basis but upon request can be levied annually. The final date for payment of rates that are levied on an annual basis is 30 September of each year and 30 June for monthly ratepayers. Interest of prime plus 1% per annum is levied on outstanding rates.		
<b>17 SERVICE CHARGES</b>		
Sale of electricity	1 091 706 337	966 962 029
Sale of water	154 005 569	129 263 197
Surcharge on water	4 631 718	4 744 805
Refuse removal	52 519 701	46 088 020
Sewerage and sanitation charges	66 946 431	59 701 576
Total service charges	1 369 809 756	1 206 759 627
An amount of R7 796 113.17 received in respect of prepaid electricity sales has been deferred and transferred to amounts received in advance.		
<b>18 GOVERNMENT GRANTS AND SUBSIDIES</b>		
Equitable share	179 139 000	161 782 000
Financial Management Grant	1 500 005	1 344 958
Municipal Systems Improvement Grant	375 131	904 092
Infrastructure Skills Development Grant	3 778 800	-
Municipal Infrastructure Grant	39 283 176	42 870 972
Energy Efficiency and Demand Side Management Grant	1 316 688	-
Expanded Public Works Programme Integrated Grant	1 003 915	-
Provincial Health Subsidies	4 842 400	4 804 000
Provincial Local Government Grants	5 151 188	8 754 334
Provincial Housing Grants	7 543 232	912 177
Provincial Library Service Subsidies	3 314 759	3 389 504
Provincial Museum Services Subsidies	134 000	125 000
Department of Water Affairs – Cleanest Town Award	-	41 109
Department of Water Affairs (DWAF) Water Conservation and Demand	836 656	599 941
Department of Water Affairs – Institutional Support Programme Grant	-	(200 602)
Department of Water Affairs – Accelerated Infrastructure Programme	75 700	4 134 300
Department of Agriculture and Environmental Affairs	364 751	484 863
Department of Minerals and Energy	-	(2 775 322)
uThungulu District Municipality Environmental Health Service	4 603 259	4 342 698
uThungulu District Municipality Capacity Building Grants	121 772	9 367
uThungulu District Municipality Hosting of Annual SMME Fair	48 503	-
uThungulu District Municipality Zulu Dance Competition	-	20 000
uThungulu District Bus Shelters and Laybys	97 341	-
	253 530 276	231 543 392

**18 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**

	2013	2012
	R	R
<b>18.1 Equitable Share</b>		
In terms of the Constitution, this allocation is to provide for an equitable sharing of national revenue. It is primarily for the provision of basic services.		
<b>18.2 Financial Management Grant</b>		
Balance unspent at beginning of year	2 085 732	1 980 690
Current year receipts	904 000	1 450 000
Conditions met – transferred to revenue	(1 500 005)	(1 344 958)
Conditions still to be met – transferred to liabilities	1 489 727	2 085 732
National Conditional Grants are allocated in terms of the Division of Revenue Act. The Financial Management Grant is used to promote support reforms to financial management and the implementation of the Municipal Finance Management Act. An amount of R596 000 was withdrawn by National Treasury for the 2010/2011 unspent allocation.		
<b>18.3 Restructuring Grant</b>		
Balance unspent at beginning of year	215 969	215 969
Current year receipts	-	-
Conditions met – transferred to revenue	-	-
Conditions still to be met – transferred to liabilities	215 969	215 969
National Conditional Grant are allocated in terms of the Division of Revenue Act. The Restructuring Grant received in 2002,2003, and 2004 from National Treasury has been earmarked for certain projects that will improve the local economy.		
<b>18.4 Municipal Systems Improvement Grant</b>		
Balance unspent at beginning of year	364 131	606 222
Current year receipts	11 000	662 000
Conditions met – transferred to revenue	(375 131)	(904 091)
Conditions still to be met – transferred to liabilities	-	364 131
National Conditional Grants are allocated in terms of the Division of Revenue Act. The Municipal Systems Improvement Grant is used to assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related legislation. An amount of R789 000 was withdrawn by National Treasury for the 2010/2011 unspent allocation.		
<b>18.5 Infrastructure Skills Development Grant</b>		
Balance unspent at beginning of year	-	-
Current year receipts	3 000 000	-
Conditions met – transferred to revenue	(3 778 800)	-
Conditions still to be met – transferred to liabilities	(778 800)	-
National Conditional Grants are allocated in terms of the Division of Revenue Act. The Infrastructure and Skills Development Grant is used to strengthen the capacity of local government, to effectively and efficiently deliver quality infrastructure by increasing the pool of skills available, to facilitate lifelong learning and the transfer of knowledge and skills to municipalities.		

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

**18 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**

	2013	2012
	R	R
<b>18.6 Municipal Infrastructure Grant (MIG)</b>		
Balance unspent at beginning of year	22 800 333	-
Current year receipts	86 617 000	71 404 000
Conditions met – transferred to revenue	(39 283 174)	(42 870 972)
Conditions met – transferred to own revenue (ex migvat)	(5 370 453)	(5 732 695)
Conditions still to be met – transferred to liabilities	<b>64 763 706</b>	<b>22 800 333</b>
National Conditional Grants are allocated in terms of the Division of Revenue Act. This grant is used to construct water and sewerage infrastructure as part of the upgrading of informal settlement areas. No funds have been withheld.		
<b>18.7 Energy Efficiency and Demand Site Management Grant</b>		
Balance unspent at beginning of year	-	-
Current year receipts	8 000 000	-
Conditions met – transferred to revenue	(1 316 688)	-
Conditions still to be met – transferred to liabilities	<b>6 683 312</b>	-
National Conditional Grants are allocated in terms of the Division of Revenue Act. The grant is to be used to implement energy efficiency and demand side management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.		
<b>18.8 Expanded Public Work Programme Integrated Grant</b>		
Balance unspent at beginning of year	-	-
Current year receipts	1 000 000	-
Conditions met – transferred to revenue	(1 003 915)	-
Conditions still to be met – transferred to liabilities	<b>(3 915)</b>	-
National Conditional Grants are allocated in terms of the Division of Revenue Act. The grant is to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in compliance with EPWP Guidelines.		
<b>18.9 Provincial Health Subsidies</b>		
Balance unspent at beginning of year	-	-
Current year receipts	4 842 400	4 804 000
Conditions met – transferred to revenue	(4 842 400)	(4 804 000)
Conditions still to be met – transferred to liabilities	-	-
The Municipality renders health services on behalf of the Provincial Government and is refunded approximately 35% of total expenditure incurred. This grant has been used exclusively to fund clinic services. The conditions of the grant have been met. There was no delay or withholding of the grant.		



**18 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**

	2013	2012
	R	R
<b>18.10 Provincial Local Government Grants</b>		
Balance unspent at beginning of year	5 143 536	4 425 862
Current year receipts	11 263 629	9 472 008
Conditions met – transferred to revenue	(5 151 188)	(8 754 334)
Conditions still to be met – transferred to liabilities	11 255 977	5 143 536
Provincial Local Government Grants are used to implement administrative and financial frameworks and to provide a municipal infrastructure framework. The grants are spent in accordance with a business plan and approved by the Provincial Government.		
<b>18.11 Provincial Development Planning Grants</b>		
Balance unspent at beginning of year	54 849	54 849
Current year receipts	-	-
Conditions met – transferred to revenue	-	-
Conditions still to be met – transferred to liabilities	54 849	54 849
Provincial Development Planning Grants are used to promote integrated planning and development in the Province. The grants are spent in accordance with an approved business plan by the Provincial Government.		
<b>18.12 Provincial Housing Grants</b>		
Balance unspent at beginning of year	12 080 063	12 429 820
Current year receipts	22 803 555	-
Conditions met – transferred to revenue	(7 543 232)	(912 177)
Interest received	760 757	562 420
Conditions still to be met – transferred to liabilities	28 101 143	12 080 063
Provincial Housing Grants were allocated to assist in the refurbishment of various hostels. The grants are spent in accordance with a business plan approved by the Provincial Government. Funds were provided for the housing operating account. Funds were also provided for the Municipality to implement the Enhanced Extended Discount Benefit Scheme. No funds were withheld.		
<b>18.13 Provincial Library Services Subsidies</b>		
Balance unspent at beginning of year	126 688	133 991
Current year receipts	3 403 800	3 246 604
Conditions met – transferred to revenue	(3 314 759)	(3 253 907)
Conditions still to be met – transferred to liabilities	215 729	126 688
Provincial Library Grants were allocated to subsidise the purchase of equipment for various libraries. A subsidy was also received to assist in the construction of the Empangeni Library Study Hall. Funds were also provided to refurbish the old community hall at Felixton into a library. Further funding was also received for the installation of computer hardware and software for public internet access, the cost of the internet connectivity, furniture to house these computers, and salaries for the employment of 'cyber-cadets'. The subsidies are spent in accordance with a business plan approved by the Provincial Government. No funds have been withheld.		

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
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**18 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**

	2013	2012
	R	R
<b>18.14 Provincial Library Services</b>		
Balance unspent at beginning of the year	-	-
Current year receipts	-	135 597
Conditions met – transferred to revenue	-	(135 597)
Conditions still to be met – transferred to liabilities	-	-
Provincial Library Services granted assets to Council		
<b>18.15 Provincial Museum Services Subsidies</b>		
Balance unspent at beginning of year	-	-
Current year receipts	134 000	125 000
Conditions met – transferred to revenue	(134 000)	(125 000)
Conditions still to be met – transferred to liabilities	-	-
Department of the Premier allocates a subsidy to assist in the daily running of the Empangeni Museum. No funds have been withheld.		
<b>18.16 Provincial Community Development Workers Programme</b>		
Balance unspent at beginning of year	19 038	19 038
Current year receipts	-	-
Conditions met – transferred to revenue	-	-
Conditions still to be met – transferred to liabilities	<b>19 038</b>	<b>19 038</b>
Department of Cooperative Governance and Traditional Affairs allocated funds to Council for the administration of the Community Development Workers Programme. No funds have been withheld.		
<b>18.17 Provincial Department of Transport</b>		
Balance unspent at beginning of year	16 279	16 279
Current year receipts	-	-
Conditions met – transferred to revenue	-	-
Conditions still to be met – transferred to liabilities	<b>16 279</b>	<b>16 279</b>
Provincial Department of Transport provided a subsidy for a pedestrian safety project.		
<b>18.18 Department of Water Affairs (DWA) Cleanest Town Award</b>		
Balance unspent at beginning of year	-	41 109
Current year receipts	-	-
Conditions met – transferred to revenue	-	(41 109)
Conditions still to be met – transferred to liabilities	-	-
Department of Water Affairs Cleanest Town Award. Funds will be used on a recycling project. No funds have been withheld.		

**18 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**

	2013	2012
	R	R
<b>18.19 Department of Water Affairs (DWAf) Water Services Programme</b>		
Balance unspent at beginning of year	205 307	205 307
Current year receipts	-	-
Conditions met – transferred to revenue	-	-
Conditions still to be met – transferred to liabilities	<b>205 307</b>	<b>205 307</b>
Department of Water Affairs Sector Institutional Support and Capacity Building Initiatives in support of Water Services Authority and water service provider functions. The grants are spent in accordance with the approved business proposal.		
<b>18.20 Department of Water Affairs (DWAf) Refurbishment Grant</b>		
Balance unspent at beginning of year	70	70
Current year receipts	-	-
Conditions met – transferred to revenue	-	-
Conditions still to be met – transferred to liabilities	<b>70</b>	<b>70</b>
Department of Water Affairs Refurbishment Grant and Subsidy for Water Services Works. The grant is spent in accordance with an approved business plan.		
<b>18.21 Department of Water Affairs (DWAf) Institutional Support Programme Grant</b>		
Balance unspent at beginning of year	-	82 398
Current year receipts	-	(283 000)
Conditions met – transferred to revenue	-	200 602
Conditions still to be met – transferred to liabilities	-	-
Department of Water Affairs Support Project Grant for Institutional Support and Capacity Building. The grant is spent in accordance with an approved business plan.		
<b>18.22 Department of Water Affairs (DWAf) Water Conservation and Demand Management Grant</b>		
Balance unspent at beginning of year	1 725 893	1 325 834
Current year receipts	-	1 000 000
Conditions met – transferred to revenue	(836 656)	(599 941)
Conditions still to be met – transferred to liabilities	<b>889 237</b>	<b>1 725 893</b>
Department of Water Affairs Water Conservation and Demand Management grant in support of capacity building and institutional support. The grant is spent in accordance with an approved business plan.		

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

**18 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**

	2013	2012
	R	R
<b>18.23 Department of Water Affairs (DWA) Accelerated Infrastructure Programme</b>		
Balance unspent at beginning of year	75 700	-
Current year receipts	-	4 210 000
Conditions met – transferred to revenue	(75 700)	(4 134 300)
Conditions still to be met – transferred to liabilities	-	<b>75 700</b>
Department of Water Affairs Accelerated Infrastructure Programme Grant in support of the refurbishment and upgrade of the Esikhaleni Waste Water Treatment plant. The grant is spent in accordance with an approved business plan.		
<b>18.24 Department of Water Affairs (DWA) Regional Bulk Water Projects</b>		
Balance unspent at beginning of year	1 500 000	-
Current year receipts	(1 500 000)	1 500 000
Conditions met – transferred to revenue	-	-
Conditions still to be met – transferred to liabilities	-	<b>1 500 000</b>
Department of Water Affairs Regional Bulk Water Projects Grant in support of the installation of bulk pipelines to supply areas where there is a lack of water supply.		
<b>18.25 uThungulu District Municipality Environmental Health Costs</b>		
Balance unspent at beginning of year	-	-
Current year receipts	4 603 259	4 342 698
Conditions met – transferred to revenue	(4 603 259)	(4 342 698)
Conditions still to be met – transferred to liabilities	-	-
The function to provide environmental health services was transferred to the District Municipality. Council is still performing this function on behalf of the District. In terms of a Service Level Agreement, the District allocates Council a portion of their equitable share allocation.		
<b>18.26 uThungulu District Municipality Capacity Building Grant</b>		
Balance unspent at beginning of year	125 285	134 652
Current year receipts	-	-
Conditions met – transferred to revenue	(121 772)	(9 367)
Conditions still to be met – transferred to liabilities	<b>3 513</b>	<b>125 285</b>
uThungulu District Council allocates funds for capacity building grants. No funds have been withheld.		

**18 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**

	2013	2012
	R	R
<b>18.27 uThungulu District Municipality Museum Operating Subsidy</b>		
Balance unspent at beginning of the year	11 849	11 849
Current year receipts	-	-
Conditions met – transferred to revenue	-	-
Conditions still to be met – transferred to liabilities	<b>11 849</b>	<b>11 849</b>
uThungulu District Council allocated a subsidy to assist in the daily running of the Empangeni Museum. No funds have been withheld.		
<b>18.28 uThungulu District Municipality – Hosting of Annual SMME Fair</b>		
Balance unspent at beginning of the year	48 503	43 503
Current year receipts	-	5 000
Conditions met – transferred to revenue	(48 503)	-
Conditions still to be met – transferred to liabilities	-	<b>48 503</b>
uThungulu District Council donated funds for the hosting of the Annual SMME fair by Council in partnership with business stakeholders.		
<b>18.29 uThungulu District Municipality – Zulu Dance Competition</b>		
Balance unspent at beginning of the year	-	20 000
Current year receipts	-	-
Conditions met – transferred to revenue	-	(20 000)
Conditions still to be met – transferred to liabilities	-	-
uThungulu District Council donated funds for the Zulu Dance Competition.		
<b>18.30 uThungulu District Municipality - Bus Shelters and Laybys</b>		
Balance unspent at beginning of year	-	-
Current year receipts	207 384	-
Conditions met - transferred to revenue	(97 341)	-
Conditions still to be met - transferred to liabilities	<b>110 043</b>	-
uThungulu District Council donated funds for Bus shelters and laybys.		
<b>18.31 Department of Agriculture and Environmental Affairs</b>		
Balance unspent at beginning of year	750 692	1 235 555
Current year receipts	-	-
Conditions met – transferred to revenue	(364 751)	(484 863)
Conditions still to be met – transferred to liabilities	<b>385 941</b>	<b>750 692</b>
Department of Agriculture and Environmental Affairs provided a subsidy for a recycling project. The grants are spent in accordance with an approved business plan.		

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

**18 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**

	2013	2012
	R	R
<b>18.32 Department of Minerals and Energy</b>		
Balance unspent at beginning of the year	-	1 174 678
Current year receipts	-	-3 950 000
Conditions met – transferred to revenue	-	2 775 322
Conditions still to be met – transferred to liabilities	-	-
Department of Minerals and Energy provided a grant in support of electrification projects. The grants are spent in accordance with an approved business plan.		
<b>18.33 Department of Sport and Recreation</b>		
Balance unspent at beginning of the year	12 666	12 666
Current year receipts	-	-
Conditions met – transferred to revenue	-	-
Conditions still to be met – transferred to liabilities	<b>12 666</b>	<b>12 666</b>
Funds were received from Department of Sport and Recreation for the upgrade of Vulindlela Sport Facility. The grants are spent in accordance with an approved business plan.		
<b>19 OTHER INCOME</b>		
Building plans	1 216 309	1 175 896
Extension fees and engineering contributions	70 867 967	10 098 444
Connection fees	2 369 887	2 091 619
MIG VAT revenue	5 370 426	5 732 695
Reconnection fees	3 983 391	3 829 998
Licence drivers	2 022 735	1 851 892
Commissions	5 486 930	-
Skills levy fees	1 755 382	-
Discount received	1 174 958	-
Sundries	18 621 948	6 831 379
Total other income	<b>112 869 933</b>	<b>31 611 923</b>
<b>20 EMPLOYEE RELATED COSTS</b>		
Employee related costs – salaries and wages	261 817 933	238 576 663
Employee related costs – contributions for UIF, pensions and medical aids	77 160 039	65 246 008
Travel, motor car, accommodation, subsistence and other allowances	50 397 588	44 172 431
Housing benefits and allowances	3 672 236	3 755 078
Overtime payments	30 158 237	31 214 678
Leave payments	12 538 218	9 196 022
Cellphone allowance	1 206 883	1 024 864
Pensioners medical aid contributions	3 008 656	2 519 795
Less: employee costs capitalised to Property, Plant and Equipment	(2 833 910)	(2 641 024)
Total employee related costs	<b>437 125 880</b>	<b>393 064 515</b>
There were no advances to employees. Loans to employees are set out in note 13.		
<b>Remuneration of the Municipal Manager</b>		
Annual remuneration	796 140	518 290
Annual bonus	66 345	39 000
Performance bonuses	99 315	-
Travel allowance	216 643	171 412
Contributions to UIF, medical and pension funds	290 387	107 325
Total	<b>1 468 830</b>	<b>836 027</b>

## 20 EMPLOYEE RELATED COSTS (CONTINUED)

## Remuneration of Senior Managers and Managers

	Dep M. Manager	Dep M. Manager	
	Infra & Technical Services	Community Services	
<b>30 June 2013</b>	R	R	
Annual remuneration	757 160	770 400	
Annual bonus	-	64 200	
Performance bonuses	76 325	25 442	
Travel allowance	264 892	193 104	
Contributions to UIF, medical and pension funds	241 058	160 738	
<b>Total</b>	<b>1 339 435</b>	<b>1 213 884</b>	
	Dep M. Manager	Dep M. Manager	
	Technical Services	Community Services	
<b>30 June 2012</b>	R	R	
Annual remuneration	707 626	691 382	
Annual bonus	-	18 425	
Performance bonuses	67 814	58 126	
Travel allowance	254 289	137 210	
Contributions to UIF, medical and pension funds	158 437	97 485	
<b>Total</b>	<b>1 188 166</b>	<b>1 002 628</b>	
	Dep M. Manager	Dep M. Manager	Dep M. Manager
	Financial Services CFO	Corporate Services	City Development
<b>30 June 2013</b>	R	R	R
Annual remuneration	888 078	834 318	693 989
Annual bonus	74 006	-	-
Performance bonuses	109 036	87 229	87 229
Travel allowance	204 600	186 089	410 904
Contributions to UIF, medical and pension funds	45 092	210 036	102 216
<b>Total</b>	<b>1 320 812</b>	<b>1 317 672</b>	<b>1 294 338</b>
	Dep M. Manager	Dep M. Manager	D. M. Manager
	Financial Services CFO	Corporate Services	City Development
<b>30 June 2012</b>	R	R	R
Annual remuneration	811 946	779 736	648 588
Annual bonus	61 287	-	-
Performance bonuses	67 814	67 814	48 438
Travel allowance	204 600	176 927	384 894
Contributions to UIF, medical and pension funds	31 347	163 826	87 586
<b>Total</b>	<b>1 176 994</b>	<b>1 188 303</b>	<b>1 169 506</b>

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**20 EMPLOYEE RELATED COSTS (CONTINUED)**

	Head Financial Services Expenditure	Head Transport and Roads	Head Water and Sanitation
<b>30 June 2013</b>	<b>R</b>	<b>R</b>	<b>R</b>
Annual remuneration	488 616	652 886	488 616
Annual bonus	40 820	-	40 616
Entertainment	1 400	-	1 400
Housing subsidy	6 000	-	-
Travel allowance	212 682	233 627	212 682
Contributions to UIF, medical and pension funds	214 879	199 917	116 368
<b>Total</b>	<b>964 397</b>	<b>1 086 430</b>	<b>859 682</b>
<b>30 June 2012</b>			
Annual remuneration	457 650	611 510	266 962
Annual bonus	38 137	-	-
Entertainment	1 400	-	817
Housing subsidy	851	-	-
Travel allowance	200 483	253 191	117 150
Contributions to UIF, medical and pension funds	181 646	168 516	65 277
<b>Total</b>	<b>880 167</b>	<b>1 033 217</b>	<b>450 206</b>
	Head Human Resource Services	Head Corporate Services	Head Electrical Services
<b>30 June 2013</b>	<b>R</b>	<b>R</b>	<b>R</b>
Annual remuneration	57 008	52 562	453 325
Annual bonus	-	-	-
Entertainment	-	-	1 267
Travel allowance	6 319	6 436	192 656
Contributions to UIF, medical and pension funds	-	-	114 039
<b>Total</b>	<b>63 327</b>	<b>58 998</b>	<b>761 287</b>
<b>30 June 2012</b>			
Annual remuneration	305 100	-	572 246
Annual bonus	38 137	-	-
Entertainment	933	-	-
Travel allowance	133 384	-	-
Contributions to UIF, medical and pension funds	66 212	-	-
<b>Total</b>	<b>543 766</b>	<b>-</b>	<b>572 246</b>



## 20 EMPLOYEE RELATED COSTS (CONTINUED)

	Head Community and Public Participation	Head Health and Public Safety	Head Parks, Sports and Recreation
<b>30 June 2013</b>	<b>R</b>	<b>R</b>	<b>R</b>
Annual remuneration	-	488 616	488 616
Annual bonus	-	40 616	40 820
Entertainment	-	1 400	1 400
Housing subsidy	-	-	-
Travel allowance	-	212 682	212 689
Contributions to UIF, medical and pension funds	-	215 079	213 714
<b>Total</b>	<b>-</b>	<b>958 393</b>	<b>957 239</b>
<b>30 June 2012</b>			
Annual remuneration	266 962	457 650	457 650
Annual bonus	54 124	38 137	38 137
Entertainment	817	1 400	1 400
Travel allowance	115 530	200 483	200 483
Contributions to UIF, medical and pension funds	162 176	160 084	185 786
<b>Total</b>	<b>599 609</b>	<b>857 754</b>	<b>883 456</b>
	Head Financial Services Revenue	Head Economic Development	Head Engineering Services
<b>30 June 2013</b>	<b>R</b>	<b>R</b>	<b>R</b>
Annual remuneration	215 429	204 098	488 616
Annual bonus	-	16 775	53 457
Entertainment	467	583	1 400
Housing subsidy	-	-	6 000
Travel allowance	71 196	88 949	212 682
Contributions to UIF, medical and pension funds	77 474	62 040	229 966
<b>Total</b>	<b>364 566</b>	<b>372 445</b>	<b>992 121</b>
<b>21 REMUNERATION OF COUNCILLORS</b>		<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
Mayor		631 565	594 284
Deputy Mayor		509 785	479 635
Speaker		512 061	479 458
Chief Whip		460 616	-
Executive Committee members		3 836 272	4 048 392
Chairpersons of Section 79 Committees		997 104	-
Councillors		8 564 917	8 794 155
Councillors pension contribution		1 635 516	1 467 362
<b>Total councillors remuneration</b>		<b>17 147 836</b>	<b>15 863 286</b>
The Speaker, Chief Whip and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Mayor is also provided with a vehicle for business use at the cost of the Council.			

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

**22 FINANCE COSTS**

	2013	2012
	R	R
Long-term liabilities	79 985 065	82 480 951
<b>Total interest on external borrowings</b>	<b>79 985 065</b>	<b>2 480 951</b>
An amount of R929 247.82 relating to finance costs for 2012/2013 was capitalised to work in progress with 9.59% being the weighted average cost of funds borrowed by the Municipality.		
<b>23 BULK PURCHASES</b>		
Electricity	854 691 471	756 049 083
Water	82 555 439	77 951 473
<b>Total bulk purchases</b>	<b>937 246 910</b>	<b>834 000 556</b>
<b>24 GRANTS AND SUBSIDIES PAID</b>		
Richards Bay Country Club	350 030	-
Davulution Agriculture Primary	50 000	-
SPCA	105 000	293 800
uMhlathuze Tourism Association	-	241 877
Schools and uThungulu Community Forum	25 000	39 743
Zululand Expo	-	23 400
Sundries	267 664	184 205
Property rates relief	705 365	394 000
Dolos Festival	70 000	-
uMhathuze Rangers FC	70 000	-
Mhlaacifest	70 000	-
COSATU KwaZulu-Natal – May Day	60 000	-
Ezemvelo KZN Wildlife	32 550	-
Youth Summit	223 412	-
World Aids Day	61 486	-
<b>Total grants and subsidies</b>	<b>2 090 507</b>	<b>1 177 025</b>
<b>25 CASH GENERATED FROM OPERATIONS</b>		
Surplus/(deficit) for the year	(51 419 972)	(147 281 205)
Adjustment for:		
Depreciation	343 657 602	299 567 639
Amortisation	1 657 881	1 333 078
Post-employment benefit expenses	(13 913 145)	28 941 000
Other grants received (excluded as non-cash)	-	(142 397)
(Gain)/loss on disposal of property, plant and equipment	(568 650)	-
Grant in aid ( excluded as non-cash)	16 189	394 000
Movement in bad debt provision	3 500 000	3 000 000
Investment income	(14 498 748)	(4 012 177)
Interest paid	79 985 065	82 480 951
<b>Operating surplus before working capital changes:</b>	<b>348 416 222</b>	<b>264 280 889</b>
(Increase)/decrease in inventories	(1 887 641)	15 838 589
(Increase) in debtors	(57 212 682)	(60 896 385)
Decrease/(increase) in other debtors	(4 182 788)	(6 563 110)
(Decrease)/increase in unspent conditional grants and receipts	66 287 038	23 045 822
(Decrease)/increase in creditors	15 611 967	38 933 085
(Increase)/decrease in VAT claimable	(8 297 070)	(3 156 879)
Increase in consumer deposits	859 822	2 360 197
<b>Cash generated from operations</b>	<b>359 594 868</b>	<b>273 842 208</b>

## 26 ELECTRICITY AND WATER LOSSES

	2013	2012
	R	R
Water losses for the City of uMhlathuze calculated at a variable cost per kilolitre amounts to:		
Total produced and purchased (KL)	43 774 028	40 594 032
Total sold (KL)	29 428 624	27 109 525
Water loss in KL	14 345 404	13 484 507
% Loss	32,77%	33,22%
Variable cost/Kl	R 1,42	R 1,19
	<b>20 370 474</b>	<b>16 046 563</b>
Water losses are attributable to the following reasons:		
<u>Non-technical reasons</u>		
Included in these losses is measured water through bulk meters supplying the Traditional Areas of Mkhwanazi South, North and Dube; however, individual households are not metered yet, hence not billed and therefore recorded as lost at this stage.		
<u>Technical reasons</u>		
Aged reticulation without sufficient replacement, refurbishment and maintenance.		
Incorrectly calibrated meters.		
Electricity losses for the City of uMhlathuze calculated at a unit cost per kilowatt amounts to:		
Total purchased (KW)	1 434 018 166	1 545 187 297
Total sold (KW)	1 289 135 067	1 287 817 498
Electricity loss in KW	144 883 099	257 369 799
% Loss	10,10%	16,66%
Unit cost/KW	R 0,59	R 0,48
	<b>85 481 098</b>	<b>123 537 504</b>
Electricity losses are attributable to the following reasons:		
<u>Technical reasons</u>		
Electrical resistivity in the network		
Ageing of network without sufficient equipment replacement, refurbishment and maintenance		
Incorrect meter calibration and monitoring		
<u>Non-technical reasons</u>		
Theft, unmetered supply and error in metering		

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

**27 ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**

		2013	2012
		R	R
<b>27.1 Contributions to SALGA</b>			
Council subscriptions		3 632 664	1 871 555
Amount paid		(3 632 664)	(1 871 555)
<b>27.2 Audit Fees</b>			
Amount paid – current year		3 681 503	2 019 699
<b>27.3 PAYE, SDL and UIF</b>			
Opening balance		4 223 351	4 283 918
Current year payroll deductions		64 705 627	54 708 055
Amount paid – current year		(59 585 906)	(50 484 704)
Amount paid – previous year		(4 223 351)	(4 283 918)
<b>Balance unpaid (included in creditors)</b>		<b>5 119 721</b>	<b>4 223 351</b>
The balance represents June's contribution paid over in July.			
<b>27.4 Pension and Medical Aid Deductions</b>			
Opening balance		4 819 134	7 223 986
Current year payroll deductions		109 090 834	90 261 239
Amount paid – current year		(103 590 434)	(85 442 105)
Amount paid – previous year		(4 819 134)	(7 223 986)
<b>Balance unpaid (included in creditors)</b>		<b>5 500 400</b>	<b>4 819 134</b>
The balance represents continued members' contributions received in advance.			
<b>27.5 Councillor's Arrear Consumer Accounts</b>			
The following Councillors had arrear accounts outstanding for more than 90 days as at <b>30 June 2013</b>	<b>Total</b>	<b>Outstanding Less Than 90 Days</b>	<b>Outstanding More Than 90 Days</b>
None	-	-	-
Total councillor arrear consumer account	-	-	-
<b>30 June 2012</b>			
None	1 758	1 624	134
<b>Total councillor arrear consumer account</b>	<b>1 758</b>	<b>1 624</b>	<b>134</b>
During the year, the following councillors had arrears accounts outstanding for more than 90 days. The following represents the highest amount outstanding:			
<b>30 June 2013</b>		<b>Highest Amount Outstanding</b>	<b>Ageing</b>
None		-	-

## 28 CAPITAL COMMITMENTS

	2013	2012
	R	R
Commitments in respect of capital expenditure:		
Approved and contracted for	29 077 646	26 557 237
Approved but not yet contracted for	309 636 354	179 925 863
Total capital commitments	338 714 000	206 483 100
This expenditure will be financed from:		
Internal sources	108 898 000	46 567 500
External loans	136 119 000	58 372 100
Grants	93 697 000	101 543 500
	338 714 000	206 483 100
<b>29 CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS</b>		
Guarantees by City of uMhlathuze in respect of building society and commercial bank housing loans to officials.	43 500	43 500
Guarantee by City of uMhlathuze in respect of postal services.	200 000	200 000
There is a dispute between Council and WJ Building and Civil Engineering CC regarding a variation incurred in a contract awarded for the Widening of Main Road Empangeni – contract 8/2/1/158. As to whether Council will be absolved of any liability is not known at this stage as this matter is not yet finalised. Cosmic Gold submitted a claim against Council regarding the cancellation of a property sale agreement. Cosmic Gold is claiming the costs of constructing the tennis court in the property as well as interest and professional fees to the value of R1 694 788.50. The matter is still ongoing. Zululand Chamber of Business Foundation is claiming a repayment of property rates to the sum of R304 349.56 which was charged by Council in October 2010. They further seek an order to have the decision of Council to increase the rental from R53.50 to R128 000 in July 2012 as well as charging of municipal rates to be declared unlawful. The matter is still ongoing. <b>Employees' related obligations</b> The estimated liability as a result of the SALGBC wage curve agreement for employees signed in the year 2010 amounts to R4 660 132. The estimated amount was based on the grading of the Municipality and the salary scales. The Municipality lodged an appeal with SALGA on the grading of the Municipality, however, the process was not finalised by the parties at the SALGBC. The merits must still be determined and could result in a lesser or more amount being paid out.		
<b>30 POST EMPLOYMENT MEDICAL BENEFITS (DEFINED BENEFIT OBLIGATION)</b>		
The Municipality operates on five accredited medical aid schemes, namely: Bonitas, Hosmed, Keyhealth, LA Health and Samwumed. Pensioners continue on the option they belonged to on the day of their retirement. The independent valuers, ARCH Actuarial Consulting, carried out a statutory valuation for the year ended 30 June 2013. There are no planned assets. The principal actuarial assumptions used were as follows:		
Discount rate per annum	9.16%	8.60%
Healthcare cost inflation rate	7.75%	7.10%
Net effective discount rate	1.31%	1.40%
Average retirement age	55	55
Proportion continuing membership at retirement	80.00%	95.00%
Proportion of retiring members who are married	90.00%	90.00%
The amounts recognised in the Statements of Financial Position were determined as follows:		
Present value of the obligation	204 418 855	218 332 000
Liability in the Balance Sheet	204 418 855	218 332 000

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

**30 POST EMPLOYMENT MEDICAL BENEFITS (CONTINUED)**

		2013	2012
		R	R
<b>Movements in the defined benefit obligation is as follows:</b>			
Balance at the beginning of the year		218 332 000	189 391 000
Current service cost		18 777 000	14 904 000
Interest cost		16 186 000	16 288 000
Benefits paid		(2 383 000)	(2 251 000)
Actuarial (gain) loss on obligation		(46 493 145)	-
		204 418 855	218 332 000
<b>The amounts recognised in the Statement of Financial Performance were as follows:</b>			
Current service cost		18 777 000	14 904 000
Interest cost		16 186 000	16 288 000
Actuarial gain loss recognised during the year		(46 493 145)	-
Benefit paid		(2 383 000)	(2 251 000)
Net amount recognised in the Statement of Financial Performance		(13 913 145)	28 941 000
<b>31 PROVISIONS</b>	<b>Staff Leave</b>	<b>Staff Bonuses</b>	<b>Total</b>
<b>30 June 2013</b>			
Carrying amount at the beginning of the year	11 100 744	9 982 132	21 082 876
Increase/(decrease) during the year	2 103 332	130 913	2 234 245
Carrying amount at the end of the year	13 204 106	10 113 051	23 317 157
<b>30 June 2012</b>			
Carrying amount at the beginning of the year	9 982 132	8 346 490	18 328 622
Increase/(decrease) during the year	1 118 642	822 805	1 941 447
Carrying amount at the end of the year	11 100 774	9 169 295	20 270 069
<b>Staff leave</b>			
Annual leave accrues to employees on a monthly basis, subject to certain conditions. The provision is an estimate of the amount payable to staff as at financial year-end, based on the value of statutory and non-statutory leave.			
<b>Staff bonuses</b>			
Bonuses accrue to staff on an annual basis in their anniversary month. The provision is an estimate of the amount payable to staff for the following year on a prorata basis.			
<b>32 EVENTS AFTER THE REPORTING DATE</b>	No material facts and circumstances have occurred between the accounting date and the date of this report that would have an impact on the financial statements.		
<b>33 PRIOR PERIOD ERROR</b>	<b>Restatement of property, plant and equipment (accumulated depreciation)</b>		
During the year, the Municipality discovered that the depreciation on property, plant and equipment assets was overcharged. Council properties were recognised and therefore prior year depreciation was provided. An asset that was previously accounted for under property, plant and equipment was transferred to heritage assets and the past depreciation was reversed.			
The impact of this adjustment is as follows:			
Amount as previously stated in the financial statements			6 615 773 169
Correction of accumulated depreciation			(111 505 193)
Depreciation on Council properties recognised			354 712
Accumulated depreciation on Council property disposed in prior year			(97 712)
Reversal of depreciation on asset transferred to heritage assets			(1 155 909)
<b>Restated property, plant and equipment (accumulated depreciation) at 30 June 2012</b>			<b>6 503 369 067</b>

### 33 PRIOR PERIOD ERROR (CONTINUED)

	2013	2012
	R	R
<b>Restatement of property, plant and equipment (cost)</b>		
During the year, the Municipality discovered that some Council properties were not recognised in the accounting records. There were also intangible assets which previously accounted under property, plant and equipment. The impact of this error is as follows:		
Amount as previously stated in the financial statements		10 851 606 989
Properties recognised		1 831 000
Disposal of Council property in prior year		(546 000)
Transfer to heritage assets		(2 242 681)
<b>Restated investment properties (accumulated depreciation) at 30 June 2012</b>		<b>10 850 649 308</b>
<b>Restatement of investment properties (accumulated depreciation)</b>		
During the year, the Municipality discovered that the depreciation on investment properties was overcharged.		
Amount as previously stated in the Financial statements		9 471 243
Correction of accumulated depreciation		(729 796)
<b>Restated investment properties (accumulated depreciation) at 30 June 2012</b>		<b>8 741 447</b>
<b>Restatement of intangible assets (accumulated amortisation)</b>		
During the year, the Municipality discovered that the depreciation on intangible assets was overcharged		
The impact of this adjustment is as follows:		
Amount as previously stated in the Financial statements		8 974 456
Correction of accumulated amortisation		1 892 310
<b>Restated Intangible assets (accumulated depreciation) at 30 June 2012</b>		<b>10 866 766</b>
<b>Restatement of Inventory Land</b>		
During the year, the municipality discovered inventory land previously not accounted for in the accounting records.		
The impact of this error is as follows:		
Balance as previously stated in the Financial statements		54 755 000
Inventory land not previously recognised		240 000
<b>Restated inventory land at 30 June 2012</b>		<b>54 995 000</b>
<b>Restatement of heritage assets</b>		
During the year, the Municipality recognised heritage assets that were not previously accounted for. There was also an amount that was transferred from property, plant and equipment to heritage assets.		
The impact of this error is as follows:		
Balance as previously stated in the financial statements		68 702
Assets recognised		177 211
Transfer from property, plant and equipment		2 242 681
<b>Restated inventory land at 30 June 2012</b>		<b>2 488 594</b>
<b>Restatement of other receivables</b>		
An amount for proceeds on disposal of Council property in the previous financial year was allocated to other receivables. The impact of this correction is as follows:		
Balance as previously stated in the financial statements		22 276 719
Proceeds from sale of property allocated to accumulated surplus		446 500
<b>Restated other receivables at 30 June 2012</b>		<b>22 723 219</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

**33 PRIOR PERIOD ERROR (CONTINUED)**

	2013	2012
	R	R
Restatement of accumulated surplus		
Balance as previously stated in the financial statements		3 368 453 397
Heritage assets recognised		177 211
Properties recognised		1 831 000
Depreciation on properties recognised		(354 712)
Reversal of depreciation on heritage assets		1 155 909
Inventory land not previously recognised		240 000
Prior year loss on disposal of property		(1 788)
Correction of accumulated depreciation/amortisation		110 342 679
Restated accumulated surplus balance at 30 June 2012		<u>3 481 843 696</u>
<b>34 DEVIATIONS FROM PROCUREMENT PROCESSES</b>		
Section 37(2) of Supply Chain Management Policy has been complied with. The total amount of deviations recorded for 2012/2013 financial year is R4 246 647.85		
<b>35 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE</b>		
There was no unauthorised, irregular, fruitless and wasteful expenditure incurred during the year.		
<b>36 GENERAL EXPENSES</b>		
Included as part of general expenses are the following:		
Uniforms	3 035 793	1 684 379
Bank charges	1 329 647	1 189 739
Community facilitation	4 332 507	2 228 899
External audit fees	3 681 503	2 019 699
Fuel and oil	14 554 794	12 447 969
Insurances	5 175 394	4 711 802
Indigent services rendered	4 785 389	4 183 083
Legal fees	1 588 783	2 375 278
Licences and permits	1 571 994	1 405 198
Membership fees	3 827 982	2 063 563
Postage	1 274 670	1 133 786
Printing and stationery	3 808 796	2 671 513
Programming material	4 159 428	4 365 331
Publicity	1 650 994	1 132 157
Rent equipment and vehicles	8 082 419	2 870 708
Waste disposal	3 285 861	2 529 023
Skills levy	3 686 647	3 219 604
Telephone	1 789 645	1 586 333
Research fund	1 337 451	621 766
Sport development	1 152 367	1 069 355
Stores and materials	1 120 981	902 526
Subsistence and travelling	1 714 048	1 225 429
Valuation roll	5 142 299	1 268 781
Advertisement	1 618 941	968 735
Small tools	1 197 712	427 837
Bursaries	941 153	658 639
Sundries	9 717 981	8 583 146
<b>Total</b>	<b><u>95 565 179</u></b>	<b><u>69 544 278</u></b>



### 37 OPERATING LEASES

	2013	2012
	R	R
<b>The Municipality as a lessee</b>		
At the reporting date, the entity has outstanding commitments under operating leases which fall due as follows:		
Buildings		
Within one year	2 400	2 400
In the second to fifth year inclusive	9 600	9 600
After five years	-	-
<b>Total</b>	<b>12 000</b>	<b>12 000</b>
<b>IT equipment</b>		
Within one year	1 063 668	-
In the second to fifth year inclusive	1 772 780	-
After five years	-	-
<b>Total</b>	<b>2 836 448</b>	<b>-</b>
Operating lease payments represent rentals payable by the Municipality for certain of its offices. The Municipality also has current lease arrangements for three years for printers and PABX equipment. No contingent rent is payable.		
<b>38 RELATED PARTY TRANSACTIONS</b>		
There were no related party transactions that occurred during the financial year.		
<b>39 CHANGE IN ACCOUNTING ESTIMATE</b>		
A change in the estimated useful lives of certain property, plant and equipment, intangible assets and investment properties that were reaching their estimated useful lives has resulted in the following change in depreciation.		
Depreciation according to initial estimated useful lives	8 280 529	
Depreciation according to re-estimated useful lives	1 697 856	
Reduction in depreciation	6 582 674	
<b>40 CHANGE IN ACCOUNTING POLICY</b>		
The implementation of GRAP 103 resulted in recognition of a heritage asset which was previously accounted for under property, plant and equipment. This resulted in the inter-transfer from property, plant and equipment to heritage assets and also reversal of depreciation previously accounted under property, plant and equipment. The effect of this change is as follows:		
<b>Statement of financial position</b>		
Property, plant and equipment cost previously reported		10 851 606 989
Transfer to heritage assets		(2 242 681)
Other prior year correction (see note 32)		1 285 000
Restated property, plant and equipment cost at 30 June 2012		10 850 649 308
Property, plant and equipment accumulated depreciation previously reported		6 615 773 169
Reversal of depreciation on asset transferred to heritage assets		(1 155 909)
Other prior year corrections (see note 32)		111 248 193
Restated property, plant and equipment accumulated depreciation at 30 June 2012		6 725 865 453
Heritage assets previously reported		68 702
Transfer of asset from property, plant and equipment		2 242 681
Other prior year corrections (see note 32)		177 211
Restated heritage assets at 30 June 2012		2 488 594
Accumulated surplus previously reported		3 368 453 397
Reversal of depreciation for asset transferred to heritage assets		1 155 909
Other prior year corrections (see note 32)		112 234 390
Restated accumulated surplus at 30 June 2012		3 481 843 696

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 30 JUNE 2013

<b>41</b>	<b>FINANCIAL RISK MANAGEMENT</b>
	Exposure to interest rate, credit risk and liquidity risks arise in the normal course of the Municipality's operations.
	Financial risk management
	The Municipality has exposure to the following risks from its use of financial Instruments:
	Liquidity risk
	Interest rate risk
	Credit risk
	This note presents information about the Municipality's exposure to each of the above risks and the Municipality's objectives, policies and processes for measuring and managing risks.
	Further quantitative disclosures are included throughout these financial statements.
	The Accounting Officer has overall responsibility for the establishment and oversight of the Municipality's risk management framework. The Municipality's risk management policies are established to identify and analyse the risks faced by the Municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Categories of Financial Instruments	2013	2012
Financial Assets	R	R
<b>Investments and receivables</b>		
Call investments	40 000 000	80 000 000
Cash and cash equivalents	202 775 493	77 213 733
Long-term receivables	356 704	445 884
Trade receivables	239 462 934	185 750 252
Other receivables	26 493 585	22 723 219
	<b>509 088 716</b>	<b>366 133 088</b>
<b>Liabilities and creditors</b>		
Long-term liabilities	731 473 690	827 312 561
Trade and other payables	185 067 011	201 872 277
	<b>916 540 701</b>	<b>1 029 184 838</b>
<b>Fair values versus carrying amounts</b>		
The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:		
	Carrying amount	Fair value
	2013	2013
Long-term receivables	356 704	356 704
Call investments	40 000 000	40 000 000
Cash	202 775 493	202 775 493
Trade receivables	239 462 934	239 462 934
Other receivables	26 493 585	26 493 585
	<b>509 088 716</b>	<b>509 088 716</b>
Long-term liabilities	731 473 690	731 473 690
Trade and other payables	185 067 011	185 067 011
	<b>916 540 701</b>	<b>916 540 701</b>

**40.1 Liquidity Risk**

Liquidity risk is the risk that the Municipality will not be able to meet its obligations as they fall due. The Municipality's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due. The Municipality uses cash flow forecasts to ensure that sufficient cash is available to meet expected operating expenses.

The debtors collection rate of the Municipality also ensures that sufficient cash is available to cover working capital. The average collection rate of the Municipality is 99.17%.

## 41 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 41.1 Liquidity Risk (continued)

The following are contractual liabilities of which interest is included in borrowings:

	Up to 1 year	1 - 5 years	> 5 years	Total
	R	R	R	R
Borrowings	177 420 619	766 253 182	52 855 669	996 529 470
Trade and other payables	185 067 011	-	-	185 067 011
	<b>362 487 630</b>	<b>766 253 182</b>	<b>52 855 669</b>	<b>1 181 596 481</b>

### 41.2 Interest Rate Risk

The Municipality's policy is to manage interest rate risk so that fluctuations in variable costs do not have material impact on surplus. All long-term debts are at fixed rates.

### 41.3 Credit Risk

Credit risk is the risk of financial loss to the Municipality if customers or counterparties to financial instruments fail to meet their contractual obligations. Credit risks consist mainly of cash deposits, cash equivalents and trade debtors.

#### Investments

The Municipality limits its exposure to credit risk by investing with only reputable financial institutions and within specific guidelines set in accordance with Councils approved investment policy.

#### Receivables

Receivables are amounts owing by consumers and are presented net of impairment loss. The Municipality has a credit control policy in place and the exposure to credit risk is monitored continuously. The Municipality establishes an allowance for doubtful debts that represents its estimate of anticipated losses in respect of receivables. Payments of accounts of consumer debtors who are unable to pay, are negotiated in line with the credit control policy and terms of payments are agreed upon with the consumer.

#### Cash and cash equivalents

The Municipality limits its exposure to credit risk by investing with only reputable financial institutions and within specific guidelines set in accordance with Council's approved investment policy. The Municipality does not consider there to be any significant exposure to credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 30 June was:

	2013	2012
	R	R
Call investments	40 000 000	80 000 000
Cash and cash equivalents	202 775 493	77 213 733
Long-term receivables	356 704	445 884
Trade receivables	239 462 934	185 750 252
Other receivables	26 493 585	22 723 219
	<b>509 088 716</b>	<b>366 133 088</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

**42 BUDGET INFORMATION**

<p><b>42.1 Explanation of Variances Between Approved and Final Budget Amounts</b></p> <p>The reason for the variance between approved and final budget is mainly due to the adjustments budget approved by Council on 26 February 2013.</p>
<p><b>42.2 Explanation of Variances Greater than 10%: Final Budget and Actual Amounts</b></p>
<p><b>42.2.1 Statement of Financial Position</b></p> <p><b>Current assets</b></p> <p>The cash available was much higher than anticipated due to underspending of capital as well as conditional grants.</p> <p><b>Current liabilities</b></p> <p>The increase in actual amount is due to a high amount of unspent conditional grants at year-end.</p>
<p><b>42.2.2 Statement of Financial Performance</b></p> <p><b>REVENUE</b></p> <p><b>Rental of facilities equipment</b></p> <p>Revenue increased due to delay in sales of some properties hence leasing continued.</p> <p><b>Interest earned – external investments</b></p> <p>The variance is the result of an increase in surplus funds available for investments during the year.</p> <p><b>Interest earned – outstanding debtors</b></p> <p>The variance is the result of more outstanding debtors than anticipated, hence an increase in interest.</p> <p><b>Government grant and subsidies</b></p> <p>The variance is the result of underspending in grant-funded projects and therefore revenue could not be recognised due to conditions not being met.</p> <p><b>Other income</b></p> <p>The variance is the result of high revenue received on extension fees for engineering contribution during the year.</p> <p><b>EXPENDITURE</b></p> <p><b>Debt impairment</b></p> <p>The variance is the result of an increase in the allowance for doubtful debts during the year.</p> <p><b>Depreciation and amortisation</b></p> <p>This material difference cannot be a charge against Rates and General as per Municipal Finance Management Act Circular No. 58 Section 4.3 read together with Directive 7 of GRAP 17. Therefore it cannot be a budgeted cost, but instead is a charge against the Statement of Financial Performance, which in effect reduces “Surplus” and charged against Revaluation Reserve, which is included in Net Asset (Equity).</p> <p><b>Bulk purchases</b></p> <p>Although this line item is below the 10% variance trigger for reporting in this note, the amount, however, is seen as material and does warrant an explanation. The variance stems from just one large smelter company whose production is extremely unpredictable due to fluctuations in global steel prices, however, this is not a significant financial risk to the Municipality due to the very low margins of profit from such a consumer.</p> <p><b>Conditional grant expenditure</b></p> <p>The variance is due to increased spending on operational conditional grants during the year.</p> <p><b>Grant and subsidies paid</b></p> <p>The variance is due to less grant in aid paid than anticipated at budget stage.</p> <p><b>General expenses</b></p> <p>The variance is mainly due less expenditure on uniforms, membership fees and transport at year end.</p>
<p><b>42.2.3 Cash Flow Statement</b></p> <p>The variance is mainly due to an increase in revenue from engineering contributions and also underspending of capital expenditure, which led to an increase in cash and cash equivalents.</p>
<p><b>42.2.4 Capital Expenditure</b></p> <p>The variance is the result of underspending in capital mainly due to delays in awarding of tenders and also contract award objection processes. The bulk of the projects have been carried forward to the next financial year.</p>

## APPENDIX A: SCHEDULE OF EXTERNAL LOANS

AS AT 30 JUNE 2013

External Loans	Interest Rate	Loan Number	Redeemable	Balance at 30/06/2012	Received During the Period	Redeemed/ Written off During the Period	Balance at 30/06/2013
				R	R	R	R
<b>LONG-TERM LOANS</b>							
Development Bank of SA	12.00%	10593	2018/03/31	4 424 441	-	540 098	3 884 343
Development Bank of SA	12.00%	10594	2017/03/31	1 904 119	-	297 446	1 606 673
Development Bank of SA	12.00%	10595	2017/03/31	7 149 091	-	1 116 773	6 032 318
Development Bank of SA	12.00%	10596	2017/03/31	1 663 617	-	259 877	1 403 740
Development Bank of SA	14.50%	10597	2018/03/31	5 696 415	-	650 025	5 046 390
Development Bank of SA	12.00%	10600	2017/03/31	3 244 544	-	506 836	2 737 708
Development Bank of SA	12.00%	10601	2017/03/31	1 928 485	-	301 253	1 627 232
Development Bank of SA	12.00%	10602	2017/03/31	487 816	-	76 202	411 614
				26 498 528	-	3 748 510	22 750 018
INCA	13.95%	UMHL	2019/06/30	10 759 207	-	1 106 642	9 652 565
Development Bank of SA	16.16%	11665	2010/12/31	-	-	-	-
Standard Bank	6.46%	357636	03/31/2015	41 372 085	-	10 873 726	30 498 359
Nedbank	5.25%	05/7831	06/30/2016	43 518 286	-	10 045 630	33 472 656
INCA	8.75%		06/28/2019	172 445 554	-	18 780 255	153 665 299
Development Bank of SA	11.70%	103170	12/31/2018	188 371 768	-	20 735 714	167 636 054
Development Bank of SA	6.75%	103494	06/30/2019	26 816 567	-	3 111 749	23 704 818
Development Bank of SA	11.57%	103494	06/30/2019	80 707 200	-	8 024 016	72 683 184
Nedbank	11.26%	05/7831/2	12/31/2019	158 556 948	-	14 458 287	144 098 661
Nedbank	9.59%	7831003878/3	06/17/2022	78 266 418	-	4 954 344	73 312 074
<b>TOTAL EXTERNAL LOANS</b>				<b>827 312 561</b>	<b>-</b>	<b>95 838 873</b>	<b>731 473 688</b>

**APPENDIX B: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**

AS AT 30 JUNE 2013

	Cost/Revaluation						
	Opening Balance	Transfers	Additions	Under Construction	Disposals	Closing Balance	
	R		R	R	R	R	
<b>LAND</b>	545 330 950	(7 151 000)	-	-	-	538 179 950	
	545 330 950	(7 151 000)	-	-	-	538 179 950	
<b>INFRASTRUCTURE</b>							
Electricity	545 893 470	-	6 640 992	8 013 354	-	560 547 816	
Roads	3 251 412 077	-	4 039 335	5 423 104	-	3 260 874 516	
Sewerage	1 354 803 721	-	2 045 543	33 697 876	-	1 390 547 141	
Water	4 320 907 405	-	3 796 281	10 449 349	-	4 335 153 035	
Security measures	17 023 680	-	598 276	-	-	17 621 956	
Pedestrian malls	23 257 790	-	-	221 000	-	23 478 790	
Airport – taxiways	360 591	-	-	-	-	360 591	
	9 513 658 735	-	17 120 428	57 804 683	-	9 588 583 845	
<b>COMMUNITY ASSETS</b>							
Beach development	32 292 287	-	161 117	-	-	32 453 404	
Cemeteries	16 816 908	-	-	637 127	-	17 454 035	
Clinics	259 212	-	-	-	-	259 212	
Community centres	12 300 404	(21 110)	394 974	1 151 220	-	13 825 489	
Fire stations	2 535 790	-	-	-	-	2 535 790	
Land main investments	54 541 111	-	-	-	-	54 541 111	
Libraries	9 725 324	-	-	226 882	-	9 952 206	
Museum	2 221 571	(2 221 571)	-	-	-	(0)	
Parks and gardens	11 124 100	-	-	-	-	11 124 100	
Public conveniences	8 057 133	-	-	-	-	8 057 133	
Recreation facilities	50 155 155	-	-	1 056 236	-	51 211 391	
Stadiums	85 791 063	-	-	-	-	85 791 063	
	285 820 058	(2 242 681)	556 091	3 071 465	-	287 204 933	
<b>HOUSING</b>	72 613 358	-	-	6 045 656	-	78 659 014	
	72 613 358	-	-	6 045 656	-	78 659 014	
<b>OTHER ASSETS</b>							
Bins and containers	4 888 697	-	-	-	-	4 888 697	
Buildings	173 253 350	-	2 420 549	391 616	-	176 065 515	
Emergency equipment	305 561	-	877 992	-	(114)	1 183 439	
Furniture and fittings	9 389 082	-	1 172 302	-	(33 191)	10 528 193	
Land main Investments	69 169 075	-	-	-	-	69 169 075	
Motor vehicles	108 450 532	-	6 595 805	872 000	(1 247 860)	114 670 477	
Office equipment	24 879 187	-	6 273 110	1 000 000	(772 884)	31 379 413	
Plant and equipment	44 780 847	272	3 152 862	-	(36 359)	47 897 621	
Watercraft	352 552	-	-	-	-	352 552	
	435 468 883	272	20 492 620	2 263 616	(2 090 408)	456 134 982	
<b>TOTAL</b>	<b>10 853 137 896</b>	<b>(7 150 729)</b>	<b>38 169 139</b>	<b>69 185 419</b>	<b>(2 090 408)</b>	<b>10 948 762 724</b>	
<b>HERITAGE ASSETS</b>							
Painting and art galleries	245 913	2 242 681	-	-	-	2 488 594	
<b>TOTAL</b>	<b>245 913</b>	<b>2 242 681</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 488 594</b>	

	Accumulated Depreciation						Disposals	Closing Balance	Carrying Value
	Opening Balance	Prior Year Error	Write up of Depreciation	Revised Opening Balance	Additions	Transfers			
	R				R		R	R	
	-				-		-	538 179 950	
	-				-		-	538 179 950	
	224 500 543	(36 448 457)	(6 285 298)	181 766 788	25 598 097	-	-	353 182 931	
	2 060 844 438	3 591 565	(4 767 949)	2 059 668 054	91 306 331	-	-	1 109 900 131	
	755 099 185	(13 886 255)	(4 393 157)	736 819 773	40 871 975	-	-	612 855 392	
	3 190 580 577	(20 272 183)	(2 763 093)	3 167 545 301	124 673 101	-	-	1 042 934 633	
	11 220 908	412 553	(880 906)	10 752 555	4 508 136	-	-	2 361 265	
	17 809 276	535 956	(638 415)	17 706 817	1 346 022	-	-	4 425 951	
	217 112	(2 337)	-	214 775	20 562	-	-	125 254	
	6 260 272 039	(66 069 158)	(19 728 818)	6 174 474 064	288 324 225	-	-	3 125 785 557	
	10 880 709	(149 311)	-	10 731 398	1 142 784	-	-	20 579 222	
	3 686 546	(1 045 180)	-	2 641 366	583 625	-	-	14 229 043	
	82 133	(431)	-	81 702	14 004	-	-	163 506	
	6 352 393	(36 354)	(49 811)	6 266 229	946 613	(12 853)	-	6 625 499	
	709 271	(11 777)	-	697 494	88 682	-	-	1 749 614	
	9 800 217	(2 955 532)	(40 588)	6 804 096	1 424 376	-	-	46 312 639	
	6 152 905	(36 653)	-	6 116 252	447 842	-	-	3 388 112	
	1 143 056	2 755	-	1 145 811	-	(1 143 056)	-	(2 755)	
	10 493 063	(451)	(233 954)	10 258 658	142 647	-	-	722 795	
	4 910 861	305 280	(94)	5 216 048	1 038 533	-	-	1 802 552	
	23 193 607	179 542	(32 272)	23 340 878	3 096 662	-	-	24 773 852	
	6 340 640	-	-	6 340 640	3 551 361	-	-	75 899 062	
	83 745 402	(3 748 112)	(356 718)	79 640 572	12 477 129	(1 155 909)	-	196 243 141	
	24 285 439	(17 776 320)	-	6 509 119	1 118 145	-	-	71 031 750	
	24 285 439	(17 776 320)	-	6 509 119	1 118 145	-	-	71 031 750	
	3 546 935	(16 479)	(284 806)	3 245 650	623 115	-	(114)	1 020 045	
	66 116 455	5 717 427	(594 205)	71 239 678	9 131 285	-	-	95 694 552	
	133 999	40	(10 817)	123 221	78 492	-	-	981 726	
	7 385 399	(221 318)	(881 015)	6 283 066	1 425 831	-	(30 506)	2 849 802	
	50 093 252	-	-	50 093 252	-	-	-	19 075 823	
	66 221 951	8 765 300	(7 860 541)	67 126 710	20 361 699	-	(1 123 528)	28 305 596	
	20 395 242	(422 677)	(3 695 636)	16 276 929	4 323 510	-	(759 378)	11 538 351	
	33 660 539	702 209	(5 098 866)	29 263 883	5 557 755	272	(36 359)	13 112 126	
	173 514	75 318	-	248 832	103 719	-	-	1	
	247 727 286	14 599 821	(18 425 886)	243 901 222	41 605 406	272	(1 949 885)	172 578 023	
	<b>6 616 030 167</b>	<b>(72 993 770)</b>	<b>(38 511 422)</b>	<b>6 504 524 976</b>	<b>343 524 904</b>	<b>(1 155 637)</b>	<b>(1 949 885)</b>	<b>4 103 818 421</b>	
	-				-		-	2 488 594	
	-				-		-	<b>2 488 594</b>	

## APPENDIX C: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2013

2012 Actual Income	2012 Actual Expenditure	2012 Surplus/ (Deficit)		2013 Actual Income	2013 Actual Expenditure	2013 Surplus/ (Deficit)
R	R	R		R	R	R
268 113	51 002 613	(50 734 500)	Executive and Council	227 912	66 703 037	(66 475 125)
26 651 607	153 560 684	(126 909 077)	Corporate Services	19 916 190	166 946 833	(147 030 643)
317 957 748	50 116 555	267 841 193	Budget and Treasury Office	317 161 102	60 856 308	256 304 794
1 981 226	19 529 903	(17 548 677)	Planning and Development	2 439 002	28 148 918	(25 709 916)
9 164 208	25 455 316	(16 291 108)	Health	9 243 777	28 015 986	(18 772 209)
6 226 360	64 037 783	(57 811 423)	Community and Social Services	6 270 166	69 288 891	(63 018 725)
2 908 541	5 477 006	(2 568 465)	Housing	9 042 400	7 613 699	1 428 701
4 970 998	75 833 837	(70 862 839)	Public Safety	12 599 882	87 118 022	(74 518 140)
4 389 931	113 330 515	(108 940 584)	Sport and Recreation	6 025 839	128 491 879	(122 466 040)
61 322 236	78 007 846	(16 685 610)	Waste Management	69 353 066	85 715 460	(16 362 394)
131 652 479	153 634 961	(21 982 482)	Waste Water Management	145 765 860	171 637 301	(25 871 441)
9 491 647	189 460 627	(179 968 980)	Road Transport	11 194 227	224 631 916	(213 437 689)
262 552 924	357 130 583	(94 577 659)	Water	340 215 099	420 795 711	(80 580 612)
997 655 968	1 026 099 372	(28 443 404)	Electricity	1 163 895 102	1 034 275 558	129 619 544
8 850 855	79 932	8 770 923	Other	2 755 260	344 956	2 410 304
1 846 044 841	2 362 757 533	(516 712 692)	Sub-total	2 116 104 884	2 580 584 475	(464 479 591)
(132 472 164)	(501 903 651)	369 431 487	Less: inter-dep charges	(43 339 917)	(456 399 536)	413 059 619
<b>1 713 572 677</b>	<b>1 860 853 882</b>	<b>(147 281 205)</b>	<b>Total</b>	<b>2 072 764 967</b>	<b>2 124 184 939</b>	<b>(51 419 972)</b>





## APPENDIX D: DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

### GRANTS AND SUBSIDIES RECEIVED

Name of Grants	Name of Organ of State	Quarterly Receipts				Total 2012/2013 as per AFS	Quarterly Expenditure		
		Sept 2012	Dec 2012	Mar 2013	June 2013		Sept 2012	Dec 2012	Mar 2013
Museum Subsidy	KZN – Dept of Education and Culture	134 000	-	-	-	134 000	292 980	272 630	325 086
Primary Health Subsidy	KZN – Dept of Health	-	1 614 000	1 614 000	1 614 400	4 842 400	4 099 551	4 350 090	4 367 879
Esikhawini Hostel refurbishment	KZN – Dept of Housing	137 948	136 053	134 515	20 339 073	20 747 588	359 395	1 715 490	2 037 052
Housing operational account	KZN – Dept of Housing	-	-	2 803 555	13 169	2 816 724	-	-	-
Public Internet access – libraries	KZN – Dept of Library Services	619 800	-	-	-	619 800	140 383	132 332	128 631
Library subsidy	KZN – Dept of Library Services	-	2 784 000	-	-	2 784 000	2 746 870	2 902 148	2 812 185
Corridor development	KZN – Dept of Co-Operative Governance and Traditional Affairs	-	-	-	-	-	56 350	1 561	850
Urban Development Framework Plan	KZN – Dept of Co-Operative Governance and Traditional Affairs	-	-	-	-	-	19 931	109 513	180 000
Extension to Richards Bay Airport	KZN – Dept of Co-Operative Governance and Traditional Affairs	-	-	1 763 629	-	1 763 629	565 836	605 670	644 048
Tourism development	KZN – Dept of Co-Operative Governance and Traditional Affairs	-	3 500 000	-	-	3 500 000	-	-	-
New and upgrading of informal trading stalls	KZN – Dept of Co-Operative Governance and Traditional Affairs	-	4 000 000	-	-	4 000 000	-	-	-
Massification Grant	KZN – Dept of Co-Operative Governance and Traditional Affairs	-	-	2 000 000	-	2 000 000	-	-	-

		Grants and Subsidies Delayed/Withheld						Reason for Delay/ Withholding of Funds	Did Your Municipality Comply with the Grant Conditions in Terms of Grant Framework in the Latest Division of Revenue Act	Reason for Non-compliance
June 2013	Total 2012/2013 as per AFS	Sept 2012	Dec 2012	Mar 2013	June 2013	Total 2012/2013 as per AFS		Yes/No		
326 543	1 217 239	-	-	-	-	-	None	Yes		
5 735 150	18 552 670	-	-	-	-	-	None	Yes		
2 131 296	6 243 232	-	-	-	-	-	None	Yes		
1 300 000	1 300 000	-	-	-	-	-	None	Yes		
129 413	530 759	-	-	-	-	-	None	Yes		
4 492 937	12 954 140	-	-	-	-	-	None	Yes		
124 856	183 617	-	-	-	-	-	None	Yes		
356 865	666 309	-	-	-	-	-	None	Yes		
442 367	2 257 921	-	-	-	-	-	None	Yes		
128 869	128 869	-	-	-	-	-	None	Yes		
27 021	27 021	-	-	-	-	-	None	Yes		
1 887 452	1 887 452	-	-	-	-	-	None	Yes		

## APPENDIX D: DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003 (continued)

### GRANTS AND SUBSIDIES RECEIVED (continued)

Name of Grants	Name of Organ of State	Quarterly Receipts				Total 2012/2013 as per AFS	Quarterly Expenditure		
		Sept 2012	Dec 2012	Mar 2013	June 2013		Sept 2012	Dec 2012	Mar 2013
Institutional support (water conservation and demand management project)	Nat – Dept of Water Affairs	-	-	-	-	-	129 707	291 494	198 286
Accelerated Infrastructure Programme	Nat –Dept of Water Affairs			-	-	-	-	75 700	-
Regional bulk water projects	Nat – Dept of Water Affairs	(1 500 000)	-	-	-	(1 500 000)	-	-	-
Cleanest Town Award	Nat – Dept of Water Affairs	-	-	-	-	-	121 953	111 531	62 432
Municipal Infrastructure Grant	National Treasury	39 798 000	14 064 000	32 755 000	-	86 617 000	7 198 697	20 824 232	2 539 677
Financial Management Grant	National Treasury	1 500 000	(596 000)	-	-	904 000	220 382	1 027 268	222 322
Municipal Systems Improvement Grant (MSIG)	National Treasury	800 000	(789 000)	-	-	11 000	244 403	926 833	309 243
Equitable share	National Treasury	74 641 000	59 713 000	44 785 000	-	179 139 000	-	-	-
Extended Public Works Programme	National Treasury	400 000	300 000	300 000	-	1 000 000	-	-	21 709
Infrastructure Skills Development Grant	National Treasury	500 000	-	2 500 000	-	3 000 000	-	76 670	1 520 302
Energy management	National Treasury	-	6 000 000	2 000 000	-	8 000 000	-	-	58 204
Bus shelters and laybys	uThungulu District Municipality	-	207 384	-	-	207 384	97 341	-	-
Capacity building	uThungulu District Municipality	-	-	-	-	-	-	121 772	-
Hosting of SMME Fair	uThungulu District Municipality	-	-	-	-	-	9 500	6 000	33 003
Environmental health services	uThungulu District Municipality	-	-	-	4 603 259	4 603 259	2 119 635	2 238 899	2 329 289

		Grants and Subsidies Delayed/Withheld						Reason for Delay/ Withholding of Funds	Did Your Municipality Comply with the Grant Conditions in Terms of Grant Framework in the Latest Division of Revenue Act	Reason for Non-compliance
June 2013	Total 2012/2013 as per AFS	Sept 2012	Dec 2012	Mar 2013	June 2013	Total 2012/2013 as per AFS		Yes/No		
217 170	836 656	-	-	-	-	-	None	Yes		
-	75 700						None	Yes		
-	-						None	Yes		
68 835	364 751		-	-	-	-	None	Yes		
14 091 020	44 653 626	-	-	-	-	-	None	Yes		
30 033	1 500 005	-	(596 000)	-	-	(596 000)	Grant unspent as at 2010/2011	Yes		
(-1 105 348)	375 131		(789 000)	-	-	(789 000)	Grant unspent as at 2010/2011	Yes		
-	-						None	Yes		
982 206	1 003 915						None	Yes		
2 181 828	3 778 800						None	Yes		
1 258 484	1 316 688						None	Yes		
-	97 341	-	-	-	-	-	None	Yes		
	121 772	-	-	-	-	-	None	Yes		
-	48 503	-	-	-	-	-	None	Yes		
2 669 503	9 357 326	-	-	-	-	-	None	Yes		







CITY OF  
**uMHLATHUZE**  
VISION INTO ACTION

#### City of uMhlathuze Contact Details

##### Richards Bay Office

Tel: +27 (0) 35 907 5000  
Fax: +27 (0) 35 907 5444/5

##### Empangeni Office

Tel: +27 (0) 35 907 5000  
Fax: +27 (0) 35 792 5750

##### Sub Offices

eSikhaleni – Tel: +27 (0) 35 907 5855  
eNseleni – Tel: +27 (0) 35 907 5875  
Ngwelezane – Tel: +27 (0) 35 907 5829  
Vulindlela – Tel: +27 (0) 35 907 5816

##### Main Address

Private Bag X1004, Richards Bay, 3900  
Email: [reg@umhlathuze.gov.za](mailto:reg@umhlathuze.gov.za) | Web: [www.umhlathuze.gov.za](http://www.umhlathuze.gov.za)

##### Physical Address

Head Office: 5 Mark Strasse, Richards Bay  
Empangeni Office: Union Street, Empangeni