

# **MTHONJANENI MUNICIPALITY**



# **MTHONJANENI MUNICIPALITY**

**2021/2022 FINANCIAL YEAR  
FINAL INTEGRATED DEVELOPMENT PLAN**

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## Mayor's foreword

During the 2021/2022 financial year we will continue to render services to all our communities as they entrusted us. The cooperation amongst the political leadership, administration and our community has seen us moving a step forward in ensuring that we take decisions as per the expectations of the people that we serve.

The allocation we receive is very small when compared to the area we have to service and the needs of the community as raised from our IDP. We will continue with the following INEP and MIG Projects for this financial year:

### INEP Projects

Ward	Project Name	Planned connections
1	Ngekwane area	75
2	Thubalethu Extension	608
3	Ofankomo area	25
4	Kataza area	50
5	Umhlathuze area	25
6	Dubeni area	25
8	Inkisa area	25
12	Ntombokazi area	50
13	Sangoyana area	25

### MIG projects

Ward	Project name
1	Mahhehhe Creche
3	Njomelwane Community Hall
8	Ndundulu Gravel Road
9	Makhubalo Gravel Road
12	Ntilingwane Gravel Road
13	Sangoyane sports field

We understand quite well that the rate of poverty and unemployment within our communities is very high. It is for this reason that we try to improve the standard of living of our people. The EPWP job opportunities have assisted our communities in ensuring that they are able to feed their families.

Our country is still in the hard time due to Covid-19 as we are coming from the second wave, which affects many of us negatively as we lost our loved ones and the loss of jobs.

I would also like thank all Mthonjaneni staff that has been in the front line of the fighting the COVID 19 Pandemic, which became a success in ensuring that our people are safe from this virus.

As the municipality, we have received the MEC comments on the previous IDP and have been addressed in the current Integrated Development Plan.

I would love to thank the leadership and the administration, led by our municipal manager, for the hard work and co-operation in ensuring that we strive to make the lives

of our people to be better every day. We are the municipality that put our people first as they are the ones who voted us. We are therefore dedicated to ensure that the standard of living of our people is improved.

Trust us ....we are really committed in service delivery and improving the lives of our people.

Thank you.

### 1.2 Legislative and Policy Framework

#### 1.1.1 The Constitution

Section 152 Objects of local government:

- a) to provide democratic and accountable government for local communities;
- b) to ensure the provision of services to communities in a sustainable manner;
- c) to promote social and economic development;
- d) to promote a safe and healthy environment; and
- e) to encourage the involvement of communities and community organizations in the matters of local government

#### 1.1.2 The Municipal Structures Act

The act was developed to provide for the establishment of municipalities in accordance with the requirements relating to categories and types of municipality; to establish criteria for determining the category of municipality to be established in an area; to define the types of municipality that may be established within each category; to provide for an appropriate division of functions and powers between categories of municipality; to regulate the internal systems, structures and office-bearers of municipalities; to provide for appropriate electoral systems; and to provide for matters in connection therewith. Of importance in the context of this legislation is the following:

- a) A local municipalities within the area of the municipality must co-operate with one another by assisting and supporting each other;
- b) A local municipality may provide financial, technical or administrative support services to another local municipality within the area of the same municipality to the extent that it has the capacity to provide those support services, if the municipality or that local municipality so requests; and
- c) The MEC for local government in a province must assist a municipality to provide support services to a local municipality.

#### 1.1.3 The Municipal Systems Act

Chapter 5 of this Act provides for the preparation of IDP. S. S26(e) lists an SDF as a core component of an IDP and requires that the SDF provides basic guidelines for a municipal land use management system.

Local Government: Municipal Planning and Performance Management Regulations (GN R796 of 2001)

S2(4) requires that an SDF should:

- Give Effect To The DFA Principles;
- Set Out Objectives That Reflect The Desired Spatial Form Of The Municipality;

- Contain Strategies And Policies To Achieve The Objectives And Which Should Indicate Desired Patterns Of Land Use;
- Address The Spatial Reconstruction;
- Provide Strategic Guidance Regarding The Location And Nature Of Development;
- Set Out Basic Guidelines For A Land Use Management System In The Municipality;
- Set Out A Capital Investment Framework For The Municipality's Development Programs;
- Contain A Strategic Assessment Of The Environmental Impact Of The SDF;
- Identify Programs And Projects For The Development Of Land Within The Municipality;
- Be Aligned With The Spatial Development Frameworks Reflected In The Integrated Development Plans Of Neighbouring Municipalities;
- And Provide A Plan Of The Desired Spatial Form Of The Municipality, Which Should:
- Indicate Where Public And Private Land Development And Infrastructure Investment Should Take Place;
- Indicate Desired Or Undesired Utilisation Of Space In A Particular Area;
- Delineate An Urban Edge;
- Identify Areas For Strategic Intervention; and
- Indicate Priority Spending Areas.

#### **1.1.4 The Spatial Planning and Land Use Management Act (Act No.16 Of 2013)**

The role of local government in spatial planning has been re-energized through the introduction of the Spatial Planning and Land Use Management Act No. 16 of 2013 (commonly known as SPLUMA). The intention of this national legislation is to introduce the norms and standards for spatial planning and to specify the relationship between spatial planning and land use management. This is intended to create uniformity and consistency on the manner in which both spatial planning and land use management is practiced within the whole country. Chapter 4 of SPLUMA stipulates the need to prepare Spatial Development Frameworks (SDFs) by all municipalities including the Districts. Part D (19) stipulates that the Regional Spatial Development Framework must cover the following minimum issues:

- a) Give effect to the development principles and applicable norms and standards set out in Chapter 2;
- b) Give effect to national and provincial policies, priorities, plans and planning legislation;
- c) Reflect the current state of affairs in that area from a spatial and land use perspective of the region;
- d) Indicate desired patterns of land use in that area;
- e) Provide basic guidelines for spatial planning, land development and land use

management in that area;

f) Propose how the framework is to be implemented and funded; and

g) Comply with environmental legislation.

The preparation of the Mthonjaneni local municipality SDF is guided by the following spatial principles listed under Chapter 2 of the SPLUMA legislations:-

**a) Spatial Justice:** Ensures equitable distribution and increase access to social infrastructure and addresses the injustices of the past.

**b) Spatial Sustainability:** Ensures protection of agricultural prime land and uphold consistency of land use measures in accordance with environmental management instruments; promote and stimulate the effective and equitable functioning of land markets; consider all current and future costs to all parties for the provision of infrastructure and social services in land developments; promote land development in locations that are sustainable and limit urban sprawl; and result in communities that are viable.

**c) Spatial Efficiency:** which ensures that land development optimizes the use of existing resources and infrastructure; decision-making procedures are designed to minimize negative financial, social, economic or environmental impacts; and development application procedures are efficient and streamlined and timeframes are adhered to by all parties

**d) Spatial Resilience:** promote flexibility in spatial plans, policies and ensure that land use management systems accommodate sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks.

**e) Good Governance:** Ensures that all spheres of government carry-out an integrated approach to land use and land development that is guided by the spatial planning and land use management systems. The preparation and amendment of spatial plans, policies, land use schemes as well as procedures for development applications, to include transparent processes of citizen participation and all parties to have the opportunity to provide inputs on matters affecting them; and policies, legislation and procedures must be clearly set out and inform and empower citizens.

- develop an argument or approach to the development of the area of jurisdiction which is clear enough to allow decision-makers to deal with the unexpected (for example, applications from the private sector);
- develop a spatial logic which guides private sector investment. This logic primarily relates to establishing a clear hierarchy of accessibility;
- ensure the social, economic and environmental sustainability of the area;
- establish priorities in terms of public sector development and investment; and
- identify spatial priorities and places where public-private partnerships are a possibility.

S51 (1) further requires and local municipalities to align their spatial development frameworks and land use schemes as required by the MSA.



### **1.1.5 The Municipal Finance Management Act**

To secure sound and sustainable management of Municipal financial affairs, and in particular the management and disposal of public assets, particularly land.

Subdivision of Agricultural Land Act 70 of 1970

Application Regulations regarding the subdivision of agricultural land for development within a municipality:

Subject to the provisions of section 2 a Surveyor-General shall only approve a general plan or diagram relating to a subdivision of agricultural land

Any subdivision of any land in connection with which a surveyor has completed the relevant survey and has submitted the relevant sub-divisional diagram and survey records for examination and approval to the surveyor-general concerned prior to the commencement of this Act.<sup>l</sup>

A Registrar of Deeds shall only register the vesting of an undivided share in agricultural land referred to in section 3 (b), or a part of any such share referred to in section 3 (c), or a lease referred to in section 3 (d) or, if applicable, a right referred to in section 3 (e) in respect of a portion of agricultural land, if the written consent of the Minister in terms of this Act has been submitted to him.

(b) no undivided share in agricultural land not already held by any person, shall vest in any person;

(c) no part of any undivided share in agricultural land shall vest in any person, if such part is not already held by any person;

(d) no lease in respect of a portion of agricultural land of which the period is 10 years or longer, or is the natural life of the lessee or any other person mentioned in the lease, or which is renewable from time to time at the will of the lessee, either by the continuation of the original lease or by entering into a new lease, indefinitely or for periods which together with the first period of the lease amount in all to not less than 10 years, shall be entered into;

(e) (i) no portion of agricultural land, whether surveyed or not, and whether there is any building thereon or not, shall be sold or advertised for sale, except for the purposes of a mine as defined in section 1 of the Mines and Works Act, 1956 (Act 27 of 1956); and

(ii) no right to such portion shall be sold or granted for a period of more than 10 years or for the natural life of any person or to the same person for periods aggregating more than 10 years, or advertised for sale or with a view to any such granting, except for the purposes of a mine as defined in section 1 of the Mines and Works Act, 1956;

[Para. (e) Substituted by s. 2 of Act 12 of 1979 and by s. 2 (1) (a) of Act 33 of 1984.]

### **1.1.6 National Environmental Management Act No.107 Of 1998**

The SDF promotes (4) (a) Sustainable development, which requires the consideration of all relevant factors including the following:

i. That the disturbance of ecosystems and loss of biological diversity are avoided, or, where they cannot be altogether avoided, are minimised and remedied;

- ii. that pollution and degradation of the environment are avoided, or, where they cannot be altogether avoided, are minimised and remedied;
  - iii. that the disturbance of landscapes and sites that constitute the nation's cultural heritage is avoided, or where it cannot be altogether avoided, is minimised and remedied;
  - iv. that waste is avoided, or where it cannot be altogether avoided, minimised and reused or recycled where possible and otherwise disposed of in a responsible manner;
  - v. that the use and exploitation of non-renewable natural resources is responsible and equitable, and takes into account the consequences of the depletion of the resource;
  - vi. that the development, use and exploitation of renewable resources and the ecosystems of which they are part do not exceed the level beyond which their integrity is jeopardised;
  - vii. that a risk averse and cautious approach is applied, which takes into account the limits of current knowledge about the consequences of decisions and actions; and
  - viii. That negative impacts on the environment and on people's environmental rights be anticipated and prevented, and where they cannot be altogether prevented, are minimised and remedied.
- (d) Equitable access to environmental resources, benefits and services to meet basic human needs and ensure human wellbeing must be pursued and special measures may be taken to ensure access thereto by categories of persons disadvantaged by unfair discrimination.
- (f) The participation of all interested and affected parties in environmental governance must be promoted, and all people must have the opportunity to develop the understanding, skills and capacity necessary for achieving equitable and effective participation, and participation by vulnerable and disadvantaged persons must be ensured.
- (g) Decisions must take into account the interests, needs and values of all interested and affected parties, and this includes recognising all forms of knowledge, including traditional and ordinary knowledge.
- (h) Community wellbeing and empowerment must be promoted through environmental education, the raising of environmental awareness, the sharing of knowledge and experience and other appropriate means.
- (p) The costs of remedying pollution, environmental degradation and consequent adverse health effects and of preventing, controlling or minimising further pollution, environmental damage or adverse health effects must be paid for by those responsible for harming the environment.
- (q) The vital role of women and youth in environmental management and development must be recognised and their full participation therein must be promoted.
- (r) Sensitive, vulnerable, highly dynamic or stressed ecosystems, such as coastal shores, estuaries, wetlands, and similar systems require specific attention in management and planning procedures, especially where they are subject to significant human resource usage and development pressure.

### **1.1.7 Provincial Growth and Development Strategy (PGDS 2035)**

The provincial Government has developed its own Growth and Development Strategy, which is closely aligned to both the Millennium Development Goals and national development goals in 2011. The PGDS is essentially a tool through which the provincial government can address the legacies of the apartheid space economy, promote sustainable development and ensure poverty eradication and employment creation.

The Provincial Vision is indicated as:

*By 2035, the PROVINCE OF KWAZULU-NATAL should have maximized its position as a GATEWAY to South and Southern Africa, as well as its human and natural resources so creating a safe, healthy and sustainable living environment.*

*Abject poverty, inequality, unemployment and current disease burden should be history, basic services must have reached all its people, domestic and foreign investors are attracted by world class infrastructure and a skilled labour force.*

*The people shall have options on where and how they opt to live, work and play, where the principle of putting people first and where leadership, partnership and prosperity in action has become a normal way of life.*

This PGDS provides KwaZulu-Natal with a reasoned strategic framework for accelerated and shared economic growth through catalytic and developmental interventions, within a coherent equitable spatial development architecture, putting people first, particularly the poor and vulnerable, and building sustainable communities, livelihoods and living environments. Concomitant attention is also given to the provision of infrastructure and services, restoring the natural resources, public sector leadership, delivery and accountability, ensuring that these changes are responded to with resilience, innovation and adaptability. This will lay the foundations for attracting and instilling confidence from potential investors and developing social compacts that seek to address the inter-connectedness of the Provincial challenges in a holistic, sustainable manner, whilst nurturing a populous that is productive, healthy and socially cohesive.

The purpose of the 2016 KZN PGDS is to:

- Be the primary strategy for KwaZulu-Natal that drives growth and development in the Province to 2035;
- Mobilize and synchronize strategic plans and investment priorities of all spheres of government, state owned entities, business, higher education institutions, labour, civil society and all other social partners towards achieving the desired growth and development goals, objectives and outcomes;
- Spatially contextualize and prioritize interventions so as to achieve greater spatial equity;
- Develop clearly defined institutional arrangements ensuring decisive leadership, robust management, implementation and on-going reviewing of the growth and development plan.

### **1.1.8 LED Strategy**

The Mthonjaneni Municipality Local Economic Development strategy (2003) has a number of set objectives, strategies and principles that needs to be considered during the development of the SDF. These are briefly discussed in the sections below.

Mthonjaneni LED strategy has the following overall objectives to be achieved.

Table 1: LED Strategy Objectives

<b>Reduction in income leakage</b>	Ensure spendable income is utilised within itself.
<b>To increase investment (Local and external)</b>	Investment in tourism, agriculture and business is to be promoted
<b>To promote local business development and business interaction</b>	Interaction between businesses will contribute to countering income leakage and establishing a new vibrancy in the economy.
<b>To increase entrepreneurial opportunities and employment</b>	All the objectives need to be supported by a strong focus on entrepreneurial development, micro and small business establishment, and employment creation through appropriate support mechanisms.

### Principles

In addition to the above mentioned objectives, the following principles needs to be considered during development of the Mthonjaneni Spatial Development Framework.

Table 2: LED Strategy Principles

<b>Process approach:</b>	Local economic development is a process and the planning for implementation should consider the logical steps involved in such a process, i.e. a focus on small scale community tourism if tourists cannot be attracted to the area will not be sustainable.
<b>Sustainability</b>	Local economic development processes should be economically, socially and environmentally sustainable, e.g. the impact of coal mining on the environment and specifically on tourism needs to be considered, because it is makes economic sense does not suggest that it is sustainable.
<b>Collaborative effort / Coordination</b>	The Municipality views economic development as a collaborative effort in which a wide range of stakeholders have a role to fulfil. The successful implementation of the strategies will be dependent on all stakeholders fulfilling its specific role in a coordinated fashion.
<b>Market based</b>	Support for new economic development ventures will be based on a clearly defined market for the products / services which the venture will deliver.
<b>Integration</b>	Integration of existing and new economic development ventures is essential. The upstream and downstream impact of ventures within the needs to be considered. The impact of ventures should not be considered in isolation.

## Strategies

The sector specific strategies relating to the municipality are outlined in the table below:

Table 3: LED Strategy – Strategies (Source: LED Strategy revised 2015)

<b>Strategies</b>	<ol style="list-style-type: none"><li>1. Establishing LED institutions and processes</li><li>2. Changing attitudes</li><li>3. Addressing the fundamentals</li><li>4. Raising the profile of the region</li><li>5. Improving and Promoting Access</li><li>6. Visible Delivery</li></ol>
<b>Business Strategies</b>	<ol style="list-style-type: none"><li>1. Institutional structuring for delivery</li><li>2. Capacity building and training</li><li>3. Establishing/building agri-industries</li><li>4. Establishing small scale mining</li><li>5. Municipal business strategies</li></ol>
<b>Agriculture Strategies</b>	<ol style="list-style-type: none"><li>1. Institutional structuring for agricultural delivery</li><li>2. Sustainable land reform</li><li>3. Improved market access for agricultural produce</li><li>4. Visible delivery in agricultural sector</li><li>5. Municipal agricultural strategies</li></ol>
<b>Tourism Strategies</b>	<ol style="list-style-type: none"><li>1. Institutional structuring for tourism</li><li>2. Tourist information inside the District</li><li>3. Tourist information outside the District</li><li>4. Making tourists feel safe and welcome</li><li>5. Community tourism</li><li>6. Visible tourism delivery</li><li>7. Municipal tourism strategies</li></ol>

The above strategies are summarised and depicted on the diagram below:

	INSTITUTIONS	FUNDAMENTALS	MARKETING	ACCESS	DELIVERY	SUMMARY: STRATEGY MATRIX
OVERALL	Establishing LED Institutions and Processes	Changing Attitudes Addressing the Fundamentals	Raising the Profile of the Region	Improving and Promoting Access	Visible Delivery	
BUSINESS	Institutional Structuring for Business	Capacity Building and Training	Raising the Profile of the Region	Improving and Promoting Access	Establishing/building agri-industries Establishing Small Scale Mining	
AGRICULTURE	Institutional Structuring for Agriculture	Sustainable Land Reform	Raising the Profile of the Region	Improving and Promoting Access Market Access for Agricultural Produce	Visible Agricultural Delivery	
TOURISM	Institutional Structuring for Tourism	Making Tourists Feel Safe and Welcome	Raising the Profile of the Region Tourism Information Outside District	Improving and Promoting Access Tourism Information Inside the Region	Visible Tourism Delivery Community Tourism	

Figure 1: Integrated LED Strategy (Source: Mthonjaneni LED Strategy)

### 1.1.9 Framework for Managing Programme Performance Information

This Framework aims to:

- Clarify definitions and standards for
- Performance information in support of regular
- Audits of such information where appropriate
- Improve integrated structures, systems and
- Processes required to manage performance information
- Define roles and responsibilities for managing performance information
- Promote accountability and transparency by providing parliament, provincial legislatures,
- Municipal councils and the public with timely, accessible and accurate performance information.

### 1.2 Who are we?

Melmoth is a small municipality situated in the north coast of KZN with a population of 83563 (CS: 2011/2016). The town was established in the Mthonjaneni after the invasion of Mthonjaneni by United Kingdom in 1887 and was named after Sir Melmoth Osborn. Large wattle plantations were set up and wattle bark factory was established in 1926. There is also planted with sugarcane and forestry on the outskirts of the town into

surrounded areas. The government funded hospital in Melmoth is St Mary's hospital KwaMagwaza that caters for people of Melmoth and surrounding areas.

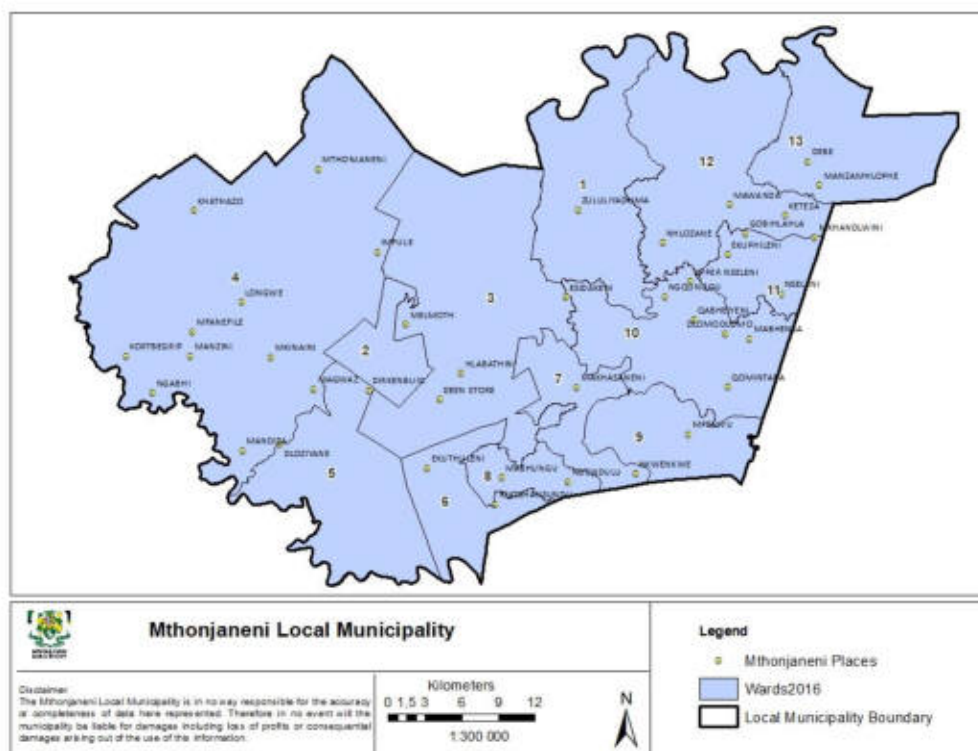


Figure 2: A Map of Mthonjaneni Local Municipality (Source: GIS Mthonjaneni)

The Council of Mthonjaneni Municipality in partnership with the Department of Arts and Culture resolved, during the process of renaming of most areas that were named during apartheid regime, after engaging in renaming process through public participation both entities unanimously agreed to change the name of Melmoth to Mthonjaneni. The town is now officially called Mthonjaneni. Mthonjaneni Municipality is located in the central north eastern part of the province of KwaZulu Natal.

Mthonjaneni Municipality (KZN285) is one of the five local municipalities that make up King Cetshwayo (KCD). There are 5 other local municipalities that form KCDM are Mfolozi (KZN281), uMhlathuze (KZN282), uMlalazi (KZN284) and Nkandla (KZN286). The Mthonjaneni Municipality consist of 13 wards as per the new demarcations after the 2016 Local Government Elections.



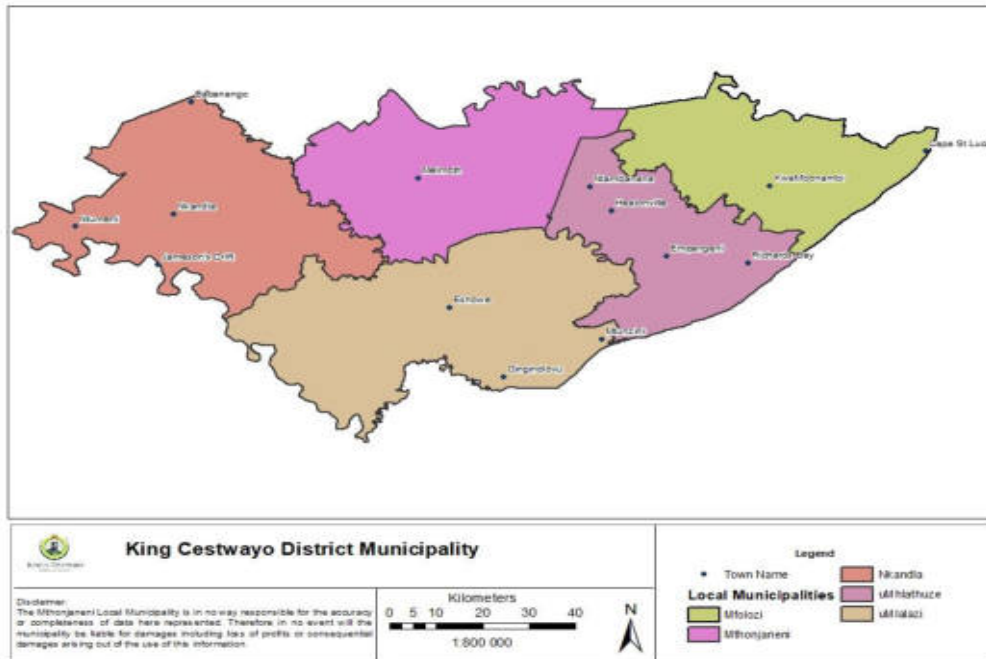


Figure 3: A map of King Cetshwayo District Municipality (Source: GIS Mthongweni)

King Cetshwayo is a municipality situated in the north eastern region of KwaZulu-Natal province on the eastern seaboard of South Africa. King Cetshwayo covers an area of approximately 8213 square kilometres, from the agricultural town of Gingindlovu in the south to the uMfolozi river in the north and inland to the mountainous beauty of rural Nkandla.

It comprises of economic activity centre which was previously known as Melmoth Town which serves as the Central Place Town for its surrounding rural areas. The larger part of the areas that forms the sphere of influence of Mthongweni is deep rural with the majority of the people ranging from low to middle income earners. Most of the area under Mthongweni Municipality is owned by Ingonyama Trust under the leadership of INkosi Biyela of Obuka, INkosi Zulu of Ntembeni and INkosi Biyela of Yanguye. Part of the area is privately owned with vast areas being owned by white farmers.

Mthongweni is a member of Tourism Association Agency Route 66 which comprises of all municipalities that are linked by R66 in their economic and tourism activities. Route 66 members include Gingindlovu, Eshowe, Mthongweni, Ulundi, Nongoma and Pongola. Mthongweni is the gateway to Mthongweni and major economic active provinces in RSA which is Mpumalanga Province and Gauteng through R66 route.

Mthongweni Municipality experiences warm humid climate with more rainfall being experienced during the summer season. This becomes the favouring factor towards agricultural production. Forests and sugarcane production are the major commercial agricultural practices and livestock farming which is mostly subsistence in most surrounding rural areas.

There are currently three Traditional Authority areas within the Mthongweni Municipality. All these Traditional Authority areas are solely owned by Ingonyama Trust.



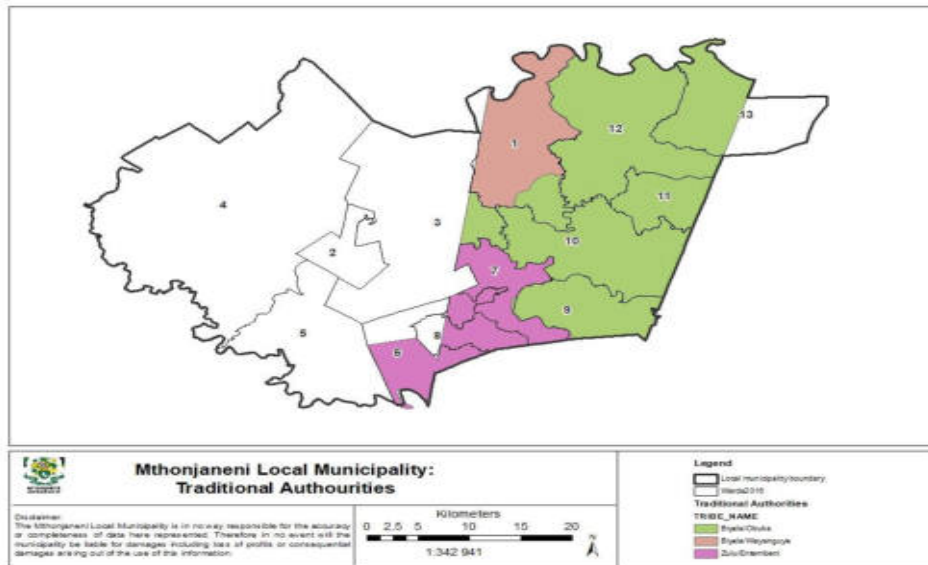


Figure 4: A map showing Traditional Authorities (Source: GIS Mthonjaneni)

The Biyela-KwaYanguye Traditional Authority is located to the north-east of the municipality and incorporates the KwaYanguye area and surrounding settlements.

The Zulu-Entembeni Traditional Authority is located to the south-east of the municipality and incorporates Makasaneni and Ndundulu and surrounding settlements.

The Biyela-Obuka Traditional authority is located towards the East of the municipality and incorporates areas like Sqhomaneni, Upper Nseleni and other surrounding rural settlements.

### 1.3 What are our key challenges?

- Minimum Job Opportunities to the population with dependency on the agricultural sector for employment opportunities. Whilst there is opportunity to develop other development sectors including the service sector, Industry and commercial sectors.
- Unresolved Land claims that impact on future development.
- Limited access to basic household and community services.
- Increased incidents of HIV/AIDS and communicable diseases.
- High rate of unemployment which leads to poverty and low economic growth.
- Depletion of infrastructure due to variations in climatic conditions.
- High rate of illiteracy resulting to majority of people employed as cheap labour.
- The projections indicate that approximately 3, 1 % of households (317) within the municipal area, are in the homeless and informal dwelling/shack category.

### 1.4 What are we going to do to address our key challenges?

Through the implementation of the Integrated Development Plan the Municipality wants to:

Improve livelihoods of our communities through the following programs:

- Implementation of EPWP programme and the food for waste programme,
- Implementing of Operation Sukuma Sakhe,
- Educational support to youth at tertiary level,
- Implementation of skills development programs,

- Youth empowerment through Local Economic Development.
- Focus will be made on Labour Intensive Capital Projects

The municipality intends to provide quality services to all residents through:

- Enhance communication channels between the municipality and the community through Public Participation and IDP review processes,
- improve and maintain infrastructure
- Maintenance of financial viability.
- Strengthen Public Consultation.
- Provision of infrastructure in rural wards by allocating 60% of the MIG grant.

The Municipality will deliver directly those services it is mandated to deliver and as the level of government closest to the people, will ensure the coordinated delivery of infrastructure and services by all other line function departments.

### 1.5 Municipal Vision

After Local Government Elections in 2016 the council proposed the strategic direction for the municipality for the next five (5) years. This was done after considering the challenges that the municipality is faced with and taking into cognizance the current status quo of the Municipality in terms of Service Delivery targets. The vision and Mission as per council strategic priorities is as follow:

<p style="text-align: center;"><b>Municipal vision:</b></p> <p><i>Excelling in service delivery and good governance to all our communities ....TRUST US.</i></p>
<p style="text-align: center;"><b>Municipal Mission:</b></p> <p><i>Committed in creating a stable and secure environment and service delivery to all our communities.</i></p>

### 1.6 How was this plan developed?

The fifth generation IDP was developed with special consideration to the following aspects:

- Development of new council strategic agenda for long term aligned to NDP and PGDS;
- Development and review of IDP core sector plans;
- Implementation of the Economic Transformation Roadmap for Mthonjaneni Municipality;
- Alignment with Government Priorities e.g. State of the Nation Address, KZN State of the Province Address, NDP, PGDP, DGDP etc.;
- Community inputs received during the community consultative programs (IDP Road shows);
- MEC Letter with assessment comments on the Final IDP Review 2020/2021;
- Different stakeholder comments and requirements; and
- Legislative compliance in terms of chapter, 4, 5 and 6 of MSA Act No 32 of 2000

Council engaged with all relevant stakeholders to collect views and inputs for the Mthonjaneni Fifth Generation IDP (2017/2022). Below is council approved schedule for the public participation meetings held in November 2020, further engagements will be held in April 2021 for the Draft Review of IDP and Budget.

Table 4: 1st Round IDP Public Participation Meetings

Dates	Wards	Venue	Time
03 November 2020	8	Siyavuna Community Hall	10h00
		Ndundulu Community Hall	13h30
05 November 2020	6	Mehlamasha Community Hall	10h00
		Ntandokazi Sports Field	13h30
06 November 2020	6	Ntembeni Sports Field	10h00
16 November 2020	13	Debe Community Hall	10h00
		Maduma Community Hall	13h30
17 November 2020	12	Mawanda Community Hall	10h00
		Ntombokazi Community Hall	13h30
18 November 2020	11	Mabhula Creche	10h00
		Obuka Tribal Court	13h30
19 November 2020	10	Mabhensa Community Hall	10h00
		Siyethemba Community Hall	13h30
20 November 2020	5	Mfanefile Community Hall	10h00
		Mgabhi Church	13h30
23 November 2020	9	Mkhwakhwini Community Hall	10h00
		Mpevu Community Hall	13h30
24 November 2020	7	Makhasaneni Community Hall	10h00
		KwaGcongco	13h30
25 November 2020	1	KwaSanguye Tribal Court	10h00
		Ilumbi Community Hall	13h30
25 November 2020	2	Thubalethu Community Hall Phase 1,2,3	17h00
26 November 2020	2	Thubalethu community hall Phase 4&5	17h00
27 November 2020	3	Njomelwane crèche	10h00
		Mkhindini P. Centre	13h30
30 November 2020	4	Mfule Community Hall	10h00
		Thunzini P. Centre	13h30
30 November 2020	2&3 (CBD)	Melmoth Town Hall	18h00

Table 5: Second Round IDP/Budget Road shows

Dates	Wards	Venue	Time
21 May 2021	All Wards	Melmoth Sport Field	10:00

## 1.7 Population Profile

According to the latest census that was conducted, there was a total population of 83 563 people residing in municipal area of jurisdiction. According to the 2016 census there is an increase in the total population which is a result of the wards that were inherited from Ntambanana municipality. Males constitute 45.8% with 54.2% females. This reflects that the percentage of the females is 8.4% greater than that of the males.

Table 6: Gender by population per ward (Source: Statsa census 2011/2016)

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Ward 10	Ward 11	Ward 12	Ward 13	Total
Male	3 496	3 254	2 898	2 822	2 878	2 908	3 481	1 609	3 244	3 815	2 375	3 407	2 069	38 257
Female	4 427	3 607	3 414	2 948	3 263	3 483	4 041	1 963	3 758	4 693	2 778	4 439	2 489	45 306
Total	7 923	6 861	6 312	5 770	6 142	6 392	7 522	3 573	7 003	8 509	5 152	7 846	4 558	83 563

## 1.8 Economic Profile

The 2011 statistics reflect that a large amount of people in Mthonjaneni area of jurisdiction are either unemployed or discouraged work seekers. The majority of those who are employed are low income earners. A high percentage of the households depend on government social grants as means of poverty alleviation. There is a large labour force employed by farms around Mthonjaneni and earn very low salaries.

## 1.9 Official employment

Table 7: Employment Statistics per ward (Source: Statsa census 2011/2016)

The table below shows the number of persons in the respective municipal wards that are employed and unemployed.

	<b>Employed</b>	<b>Unemployed</b>	<b>Discouraged work-seeker</b>	<b>Other not economically active</b>	<b>Not applicable</b>	<b>Total</b>
KZN285	9639	4771	4364	27311	37477	83563
Ward 1	370	574	477	2470	4032	7923
Ward 2	2227	715	260	1464	2196	6861
Ward 3	1968	268	203	1488	2385	6312
Ward 4	1995	204	266	1239	2067	5770
Ward 5	288	247	324	2381	2902	6142
Ward 6	225	644	299	2129	3095	6392
Ward 7	432	153	378	2982	3577	7522
Ward 8	290	400	185	1038	1660	3573
Ward 9	495	180	251	2782	3295	7003
Ward 10	534	296	698	2949	4032	8509
Ward 11	277	425	113	2015	2323	5152
Ward 12	291	370	604	2873	3708	7846
Ward 13	247	295	307	1502	2206	4558

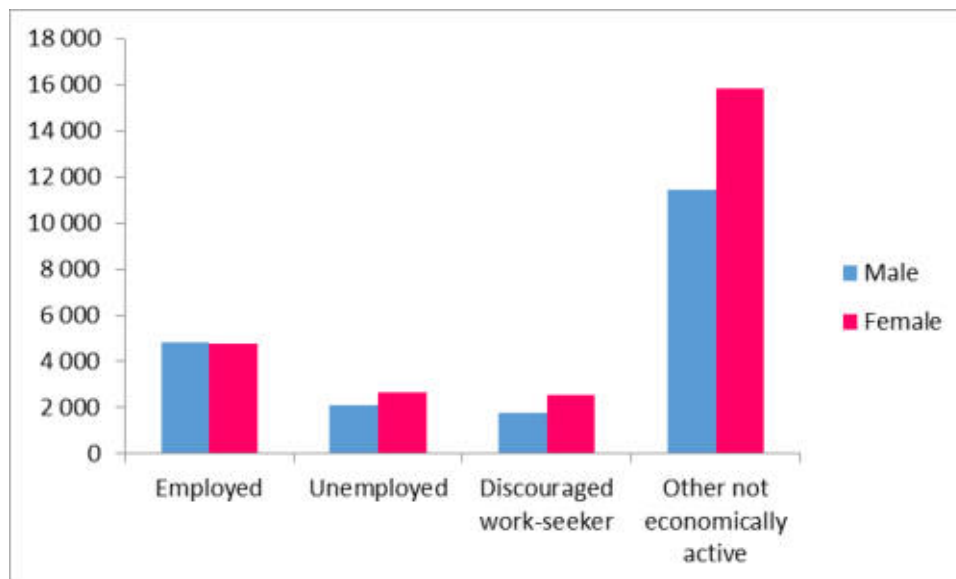


Figure 5: Employment by Gender (Source: StatSA census 2011/2016)

Figure 5 above indicate that in all categories, with an exception of employed group, there are more females than males. The majority falls on the other not economically active and the population of discouraged work seekers does not hold a significant percentage.

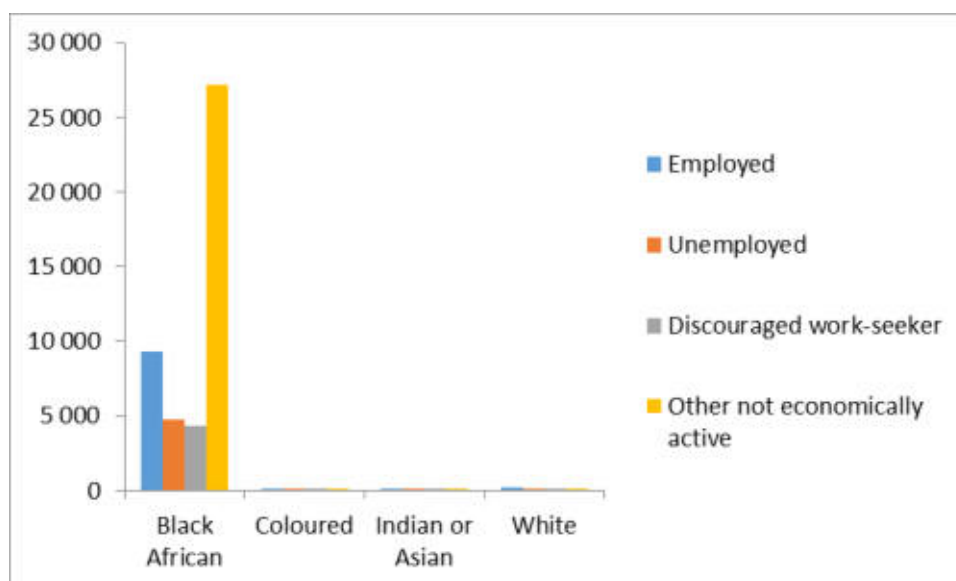
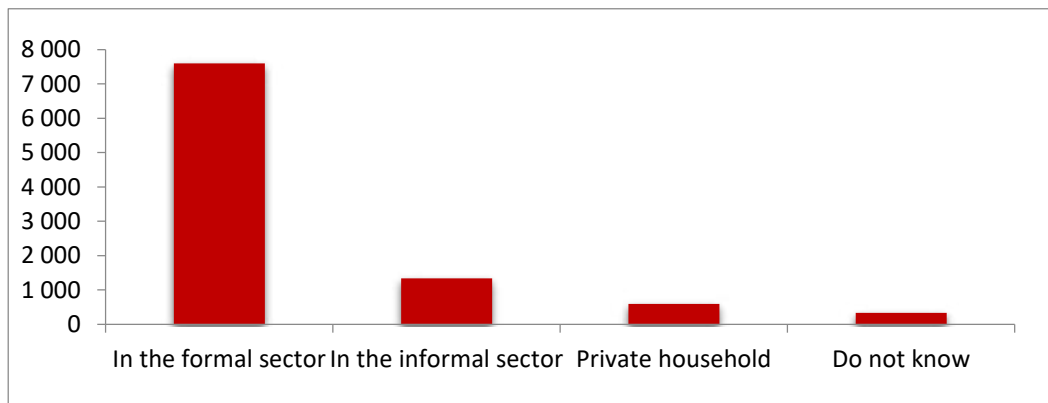


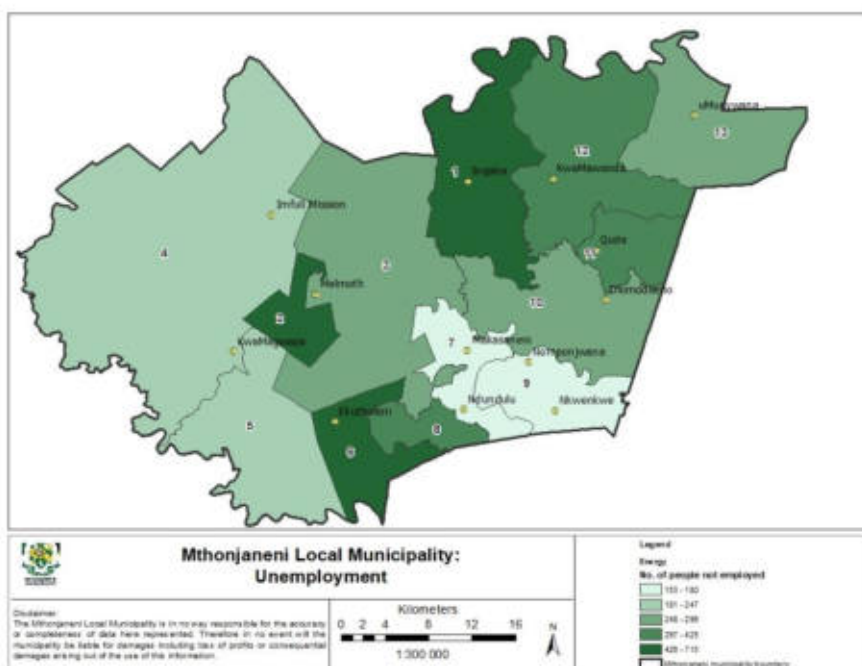
Figure 6: Employment by Population group (Source: StatSA census 2011/2016)

On the above figure supports the population statistics of figure 3, where Black African population group has the highest percentage. Black African population group has the highest number of people in all employment categories.



**Figure 7: Employment by Sector** (Source: StatSA census 201/2016)

Employment is more on the formal sector followed by the informal sector and the least from the private sector. The rate of unemployment within the municipality remains being high. In order to find employment opportunities, the economically active population has to travel to areas such as Richards Bay and Empangeni.



**Figure 8: Map showing unemployment within the Municipality**

## Education Profile

Access to educational opportunities is a human right. This is one of the National Development Plan Goals. Through education individuals are prepared for future engagement in the labour market, which directly affects their quality of life as well as the economy of the country. Schools are the building blocks for the learning socialization.

The South African Schooling Act (1996) made schooling compulsory for children aged 7-15 years, while education Laws Amendment Act (2002) set the age

admission into grade 1 as the year which the child turns seven . Below a comparative overview of educational attainment and attendance by contributing factors such as population group, age group, sex is examined.

**Table 8: Highest level of education by sex** (Source: StatSA census 2011/2016)

The table below shows that the proportion of persons with no schooling is estimated at **10 623**, of which most of them are from the Black African (female) population. The proportion of individuals who have attained grade 12 is approximately **8 864** across all population groups. Further it is noted that the proportion of individuals who have attained grade 12 is far much higher than the recorded statistics of tertiary education.

	Black African		Coloured		Indian or Asian		White	
	Male	Female	Male	Female	Male	Female	Male	Female
grade 0	1 728	1 586	2	2	9	2	4	1
grade 1/sub A	1 780	1 722	5	3	2	1	3	4
grade 2/sub B	1 809	1 935	7	2	3	4	2	1
grade 3/std 1/ABET 1/Kha Ri Gude; SANLI	1 861	2 189	1	2	1	1	0	0
grade 4/std 2	2 053	2 414	6	3	3	3	6	0
grade 5/std 3/ABET 2	1 943	2 036	7	7	2	1	0	1
grade 6/std 4	1 801	1 918	0	2	0	5	3	4
grade 7/std 5/ABET 3	2 168	2 273	6	5	6	1	1	1
grade 8/std 6/form 1	2 101	2 387	5	7	2	2	9	4
grade 9/std 7/form 2/ABET 4	1 968	2 225	2	3	1	5	5	1
grade 10/std 8/form 3	2 213	2 778	12	6	5	2	14	15
grade 11/std 9/form 4	2 124	2 964	1	7	8	5	1	6
grade 12/std 10/form 5	3 788	4 893	29	34	20	12	42	46
NTC I/N1/NIC/(V) Level 2	16	24	0	0	0	0	3	0
NTC II/N2/NIC/(V) Level 3	4	12	0	0	0	0	2	0
NTC III/N3/NIC/(V) Level 4	8	13	1	0	0	0	5	0
N4/NTC 4	14	16	0	0	0	0	3	2
N5/NTC 5	14	6	0	0	0	0	2	0
N6/NTC 6	15	19	1	0	0	0	0	1
certificate with less than grade 12/std 10	6	18	0	0	0	0	1	0
diploma with less than grade 12/std 10	11	23	0	0	1	0	2	4
certificate with grade 12/std 10	95	136	6	1	5	1	4	18
diploma with grade 12/std 10	117	127	0	2	2	1	7	1
Higher Diploma	68	130	0	1	0	0	11	17
Post Higher Diploma (Masters; Doctoral dipl	19	20	0	0	1	0	2	0
bachelors degree	87	113	1	1	1	1	10	8
bachelors degree and Post graduate diplom	19	30	0	0	1	0	3	0
honours degree	16	41	0	0	1	3	2	0
higher degree (masters; doctorate)	11	30	0	0	1	0	2	1
other	20	20	0	0	1	0	5	1
no schooling	3 859	6 719	11	6	6	4	7	11

## Household Income

Household income can be used as a proxy for economic well-being of household and individuals, as it determines their consumption and savings potentials. Changes in the income by households is one of the direct indicator available that can be used to establish who benefits from economic development and by how much are the beneficiaries benefiting. Furthermore, data on household income can be used to inform poverty analysis.

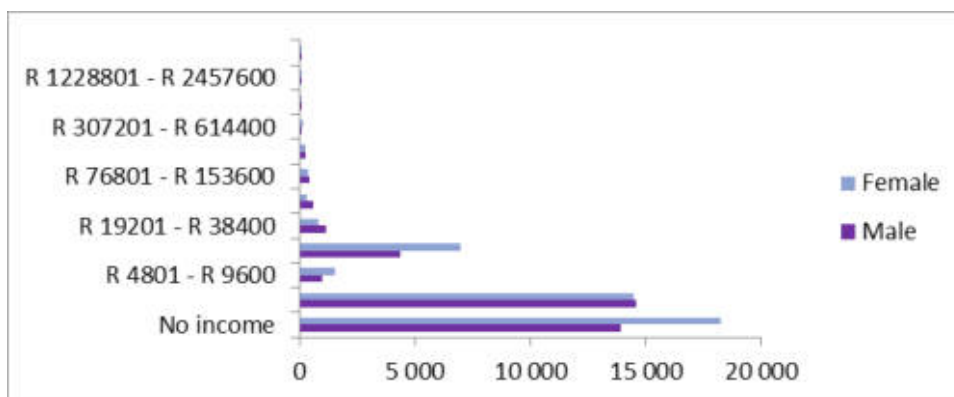


Figure 9: Average Annual Income by Sex of the head of the household (Source: StatSA census 2011/2016)

The figure above shows a high number of females have no source of income. In middle class income range, there are many females than males. However, as the income range increases, the number of females within that high income ranges per annum decreases.

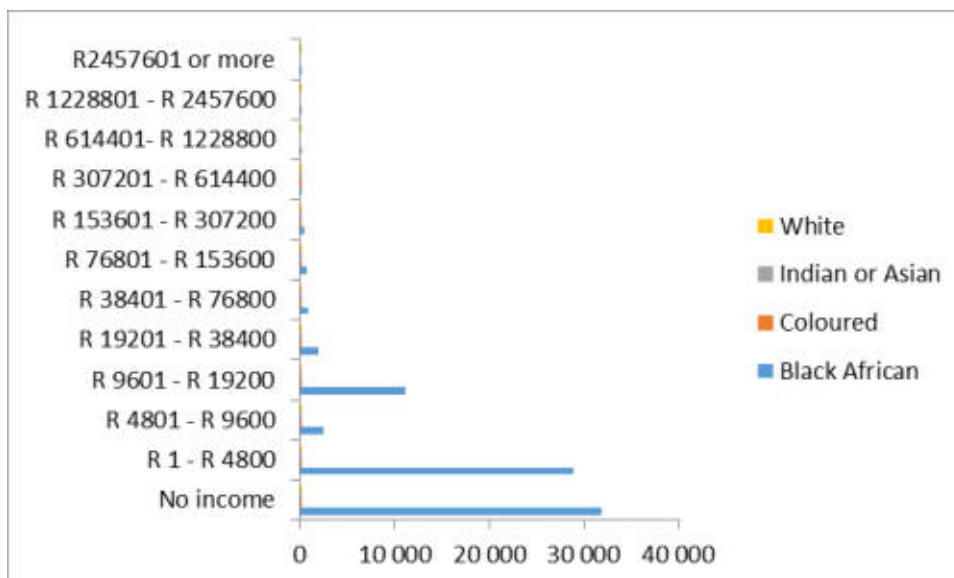


Figure 10: Average annual Income by Population Group (Source: StatSA census 2011/2016)

Mthonjaneni LM is mostly dominated by a black community. Hence the high number of Black Africans in all income ranges per annum. There are many Black Africans with no income at all. The graph shows a sharp decrease at range R4801-R9600.

## 1.10 Access to water and sanitation



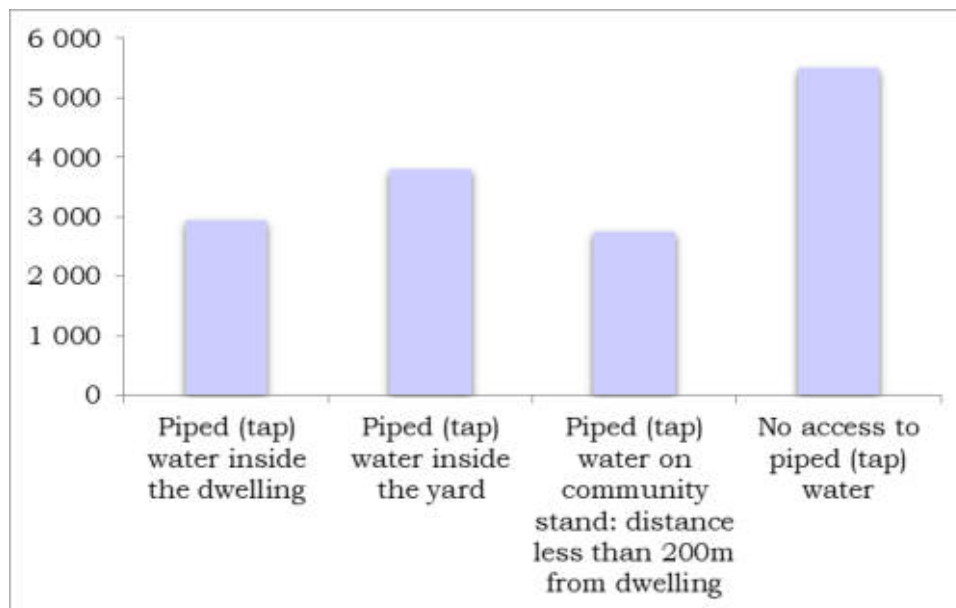


Figure 11: Household with piped water (Source: StatSA census 2011/2016)

The figure above shows a relatively high number of households that have no access to piped, followed by those with access to piped water inside the yard. There is no significant difference between households that have access to piped water inside the dwelling and those whom access piped water on community stands.

Mthonjaneni Local Municipality is not the Water Service Authority. King Cetshwayo District Municipality is a Water Service Authority and a Water Services Provider for all the areas under the Mthonjaneni Municipality. The King Cetshwayo District Municipality has a duty to all consumers, or potential consumers, in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to water supply and sanitation (collectively referred to as water services). As a WSA, King Cetshwayo Municipality focuses on water services and on providing at least a basic level of service to consumers in its area of jurisdiction.

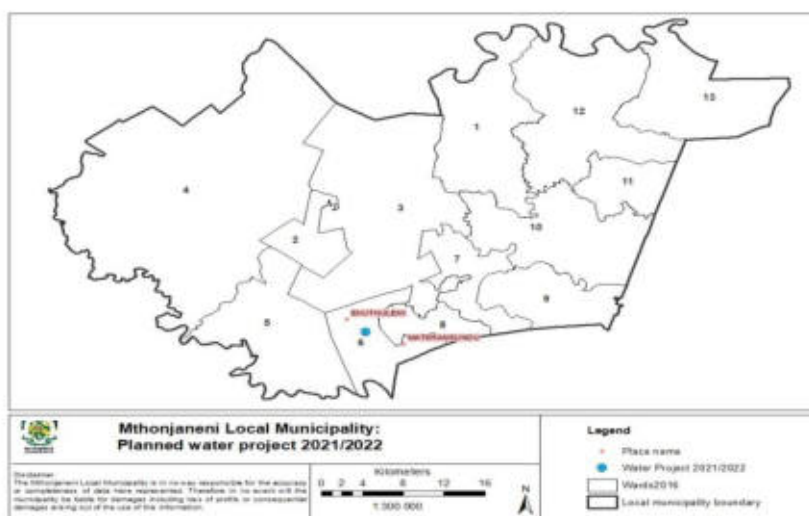


Figure12: KCDM Planned water projects during 2021/2022 financial year (GIS Mthonjaneni)

### **1.11 Municipal Institutional Profile**

The Council of the Mthonjaneni Municipality Currently consists of 20 Councillors, nine are ward councilors and the other 12 are PR Councillors. The Honorable Mayor is Councilor M.N. Biyela with Councilor P.E. Ntombela as Deputy Mayor. The Council is chaired by the Honorable Speaker, Cllr. N.A. Mbatha.

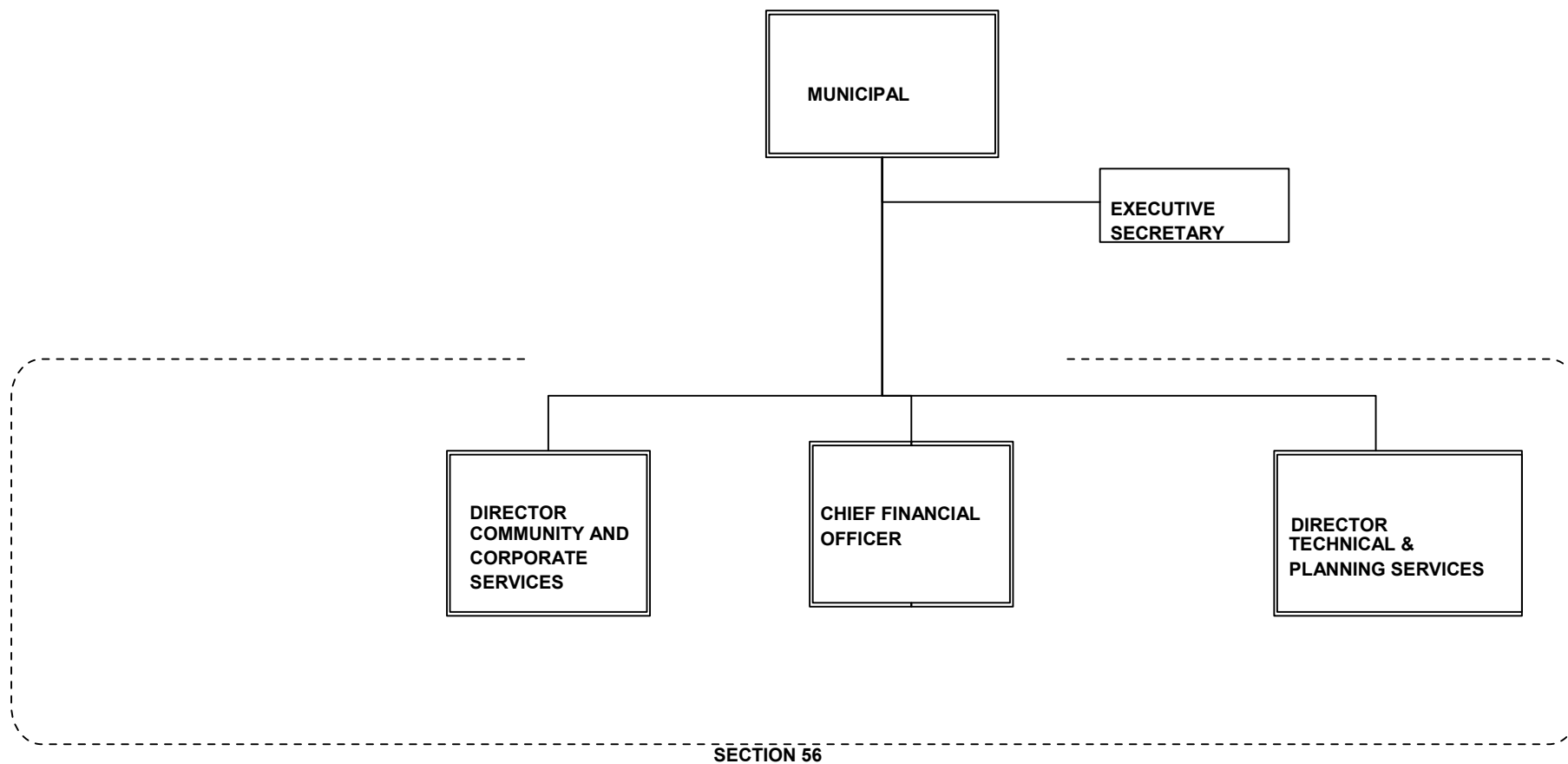
Amakhosi from the three traditional authorities are invited and attend all Council Meetings.

The municipality consists of four (4) departments:

- Office of the municipal Manager: MM: Mr. P.P. Sibiya
- Financial Services Department: CFO: Mr. M.N. Myeni
- Community and Corporate Services Department: HOD: Mr. Z.S Mthethwa
- Technical and Planning Department: HOD: Mrs. S.F. Mchunu

The municipality's high level organogram is indicated hereunder:

Figure13: Mthonjaneni High Level Organogram



### 1.11.1 Employment and Vacancies

The following summary indicates the number of posts on the establishment, the number of employees and the vacancy rate. The table below indicates posts and vacancies:

Table 9: Number of post and vacancies per Department

<b>Number of posts and vacancies per department</b>				
<b>Department</b>	<b>2019/20</b>		<b>2020/21</b>	
	<b>No. of Posts</b>	<b>No. of Vacancies</b>	<b>No. of Posts</b>	<b>No. of Vacancies</b>
Office of the Municipal Manager	06	01	10	02
Finance	22	02	24	04
Technical and Planning	56	01	59	05
Community and Corporate	69	04	64	04

### Status of Critical Posts

All Senior Managers reporting to the Municipal Manager are appointed. The Municipal Manager post is also in occupied.

### Organizational Structure

The draft organizational structure was approved by Council in 2020 in line with the IDP. It is being reviewed on annual basis.

### Performance Management

The Municipal Systems Act requires municipalities to develop a performance management system that is suitable for their own circumstances.

Performance Management is located in the Planning unit. Performance-based management is a systematic approach to improving performance, via an on-going process of establishing strategic performance objectives; measuring performance; collecting, analysing, reviewing, and reporting performance data; and using that data to drive performance improvement.

The performance management system or framework must describe how the municipality's cycle and processes of performance planning, monitoring, measurement, review and reporting will happen and be organised and managed, while determining the roles of different role-players.

The PMS Framework 2017-2022 was adopted by Council on the 28th March 2017.

Performance Review and monitoring takes place in October, January, April and August every financial year. Legislation makes provision for performance reporting to be tabled to Council at least twice in a financial year.

As at 30 June 2020, performance evaluation applies to section 54 and 56 managers and does not cascade to other levels of employees.

**Auditing and Oversight** In its annual audits, the Auditor-General of South Africa examines financial and non-financial information of the municipality to determine:

- Fair representation and absence of material misstatements in the financial statements
- Reliable and credible performance information for purposes of reporting on pre-determined performance objectives
- Compliance with all legislation governing financial matters

For the 2018/2019 financial year Mthonjaneni municipality received an Unqualified Audit with few matters of emphasis. In 2019/2020 the municipality received an unqualified audit with matters of emphasis. The regress was due to lack in monitoring controls as well as irregular expenditure as a result of non-compliance with legislation.

### **Internal Audit**

Internal Audit is outsourced to Bonakude Auditors. The audit commences every quarter to produce a report which is tabled to the Audit and Performance Management Committee. The Internal Audit is guided by the Internal Audit Charter and Audit Plan which are tabled to the Audit and Performance Management Committee.

The Audit Plan (which is risk based) and Audit Charter for the 2018/2019 financial year was tabled to the Audit Committee in August 2017.

### **Audit and Performance Management Committee**

The Mthonjaneni Municipality has an established Audit and Audit Performance Management Committee in accordance with section 166 of the Municipal Finance Management Act, Act no 56 of 2003 (MFMA) and section 14(2)(c) of the Local Government Municipal Planning and Performance Regulations, 2001 (Regulations). Consideration has also been given to section 14(2)(c) of the Regulations and MFMA Circular No. 65 issued by the National Treasury in November 2012 as well as the recommendations contained in the King Report on Governance for South Africa 2016 (King IV).

The Audit and Performance Management Committee, consisting of independent, external members listed below, is required to meet at least 4 times per annum as per the Audit Committee Charter, although additional meetings may be called as the need arises.

Table 10: Members of the Audit and Performance Committee

<b>Member</b>	<b>Designation</b>
Dr T.I. Nzimakwe	Chairperson
Mr U.B.S. Botshiwe	Member
Ms S.N. Siyaya	Member
Mr K.N. Ngubane	Member
Cllr M.N. Biyela	Mayor
Cllr PE Ntombela	Deputy Mayor
Cllr D.F. Xulu	MPAC Chair

### **Oversight Committee**

The section 79 oversight committee was established as per schedule 5 of the Local Government: Municipal Structures Act 1998 (Act 117 of 1998). The oversight committee comprises of a chairperson elected by the municipal council, members of the committee as well as a committee secretary.

### **1.12 Performance Analyses**

**Table 11: Infrastructure and Services**

<b>Infrastructure Development and Service Delivery</b>	<b>85%</b>
<b>Municipal Transformation and Institutional Development</b>	<b>93%</b>
<b>Good Governance and Public Participation</b>	<b>94%</b>
<b>Financial Viability and Financial Management.</b>	<b>97%</b>
<b>Local Economic Development</b>	<b>87%</b>
<b>Cross Cutting Intervention-(Community &amp; Social Development)</b>	<b>90%</b>

This KPA covers the following key focus areas (powers & functions): Municipal rural Roads, Municipal urban roads, Disaster Management, Municipal energy provision and Municipal Solid Waste Management.

In 2018/2019 the Mthonjaneni Municipality achieved 85% for Infrastructure and 85% in 2019/2020. One of the core functions of the municipality is to provide access roads.

All targets were met in respect of disaster management.

### **1.13 Municipal Strategic Plan**

The basis for strategic planning, in the municipality, is firstly the NDP – which has broad objectives of:

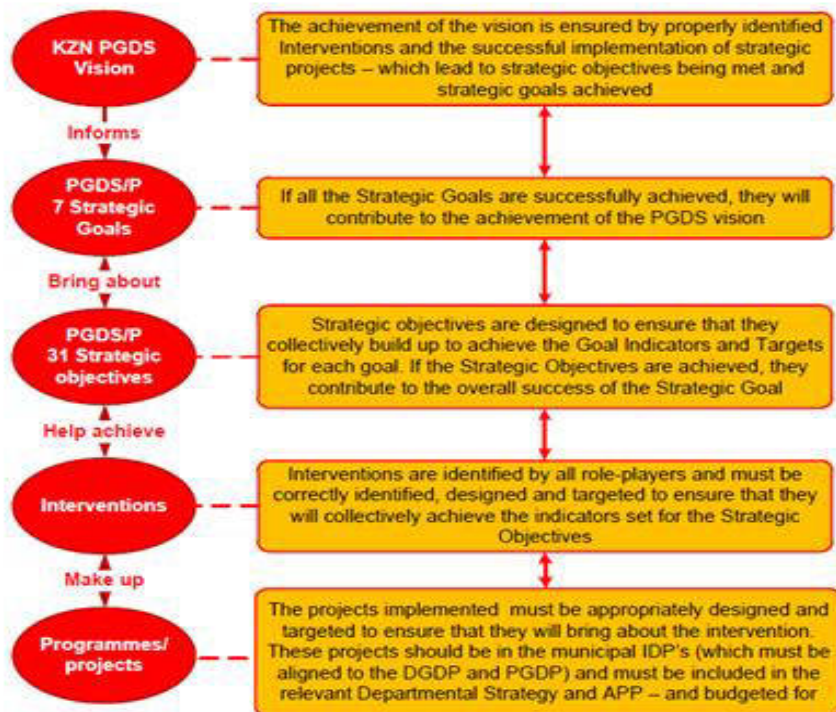
1. Economic Infrastructure
2. Transitioning to a low carbon economy
3. Inclusive rural economy
4. Positioning South Africa in the world
5. Human settlements
6. Improving education, innovation and training
7. Promoting health
8. Social protection
9. Building safer communities
10. Building a capable state
11. Promoting accountability and fighting corruption
12. Transforming society and uniting the country

The KZN Provincial Growth and Development Strategy, is also a foundational document, with its objectives of;

1. Job Creation
2. Human Resource Development
3. Human and Community Development
4. Strategic Infrastructure
5. Environmental Sustainability
6. Governance and Policy
7. Spatial Equity

The IDP will be aligned, as much as, possible to these goals and objectives. An overview of the KZN PGDS framework with associated goals and objectives for water and sanitation services can be reviewed in the next figure.

Figure 14: KZN PGDS Framework



The 2016 Revised PGDS Strategic Framework

Figure 10: PGDS Strategic Framework

2016 PGDS STRATEGIC GOALS and OBJECTIVES		
STRATEGIC GOAL	No	STRATEGIC OBJECTIVE 2016
1 INCLUSIVE ECONOMIC GROWTH	1.1	Develop and promote the agricultural potential of KZN
	1.2	Enhance sectoral development through trade investment and business retention
	1.3	Enhance spatial economic development
	1.4	Improve the efficiency, innovation and variety of government-led job creation programmes
	1.5	Promote SMME and entrepreneurial development
	1.6	Enhance the Knowledge Economy
	2.1	Improve early childhood development, primary and secondary education
2 HUMAN RESOURCE DEVELOPMENT	2.2	Support skills development to economic growth
	2.3	Enhance youth and adult skills development and life-long learning
3 HUMAN AND COMMUNITY DEVELOPMENT	3.1	Eradicate poverty and improve social welfare services
	3.2	Enhance health of communities and citizens
	3.3	Safeguard and enhance sustainable livelihoods and food security
	3.4	Promote sustainable human settlements
	3.5	Enhance safety and security
	3.6	Advance social cohesion and social capital
	3.7	Promote youth, gender and disability advocacy and the advancement of women
4 INFRASTRUCTURE DEVELOPMENT	4.1	Development of seaports and airports
	4.2	Develop road and rail networks
	4.3	Develop ICT infrastructure
5 ENVIRONMENTAL SUSTAINABILITY	4.4	Ensure availability and sustainable management of water and sanitation for all
	4.5	Ensure access to affordable, reliable, sustainable and modern energy for all
	4.6	Enhance KZN waste management capacity
6 GOVERNANCE AND POLICY	5.1	Enhance resilience of ecosystem services
	5.2	Expand the application of green technologies
	5.3	Adapt and respond climate change
7 SPATIAL EQUITY	6.1	Strengthen policy, strategy coordination and IGR
	6.2	Build government capacity
	6.3	Eradicate fraud and corruption
	6.4	Promote participative, facilitative and accountable governance
	7.1	Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities
	7.2	Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment



## 1.14 Summary of Municipal Goals, Objectives and Strategies

Table 12: Mthonjaneni Municipal Goals, Objectives and Strategies

<b>Key Performance Area: Basic Service Delivery and Infrastructure Development</b>			
<b>Goal: To reduce levels of infrastructure backlogs by providing Basic Services, Facilities and maintaining existing infrastructure.</b>			
<b>Key Focus Area</b>	<b>IDP Ref. No.</b>	<b>Development Objectives</b>	<b>Development Strategies</b>
1. Roads	1	Expand accessibility of roads in various wards	<ul style="list-style-type: none"> <li>Constructing New Gravel Roads</li> <li>Constructing new tarred and paved roads</li> <li>Constructing new cause ways</li> </ul>
	2	Maintenance and rehabilitation of existing access roads in rural & urban areas	<ul style="list-style-type: none"> <li>Upgrading of gravel roads to tar</li> <li>Re-gravelling of roads</li> <li>Resealing of Roads</li> <li>Rehabilitation of existing tar roads</li> <li>Blading of roads</li> <li>Road marking</li> <li>Road signage</li> <li>Spatially capture road infrastructure</li> <li>Developing road maintenance plan</li> </ul>
2. Storm Water	3	Building and maintaining Storm Water Infrastructure	<ul style="list-style-type: none"> <li>Construction of new storm water drains</li> <li>Cleaning of storm water drains</li> <li>Spatially capture storm water infrastructure</li> </ul>
3. Electricity	6	Expand electrical accessibility in various wards	<ul style="list-style-type: none"> <li>Installation of New electrical connections</li> <li>Rural connection</li> </ul>
	7	Expand and Maintain existing network electricity in urban and rural areas. Provide alternative energy	<ul style="list-style-type: none"> <li>Installation of Electrical Meters</li> <li>Installation and repairs of High Mast Lights</li> <li>General Infrastructure-maintenance on mini and major substations</li> <li>Upgrade existing transformers</li> <li>Repairs to Robots</li> </ul>

			<ul style="list-style-type: none"> <li>• Provision of street lights</li> <li>• Provision of solar geysers</li> <li>• Provision of solar panels in urban and rural areas</li> <li>• Spatially capture electricity infrastructure</li> <li>• Master sector plans to be in place</li> </ul>
4. Sport fields & Parks	8	Expand accessibility and maintenance of Sports fields and Parks in various wards	<ul style="list-style-type: none"> <li>• Construction and maintenance of new Sports fields and Parks in various wards</li> <li>• Upgrade and revamp existing Sports fields and Parks</li> </ul>
5. Community Halls	9	Expand accessibility and maintenance of Community Halls in various wards	<ul style="list-style-type: none"> <li>• Construction and maintenance of New Community Halls</li> <li>• Upgrade and revamp existing Community Halls</li> </ul>
6. Cemeteries	10	Expand accessibility and maintenance of Community Cemeteries in various wards	<ul style="list-style-type: none"> <li>• Construction and maintenance of Cemeteries</li> <li>• Upgrade and revamp existing Cemeteries</li> <li>• Fencing of cemeteries</li> <li>• Identify and establish new cemeteries</li> </ul>
7. Crèches	11	Enhance Early Childhood Development	<ul style="list-style-type: none"> <li>• Construction of new crèches</li> </ul>
8. Libraries	12	Expand accessibility and maintenance of Libraries in various wards	<ul style="list-style-type: none"> <li>• Construction of new Libraries</li> <li>• Upgrade and Maintain existing Libraries</li> </ul>
9. Refuse Removal	13	Expand accessibility of Refuse Services in various wards	<ul style="list-style-type: none"> <li>• Identify new areas and settlements to offer Refuse Services</li> <li>• Integrated waste management plan</li> </ul>
10. Human Settlements	14	To provide sustainable human settlements to the people	<ul style="list-style-type: none"> <li>• Identify and Secure land prior to project approval</li> <li>• Ensure appointment of experienced and qualified implementing agents</li> <li>• Land disposal policy for public use</li> <li>• Strengthen Intergovernmental Relations</li> <li>• Land identification and release</li> <li>• facilitation of bulk service provision</li> <li>• Facilitate Land Release</li> <li>• Approval and implementation of the Housing Sector Plan</li> <li>• Set up housing consumer education programme</li> </ul>

			<ul style="list-style-type: none"> <li>• Linking of the HSP to SDF, IDP and Comprehensive CIF</li> <li>• Middle income housing development</li> </ul>
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### 1.15 Service Delivery Performance

Organisational Performance System;

Each municipality is required by legislation to develop a performance management framework. The framework should describe how the process of performance planning, monitoring, measurement, review and reporting will happen.

The framework also needs to indicate how the process will be organized and managed, by determining the functions of each role-player in the process.

In terms of Local Government Municipal Planning and Performance Regulations, a system must:

- Comply with all requirements set out in the Municipal Systems Act;
- Demonstrate how it is to operate and be managed from the planning stage up to the stages of performance review and reporting;
- Clarify the roles and responsibilities of each role player, including the local community, in the functioning of the system;
- Clarify the processes of implementing the system within the framework of the integrated development planning process;
- Determine the frequency of reporting and the lines for accountability for performance;
- Relates to the Municipality's employee performance management process

The Mthonjaneni Municipality Performance Management Framework is a tool used by management to gain a better understanding of the ability of the organization to fulfil its mandate and achieve its goals.

The Mthonjaneni Municipality Performance framework has the following steps:

Table 13: Stages in the preparation of the Mthonjaneni LM OPMS

RESPONSIBILITY	KEY ACTIONS	PARTY(IES) RESP. FOR ACTIONING
Amendments identified in the revision process	All previous years' amendments to be taken into consideration in updating the IDP	Council; Exco; MM; HODs
Adoption of a process for drafting the IDP	Process adopted to guide the planning, drafting, adoption & review of the IDP	Council; Exco; MM; HODs
	Constitute municipal Representative forum as Community Participation structure	Planning; Depts
	Advertise for Community Participation	Depts

<b>RESPONSIBILITY</b>	<b>KEY ACTIONS</b>	<b>PARTY(IES) RESP. FOR ACTIONING</b>
	As part of IDP process, identify key development challenges	Council; Exco; MM; HODs
	Arrange for notices and agendas to be distributed at least 14 days before the meeting	Planning; Depts
	Document meeting comments and representations and include in Performance sheet	Planning; Depts
	Confirm key development priorities	Exco; Depts
Drafting of the IDP	Exco to delegate responsibility of drafting the IDP, whilst continuously monitoring it	Planning
Adoption of the adopted IDP	Submit draft IDP to Council for adoption	Planning
	Community given 21 days to comment on draft prior to plan being submitted to Council for adoption	Planning; Depts
Implementation of the developed IDP	Convene regular meetings with Community to monitor IDP implementation	Planning; Depts
	Community forum members given 14 days before meetings to allow consultation with their constituencies regarding matters to be discussed at the meeting	Planning; Depts
	Municipality formally adopted the IDP	Council; Exco; MM; HODs
Disclose requirements of the IDP	MM to submit copy of IDP to the MEC for local Govt within 10 days of its adoption by Council	MM
	Copy of IDP to MEC must contain : Summary of process adopted; Statement confirming that IDP development process has been complied with and a copy of the adopted framework	MM
	Municipality to give notice to Public, within 14 days of IDP adoption and makes copies available for Public inspection	Planning; Depts

<b>RESPONSIBILITY</b>	<b>KEY ACTIONS</b>	<b>PARTY(IES) RESP. FOR ACTIONING</b>
	Municipality to publicize, within 14 days of IDP adoption, a summary of the Plan	Depts
Proposals on the IDP received from the MEC	If proposals received from MEC, proof must be obtained that : 1) IDP has been adjusted if proposals agreed to 2) Reasons have been provided to MEC where proposals not agreed to	Council; Exco; MM; HODs
Proposals for amending the IDP	If IDP amended, proof to be held that proposals were introduced by a member or committee of the Council	Council; Exco; MM; HODs
Amending the IDP	Proof must be obtained that notice was given by Municipality to all Council members before amendment adopted	Planning
	Proof must be obtained that prior to IDP amendment being adopted, public notice was issued for public comment allowing at least 21 days to comment on the proposed amendment	Planning; Depts
	Confirmation required that local Municipalities were consulted and that their comments were considered	Planning; Depts
	Proof must be held that the MM submitted copy of subsequent amendment to the MEC for local Govt within 10 days of the amendment of the Plan	MM

## **2. DEVELOPMENT OF A FRAMEWORK FOR THE PMS**

<b>RESPONSIBILITY</b>	<b>KEY ACTIONS</b>	<b>PARTY(IES) RESP. FOR ACTIONING</b>
Review of framework for PMS together with PMS for year under review	Municipality review its framework for the PMS together with PMS for year under review	Dev Planning

<b>2. DEVELOPMENT OF A FRAMEWORK FOR THE PMS</b>		
<b>RESPONSIBILITY</b>	<b>KEY ACTIONS</b>	<b>PARTY(IES) RESP. FOR ACTIONING</b>
Development of a framework for the PMS	Municipality has a documented framework for its PMS	Dev Planning
	Keep minutes of meetings that were convened with Community Forum to consult regarding the development of the framework for the PMS	Planning; Depts
	Community must be given at least 14 days before each meeting to consult their constituencies regarding the matters to be discussed at the meeting	Corporate Serv; Depts
Development of the PMS	Proof that Exco managed the development of the municipality's PMS	Exco
	Convene meetings with community forum to consult	Planning; Depts
	Delegation of responsibilities assigned to the MM by EXCO with regard to the development of the PMS in place	Planning
Adoption of the PMS	Proof required that EXCO submitted the proposed PMS to Council for adoption	MM; Planning
	Proof required that Council adopted the PMS before or at the same time as setting up of KPIs and targets as per IDP	Exco; Council; MM; HODs
Implementation of the PMS	Proof that the municipality did implement the PMS	Dev Planning
	Proof that the community forum was consulted through regular meetings regarding the implementation of the PMS	Planning; Depts

## 2. DEVELOPMENT OF A FRAMEWORK FOR THE PMS

RESPONSIBILITY	KEY ACTIONS	PARTY(IES) RESP. FOR ACTIONING
Monitoring and review of the PMS	Proof that the municipality did establish mechanisms to monitor and review its PMS	Planning; Depts
	Proof that the municipality does monitor and review its PMS	Dev Planning
	Confirm that the community forum was given enough time to consult their constituencies regarding matters to be discussed at meetings	Dev Planning
	Proof that the municipality made know internally and to the public, the KPIs and performance targets set by it for the purposes of its PMS	Planning; Depts
Evaluating the framework for the PMS	Proof that the PMS framework describes how the municipality's cycle and processes of <b>Performance Planning, Monitoring, Measurement, Review, Reporting and Improvement will be conducted, organized and managed</b>	Dev Planning
Evaluating the PMS	Proof that the municipality's PMS shows how it is to operate, clarifies roles and responsibilities of role-players, clarifies system implementation, frequency of reporting and accountabilities, relates to the municipality's employee performance management process, provide a procedure to link PMS to IDP planning process and is devised to serve as an early warning of under-performance	Planning; Depts

## 3. PROCESS FOR SETTING & REVIEWING KPIs

<b>RESPONSIBILITY</b>	<b>KEY ACTIONS</b>	<b>PARTY/IES RESP. FOR ACTIONING</b>
Prescribed process for setting Key Performance Indicators	Confirmation required that the PMS prescribes a process of setting KPI's	Planning; HODs
Prescribed process for the Review of the Key Performance Indicators	Confirmation that the PMS prescribes an annual performance review process for the review of KPIs	Planning; HODs
Developing KPIs	Proof required that the municipality's PMS sets KPIs which are used as a yardstick for measuring performance, including outcomes and impact	Planning; HODs
	Proof required that the community through a forum was allowed to participate in the setting of appropriate KPIs for the municipality	Planning; HODs
Reviewing the KPIs	Proof that the municipality does review its KPIs on an annual basis in accordance with the PMS's review process	Planning; HODs
Evaluating the Key Performance Indicators	Proof required that the KPIs are reflected in the IDP of the municipality	Planning; HODs
	Ensure that KPIs set include the general national KPIs prescribed according to Regulation 10	Dev Planning
	Include KPIs for all municipal entities and Service Providers with whom the municipality has entered into a service delivery agreement	Planning; HODs

#### **4. PROCESS FOR SETTING PERFORMANCE TARGETS**

<b>RESPONSIBILITY</b>	<b>KEY ACTIONS</b>	<b>PARTY/IES RESP. FOR ACTIONING</b>



<b>4. PROCESS FOR SETTING PERFORMANCE TARGETS</b>		
<b>RESPONSIBILITY</b>	<b>KEY ACTIONS</b>	<b>PARTY/IES RESP. FOR ACTIONING</b>
Prescribed process for setting Performance targets	Confirmation that the municipality's PMS prescribes process for setting performance targets	Planning; MM; HODs
Setting Performance targets	Ensure performance targets are set in terms of the PMS	Planning; MM; HODs
	Ensure that Community involvement was sought in setting Performance targets for the municipality	Planning; Depts
	If the IDP and subsequently the KPIs were amended, confirm that performance targets were also amended in accordance with the amendments of the KPIs	Planning; Depts
Evaluating the Performance targets	Proof that targets were set for each of the KPIS	Planning; Depts
	Ensure that the performance targets are practical and realistic and measure the efficiency, effectiveness, quality and impact of the performance of the municipality and its constituencies	Planning; Depts

<b>5. TRACK PERFORMANCE OF STAFF AND SERVICE PROVIDERS</b>		
<b>RESPONSIBILITY</b>	<b>KEY ACTIONS</b>	<b>PARTY/IES RESP. FOR ACTIONING</b>
Framework to track the performance of staff and Service Providers of the Municipality	Confirmation that the municipality has a framework in terms of its PMS to track performance of staff and Service Providers	Planning; Depts
Service delivery	Ensure that all municipal staff reported in accordance with their	MM; HOD's

<b>5. TRACK PERFORMANCE OF STAFF AND SERVICE PROVIDERS</b>		
<b>RESPONSIBILITY</b>	<b>KEY ACTIONS</b>	<b>PARTY/IES RESP. FOR ACTIONING</b>
process	lines of accountability and at the required intervals	
	Proof that each service provider has reported to the municipality in accordance with their responsibilities and at the required reporting intervals	HOD's
	Ensure that resource allocation to service providers is in accordance with the municipality's development priorities and objectives	HOD's
Evaluating the framework for the tracking of the performance of the municipality's staff and service providers	Proof required that the framework has clarified breakdown of performance targets at all levels of the organization	HOD's
	Ensure that the framework clarifies the lines of accountability within the municipality and the intervals for reporting thereto (Staff & SPs)	MM; HOD's
	Ensure that framework clarifies methods for tracking performance of municipality's staff and that of Service Providers	HOD's

<b>6. DEVELOPMENT OF A MONITORING FRAMEWORK</b>		
<b>RESPONSIBILITY</b>	<b>KEY ACTIONS</b>	<b>PARTY/IES RESP. FOR ACTIONING</b>
Monitoring framework	Ensure that the municipality has, as part of its PMS, a monitoring framework	EXCO; Council; MM; HODs
Development of a monitoring framework	Proof that the municipality developed its monitoring framework after consultation with some form of Community forum	Planning; Depts

<b>6. DEVELOPMENT OF A MONITORING FRAMEWORK</b>		
<b>RESPONSIBILITY</b>	<b>KEY ACTIONS</b>	<b>PARTY/IESRESP. FOR ACTIONING</b>
	Where Forum was used, proof required that notice was given at least 14 days prior to each meeting, giving them a chance to consult with their constituencies	Planning; Depts
Performance Monitoring	Proof that the monitoring of municipality's and service providers' performance are monitored in accordance with the monitoring framework	Planning; Depts
	Proof required that performance of staff and that of service providers is monitored on an on-going basis throughout the financial year	MM; EXCO; Council; HODs
	Where under-performance detected, proof that corrective measures were taken	MM; EXCO; Council; HODs
Evaluating the monitoring framework	Confirm that the monitoring framework identifies roles of role-players in monitoring, collecting and analysing data; allocating tasks and gathering data; determines what data to be collected, how data is to be collected, stored, verified and analysed; gives timeframes for the data collection, times for report submissions and how they are to be submitted	Depts
	Confirmation that the framework provides for corrective measures where under-performance has been identified	MM; HODs
	There must be reporting to Council at least twice a year	MM

<b>7. INTERNAL CONTROLS</b>		
<b>RESPONSIBILITY</b>	<b>KEY ACTIONS</b>	<b>PARTY/IES RESP. FOR ACTIONING</b>
Internal control	Ensure that the municipality has, as part of its internal control, an Internal Audit Activity	CFO
	Ensure that a Performance Audit Committee has been set	Depts
Internal control exercised	Proof that the Audit Committee performs continuous audits assessing :  1) Functionality of the PMS 2) Compliance of the PMS with Systems Act 3) The extent to which measurements are reliable measures of the municipality's performance against KPIs	Depts
	Ensure that Performance Audit Committee has at least 3 members	Depts
	Ensure majority of Committee members are not involved as councillor or employee of the municipality, with at least 1 member being a PMS expert	Depts
	Performance Audit committee to submit at least 2 Audit reports to Council during the financial year	Planning
Characteristics of the Performance Audit Committee	The Committee must have unrestricted access to records deemed necessary for it to perform its duties; it may also request any relevant person to attend its meetings to provide information considered important/relevant; it may liaise directly with Council/MM or internal and external auditors; it may also investigate any matter it deems necessary for the performance of its audits	Depts

## **CHAPTER B1 – LEGISLATIVE AND POLICY FRAMEWORK**

### **2.1 The Constitution**

Section 152 Objects of local government:

- f) to provide democratic and accountable government for local communities;
- g) to ensure the provision of services to communities in a sustainable manner;
- h) to promote social and economic development;
- i) to promote a safe and healthy environment; and
- j) to encourage the involvement of communities and community organizations in the matters of local government

### **2.2 The Municipal Structures Act**

The act was developed to provide for the establishment of municipalities in accordance with the requirements relating to categories and types of municipality; to establish criteria for determining the category of municipality to be established in an area; to define the types of municipality that may be established within each category; to provide for an appropriate division of functions and powers between categories of municipality; to regulate the internal systems, structures and office-bearers of municipalities; to provide for appropriate electoral systems; and to provide for matters in connection therewith. Of importance in the context of this legislation is the following:

- d) A local municipalities within the area of that municipality must co-operate with one another by assisting and supporting each other;
- e) A local municipality on request of a municipality in whose area that local municipality falls may provide financial, technical and administrative support services to that municipality to the extent that that local municipality has the capacity to provide those support services;
- f) A local municipality may provide financial, technical or administrative support services to another local municipality within the area of the same municipality to the extent that it has the capacity to provide those support services, if the municipality or that local municipality so requests; and
- g) The MEC for local government in a province must assist to provide support services to a local municipality.

### **2.3 The Municipal Systems Act**

Chapter 5 of this Act provides for the preparation of IDP. S. S26 (e) lists an SDF as a core component of an IDP and requires that the SDF provides basic guidelines for a municipal land use management system.

Local Government: Municipal Planning and Performance Management Regulations (GN R796 of 2001)

S2 (4) requires that an SDF should:

- Give Effect To The DFA Principles;
- Set Out Objectives That Reflect The Desired Spatial Form Of The Municipality;
- Contain Strategies And Policies To Achieve The Objectives And Which Should Indicate Desired Patterns Of Land Use;
- Address The Spatial Reconstruction;
- Provide Strategic Guidance Regarding The Location And Nature Of Development;
- Set Out Basic Guidelines For A Land Use Management System In The Municipality;
- Set Out A Capital Investment Framework For The Municipality's Development Programs;
- Contain A Strategic Assessment Of The Environmental Impact Of The SDF;
- Identify Programs And Projects For The Development Of Land Within The Municipality;
- Be Aligned With The Spatial Development Frameworks Reflected In The Integrated Development Plans Of Neighbouring Municipalities;
- And Provide A Plan Of The Desired Spatial Form Of The Municipality, Which Should:
- Indicate Where Public And Private Land Development And Infrastructure Investment Should Take Place;
- Indicate Desired Or Undesired Utilisation Of Space In A Particular Area;
- Delineate An Urban Edge;
- Identify Areas For Strategic Intervention; and
- Indicate Priority Spending Areas.

## **2.4 The Municipal Finance Management Act**

To secure sound and sustainable management of Municipal financial affairs, and in particular the management and disposal of public assets, particularly land.

### **Subdivision of Agricultural Land Act 70 of 1970**

Application Regulations regarding the subdivision of agricultural land for development within a municipality:

Subject to the provisions of section 2 a Surveyor-General shall only approve a general plan or diagram relating to a subdivision of agricultural land

Any subdivision of any land in connection with which a surveyor has completed the relevant survey and has submitted the relevant sub-divisional diagram and survey records for examination and approval to the surveyor-general concerned prior to the commencement of this Act.

A Registrar of Deeds shall only register the vesting of an undivided share in agricultural land referred to in section 3 (b), or a part of any such share referred to in section 3 (c), or a lease referred to in section 3 (d) or, if applicable, a right referred to in section 3 (e) in respect of a portion of agricultural land, if the written consent of the Minister in terms of this Act has been submitted to him.

(b) no undivided share in agricultural land not already held by any person, shall vest in any person;

(c) no part of any undivided share in agricultural land shall vest in any person, if such part is not already held by any person;

(d) no lease in respect of a portion of agricultural land of which the period is 10 years or longer, or is the natural life of the lessee or any other person mentioned in the lease, or which is renewable from time to time at the will of the lessee, either by the continuation of the original lease or by entering into a new lease, indefinitely or for periods which together with the first period of the lease amount in all to not less than 10 years, shall be entered into;

(e) (i) no portion of agricultural land, whether surveyed or not, and whether there is any building thereon or not, shall be sold or advertised for sale, except for the purposes of a mine as defined in section 1 of the Mines and Works Act, 1956 (Act 27 of 1956); and

(ii) no right to such portion shall be sold or granted for a period of more than 10 years or for the natural life of any person or to the same person for periods aggregating more than 10 years, or advertised for sale or with a view to any such granting, except for the purposes of a mine as defined in section 1 of the Mines and Works Act, 1956;

[Para. (e) Substituted by s. 2 of Act 12 of 1979 and by s. 2 (1) (a) of Act 33 of 1984.]

## **2.5 The Spatial Planning and Land Use Management Act**

The role of local government in spatial planning has been re-energized through the introduction of the Spatial Planning and Land Use Management Act No. 16 of 2013 (commonly known as SPLUMA). The intention of this national legislation is to introduce the norms and standards for spatial planning and to specify the relationship between spatial planning and land use management. This is intended to create uniformity and consistency on the manner in which both spatial planning and land use management is practiced within the whole country. Chapter 4 of

SPLUMA stipulate the need to prepare Spatial Development Frameworks (SDFs) by all municipalities. Part D (19) stipulates that the Regional Spatial Development Framework must cover the following minimum issues:

- a) Give effect to the development principles and applicable norms and standards set out in Chapter 2;
- b) Give effect to national and provincial policies, priorities, plans and planning legislation;
- c) Reflect the current state of affairs in that area from a spatial and land use perspective of the region;
- d) Indicate desired patterns of land use in that area;
- e) Provide basic guidelines for spatial planning, land development and land use management in that area;
- f) Propose how the framework is to be implemented and funded; and
- g) Comply with environmental legislation.

The preparation of the Mthonjaneni Municipality SDF is guided the following spatial principles listed under Chapter 2 of the SPLUMA legislations:-

**a) Spatial Justice:** Ensures equitable distribution and increase access to social infrastructure and addresses the injustices of the past.

**b) Spatial Sustainability:** Ensures protection of agricultural prime land and uphold consistency of land use measures in accordance with environmental management instruments; promote and stimulate the effective and equitable functioning of land markets; consider all current and future costs to all parties for the provision of infrastructure and social services in land developments; promote land development in locations that are sustainable and limit urban sprawl; and result in communities that are viable.

**c) Spatial Efficiency:** which ensures that land development optimises the use of existing resources and infrastructure; decision-making procedures are designed to minimise negative financial, social, economic or environmental impacts; and development application procedures are efficient and streamlined and timeframes are adhered to by all parties

**d) Spatial Resilience:** promote flexibility in spatial plans, policies and ensure that land use management systems accommodate sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks.

**e) Good Governance:** Ensures that all spheres of government carry-out an integrated approach to land use and land development that is guided by the spatial planning and land use management systems. The preparation and amendment of spatial plans, policies, land use schemes as well as procedures for development



applications, to include transparent processes of citizen participation and all parties to have the opportunity to provide inputs on matters affecting them; and policies, legislation and procedures must be clearly set out and inform and empower citizens.

- develop an argument or approach to the development of the area of jurisdiction which is clear enough to allow decision-makers to deal with the unexpected (for example, applications from the private sector);
- develop a spatial logic which guides private sector investment. This logic primarily relates to establishing a clear hierarchy of accessibility;
- ensure the social, economic and environmental sustainability of the area;
- establish priorities in terms of public sector development and investment; and
- identify spatial priorities and places where public-private partnerships are a possibility.

S51 (1) further requires and local municipalities to align their spatial development frameworks and land use schemes as required by the MSA.

## **2.6 National Environmental Management Act**

The SDF promotes (4) (a) Sustainable development, which requires the consideration of all relevant factors including the following:

- i. That the disturbance of ecosystems and loss of biological diversity are avoided, or, where they cannot be altogether avoided, are minimised and remedied;
- ii. that pollution and degradation of the environment are avoided, or, where they cannot be altogether avoided, are minimised and remedied;
- iii. that the disturbance of landscapes and sites that constitute the nation's cultural heritage is avoided, or where it cannot be altogether avoided, is minimised and remedied;
- iv. that waste is avoided, or where it cannot be altogether avoided, minimised and reused or recycled where possible and otherwise disposed of in a responsible manner;
- v. that the use and exploitation of non-renewable natural resources is responsible and equitable, and takes into account the consequences of the depletion of the resource;
- vi. that the development, use and exploitation of renewable resources and the ecosystems of which they are part do not exceed the level beyond which their integrity is jeopardised;
- vii. that a risk averse and cautious approach is applied, which takes into account the limits of current knowledge about the consequences of decisions and actions; and

viii. That negative impacts on the environment and on people's environmental rights be anticipated and prevented, and where they cannot be altogether prevented, are minimised and remedied.

(d) Equitable access to environmental resources, benefits and services to meet basic human needs and ensure human wellbeing must be pursued and special measures may be taken to ensure access thereto by categories of persons disadvantaged by unfair discrimination.

(f) The participation of all interested and affected parties in environmental governance must be promoted, and all people must have the opportunity to develop the understanding, skills and capacity necessary for achieving equitable and effective participation, and participation by vulnerable and disadvantaged persons must be ensured.

(g) Decisions must take into account the interests, needs and values of all interested and affected parties, and this includes recognising all forms of knowledge, including traditional and ordinary knowledge.

(h) Community wellbeing and empowerment must be promoted through environmental education, the raising of environmental awareness, the sharing of knowledge and experience and other appropriate means.

(p) The costs of remedying pollution, environmental degradation and consequent adverse health effects and of preventing, controlling or minimising further pollution, environmental damage or adverse health effects must be paid for by those responsible for harming the environment.

(q) The vital role of women and youth in environmental management and development must be recognised and their full participation therein must be promoted.

(r) Sensitive, vulnerable, highly dynamic or stressed ecosystems, such as coastal shores, estuaries, wetlands, and similar systems require specific attention in management and planning procedures, especially where they are subject to significant human resource usage and development pressure.

## **2.7 Provincial Growth and development Strategy**

The provincial Government has developed its own Growth and Development Strategy, which is closely aligned to both the Millennium Development Goals and national development goals in 2011. The PGDS is essentially a tool through which the provincial government can address the legacies of the apartheid space economy, promote sustainable development and ensure poverty eradication and employment creation.

The Provincial Vision is indicated as:

*By 2035, the PROVINCE OF KWAZULU-NATAL should have maximized its position as a GATEWAY to South and Southern Africa, as well as its human and natural resources so creating a safe, healthy and sustainable living environment.*

*Abject poverty, inequality, unemployment and current disease burden should be history, basic services must have reached all people, domestic and foreign investors are attracted by world class infrastructure and a skilled labour force.*

*The people shall have options on where and how they opt to live, work and play, where the principle of putting people first and where leadership, partnership and prosperity in action has become a normal way of life.*

This PGDS provides KwaZulu-Natal with a reasoned strategic framework for accelerated and shared economic growth through catalytic and developmental interventions, within a coherent equitable spatial development architecture, putting people first, particularly the poor and vulnerable, and building sustainable communities, livelihoods and living environments. Concomitant attention is also given to the provision of infrastructure and services, restoring the natural resources, public sector leadership, delivery and accountability, ensuring that these changes are responded to with resilience, innovation and adaptability. This will lay the foundations for attracting and instilling confidence from potential investors and developing social compacts that seek to address the inter-connectedness of the Provincial challenges in a holistic, sustainable manner, whilst nurturing a populous that is productive, healthy and socially cohesive.

The purpose of the 2016 KZN PGDS is to:

- Be the primary strategy for KwaZulu-Natal that drives growth and development in the Province to 2035;
- Mobilize and synchronize strategic plans and investment priorities of all spheres of government, state owned entities, business, higher education institutions, labour, civil society and all other social partners towards achieving the desired growth and development goals, objectives and outcomes;
- Spatially contextualise and prioritise interventions so as to achieve greater spatial equity;
- Develop clearly defined institutional arrangements ensuring decisive leadership, robust management, implementation and on-going reviewing of the growth and development plan.

## **2.8 Growth and development Strategy**

King Cetshwayo has adopted development of the Growth and Development Plan.

By 2030 King Cetshwayo is renowned for the vastly improved socio-economic status of its residents resulting from 15 years of sustained economic growth. They are internationally recognized as a world leader in innovative and sustainable manufacturing based on the successful implementation of the RBIDZ initiative. This economic growth, together with the rural development programme resulted in the creation of decent employment opportunities leading to the fastest growing

household and individual income levels in the province, and reducing the unemployment rate of the youth in the by more than 50%. It also resulted in a significant decrease in the economic dependency ratio and improving the overall quality of life in the district. The economic growth is underpinned by a vastly improved information and telecommunication infrastructure network with the entire having access to a wireless broadband service and all businesses and more than 50% of households with access to a computer and internet service. By 2030 the will be characterised by a high quality infrastructure network supporting both household needs and economic growth. All households will have an access to appropriate water infrastructure, adequate sanitation, and sustainable energy sources.

Improved access to health facilities and quality of health services provided resulted in continually improving health indicators in the district. The quality of the output from the primary and secondary education system has improved dramatically and all learners have access to fully equipped primary and secondary education facilities. Sustainable and coherent spatial development patterns have been successfully implemented through innovative spatial planning frameworks an effective land use management systems implemented by highly skilled officials. Improved public sector management and skills levels resulted in sound local governance and financial management.

Table 14: DGDP Goals

NO	DGDP GOALS	ALIGNMENT WITH MTHONJANENI LM
1.	Job creation	Job creation through EPWP, CWP programs and interns
2.	Human resource development	Municipality resourced and committed the attaining the vision and mission of the organization
3.	Human and community development	Supporting and training of co-operatives
4.	Strategic infrastructure	100% spending of MIG grant in all financial year
5.	Response to climate change	Approved Disaster management plan and awareness campaigns
6.	Governance and Policy	Democratic, Responsible, Transparent, Objective and Equitable Municipal Governance
7.	Spatial Equity	Development of rural housing and other rural infrastructure projects within the municipal area.

## **2.9 Led Strategy**

### **1.1.8 Draft Local Economic Development Strategy**

The LED Strategy is under the review process. Mthonjaneni Municipality has developed a Draft Document which will guide the review process. Stakeholders have been informed especially Department of Economic Development who willing to assist the municipality in developing a credible plan. Timelines and milestones will be incorporated to the final document. The following is the executive summary that is extracted from the Draft LED Strategy:

#### **1.1.8.1 Mthonjaneni Economic Status**

Mthonjaneni Municipality is part of the global village. As such, its economy and lives of its community members are affected directly and indirectly by global, continental, national, provincial and regional economic phenomena at macro and microeconomic levels. The challenge of LED practice is to understand the nature, depth and effects of these phenomena on the political, strategic, institutional, economic and social aspects of the municipality and its people. The analysis of the socio-economic and physical situation of the municipality area indicates that:

- The economy is dominated by government, forestry, agriculture, finance, retail, accommodation, and general and personal services. These account for much of formal employment in the public service, banks, retail centers, services, and consulting and household services. There are no firms in manufacturing, , mining, construction
- In the absence of major productive economic sectors like minerals, manufacturing, construction, the economy is consumption driven as individuals and households spend more than 80% of income on consumer and durable goods like furniture, transport, electronics, food, apparel, services and public goods.
- This consumption economy is indicated by the growth of retail and informal business, which have been the only major economic developments in the past decade in the area. Consumption is driven by unsustainable levels of credit card debt, medium term loans and mortgage debt.
- More than half of economically active people are unemployed or under-employed. The rural villages have huge backlogs of basic infrastructure, public services and employment opportunities.
- This economic structure (characterized by consumption rather than production), together with population growth and lack of public/private sector investment, presents a major political challenge to the municipality and its potential partners in the provincial government and the business sector to design innovative LED programs that will achieve economic growth, social progress and create jobs.

The analysis further reveals that the municipality needs to deal with the following structural challenges in order to grow its economy:

- Chronic poverty, structural unemployment and a relatively small market.
- Poor education and skills development outcomes – which exacerbate poverty and unemployment.
- Environmental degradation and depletion of soil nutrients.
- Lack of industrialization programs.
- Spatial distances between the urban/rural divide and within urban areas, and binding constraints posed by poor physical planning and network infrastructure.
- Distance from main markets globally and limited market access.
- Poor implementation and coordination at provincial and municipal levels

#### **1.1.8.2 Sources of Information**

The information used during the development of this draft strategy was obtained from the following sources:

- Informal Traders Association
- Farmers Association
- Tourism Association
- Interaction with LED Department
- War rooms
- Project Steering Committee meetings:
- Interaction with key stakeholders
- Statistics
- Observation
- IDP and LED Strategy

#### **1.1.8.3 Strategies**

Mthonjaneni Municipality can tap into the implementation of the National Development Plan (NDP). The NDP sees the potential to create close to 1million new jobs by 2030, a significant contribution to the overall employment target. To achieve this target the NDP identified the following key activities:

- Maintain and expand irrigated agriculture

- Make use of under-utilized land in communal areas and land-reform projects for commercial production. Better land use in communal areas could improve the livelihoods of its people, and create jobs in communal areas.

Growing the local economy and improving the quality of life of the community will be achieved through the following strategies:

- To promote agriculture and agro-processing
- To promote Tourism and Hospitality
- To promote the Services, Retail and Light Manufacturing Sector
- To undertake Business Retention, Attraction and Expansion
- Institutional Arrangements and Capacity Building of the LED Unit

A number of projects have been identified in order to realize the LED vision of the municipality and improve the local economy. Care has been taken to ensure that only bankable and implementable projects which are in line with the municipality's vision and are realistic are included in the strategy. The strategy has also taken into consideration the development in the fourth industrial revolution by acknowledging and incorporating information communication technology as one of the area of development that must influence the growth of the local economy.

Achieving the above requires strategic leadership by political and administrative office bearers who are willing to take bold and far-reaching steps to deal with obstacles such as structural economic inefficiencies, lack of skilled labor and de-industrialization, among others. Finally the programs and projects herein must form part of the Municipal Integrated Development Plan to ensure that they are taken into consideration and implemented as part of the annual review.

Table 15: LED Strategy Principles

	Local economic development is a process and the planning for implementation should consider the logical steps involved in such a process, i.e. a focus on small scale community tourism if tourists cannot be attracted to the area will not be
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	sustainable.
	Local economic development processes should be economically, socially and environmentally sustainable, e.g. the impact of coal mining on the environment and specifically on tourism needs to be considered, because it is makes economic sense does not suggest that it is sustainable.
	The Municipality views economic development as a collaborative effort in which a wide range of stakeholders have a role to fulfil. The successful implementation of the strategies will be dependent on all stakeholders fulfilling its specific role in a coordinated fashion.
	Support for new economic development ventures will be based on a clearly defined market for the products / services which the venture will deliver.
	Integration of existing and new economic development ventures is essential. The upstream and downstream impact of ventures within the needs to be considered. The impact of ventures should not be considered in isolation.

### **Alignment of Municipal LED Plans with Government Strategies**

This section identifies the alignments and the relationships between the Integrated Development Plan (IDP) and the Government development strategies. Particularly because the need to obtain a shared approach to planning and alignment between the Provincial Growth and Development Strategies (PGDSs), the municipal Integrated Development Plans (IDPs) and the National Spatial Development Perspective (NSDP), was stressed in the Cabinet Lekgotla and the President's State of the Nation Address in 2018.

It is therefore a key priority of government to make government as a whole work together and improve the impact of its programmes in achieving common objectives and outcomes, particularly with respect to economic growth, job creation and in addressing the needs of the poor.

Table 16: Alignment of King Cetshwayo LED and Mthonjaneni LED plans

KING CETSHWAYO LED	MTHONJANENI LED
It is aimed at promoting co-operation at all levels of society in order to improve the quality of life of all its residents.	To improve the quality of life of all the residence the Mthonjaneni LED Strategy would identify capacity building programmes to enrich the community with the skills, and knowledge for business establishment that in turn would increase



	the income of the people. Increased income would improve the quality of life of all the residents.
Based on local initiatives where local communities are encouraged to help	The Mthonjaneni LED Strategy would assist in identifying all the stakeholders both the recognized and those that are not recognized register them to qualify for further funding and technical assistance. The sources of funding for local initiatives would also be identified within the Mthonjaneni LED Strategy.
Focuses on equal investment in social upliftment, environmental protection and commitment from all spheres of civil society.	The LED Strategy would identify the environmentally sensitive areas that would be preserved for tourism and other economic purposes.

Table 17: Alignment of National Development plan and Mthonjaneni LED strategy

NATIONAL DEVELOPMENT PLAN	MTHONJANENI LED
Is aimed at promoting prosperity and improving quality of life, -Promoting sustainable economic development and job creation, -developing human capacity, -Identifying and working with all role players from all sectors of society.	The Mthonjaneni LED Strategy would assist in identifying strategic areas for investment which will assist in bolstering the local economy and employment creation within Mthonjaneni Local Municipality. -The Mthonjaneni LED Strategy would also identify all the role players/stakeholder in the Mthonjaneni Local Municipality.

Table 18: The alignment between the Mthonjaneni LED and the National Spatial Development Plan

NATIONAL SPATIAL DEVELOPEMNT PLAN	MTHONJANENI LED
Is aimed at making South Africa a nation in which investment in infrastructure and development programmes support government's growth and development objectives. - By focusing on economic growth and employment creation in areas where this is most effective and sustainable. - Fostering development on the basis of local potential.	The Mthonjaneni LED Strategy would assist in identifying strategic areas for investment within Mthonjaneni Local Municipality, which would create employment opportunities for the local community of the area.

Table 19: Alignment between the Mthonjaneni LED and the National Development Plan

NATIONAL DEVELOPMENT PLAN (NDP)	MTHONJANENI LED
Raising employment through faster economic growth.	Mthonjaneni LED Strategy is about job creation, poverty alleviation and reduction of unemployment. - The strategy focuses on investment enhancement so as to create employment opportunities within Mthonjaneni Local Municipality. This will, in turn, impact positively on the expenditure patterns of the local community of the Municipality.
Improving the quality of education, skills development and innovation.	Mthonjaneni LED Strategy clearly acknowledged the importance of education to the society hence it recommends that all the nodes should have sufficient schools and recommends the establishment of a Further Education and Training (FET) facility with the municipal area. The Municipality should promote education by strengthening the bursary scheme to the needy tertiary students in the area. More alignment is necessary with various SETAs to promote skills development in the area.
Building the capability of the state to play a developmental, transformative role.	The LED Strategy recognizes that Mthonjaneni Local Municipality's LED section requires some restructuring for it to be able to oversee and monitor both operational and strategic economic plans of the Municipality. Among the things proposed in the Strategy is that the Municipality should ensure capacity building of the existing LED staff members. It is also proposed that co-ordination between the Municipality Department of Finance and the LED Section should be enhanced. In this regard, the LED Section would assume its power to source funding for LED activities itself.

The table below reflects the Linkage between Mthonjaneni LED Strategy and Provincial Growth and Development Strategy.

Table 20: Linkage between Mthonjaneni LED Strategy and Provincial Growth and Development Strategy

KZN PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY (PGDS)	MTHONJANENI LED
<p>Is aimed at promoting prosperity and improving quality of life,</p> <ul style="list-style-type: none"> <li>-Promoting sustainable economic development and job creation,</li> <li>-developing human capacity,</li> <li>-Identifying and working with all role players from all sectors of society.</li> </ul>	<p>The Mthonjaneni LED Strategy would assist in identifying strategic areas for investment which will assist in bolstering the local economy and employment creation within Mthonjaneni Local Municipality.</p> <p>-The Mthonjaneni LED Strategy would also identify all the role players/stakeholder in the Mthonjaneni Local Municipality.</p>

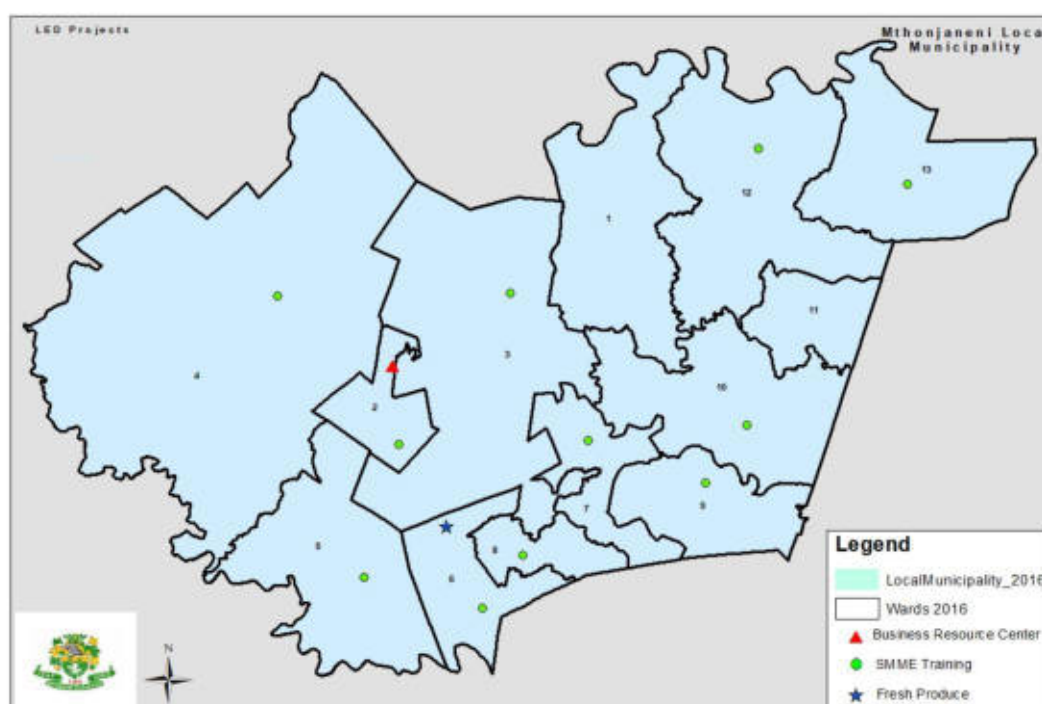


Figure 15: Map of LED Projects (KCDM GIS: 2019)

### Job creation through LED Initiatives

The table below reflects the total number of jobs created through LED and poverty alleviation programs.

Table 21: Total number of jobs created

PROGRAM	NO OF JOBS CREATED
EPWP	84
CWP	500
TOTAL	584

### EPWP grant performance

This table reflects the EPWP grant performance during the 2019/2020 financial year.

Table 22: 2018/2019 EPWP grant Performance

<b>Financial Accounting for Grant Funds Received and Expended</b>													
	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	Total
Received Prior Months ( Current Financial Year)	R -	R -	R 453,000	R 453,000	R 453,000	R 1,266,000	R 1,266,000	R 1,266,000	R 1,808,000	R 1,808,000	R -	R -	
Received in the Current Month		R 453,000			R 813,000			R 542,000					R 1,808,000
Total EPWP funds Received	R -	R 453,000	R 453,000	R 453,000	R 1,266,000	R 1,266,000	R 1,266,000	R 1,808,000	R 1,808,000	R 1,808,000	R -	R -	R 1,808,000
Spent Prior Months ( Current Financial year)		R 169,422	R 374,613	R 572,783	R 755,276	R 944,383	R 1,141,799	R 1,418,259	R 1,707,678	R 1,808,000			
<b>Spent in the Current Month</b>	R 169,422	R 205,191	R 198,170	R 182,493	R 189,106	R 197,416	R 276,461	R 289,419	R 100,322	R -	R -	R -	R 1,808,000
<i>Compensation of Employees</i>	R 169,422	R 205,191	R 198,170	R 182,493	R 189,106	R 197,416	R 276,461	R 289,419	R 100,322	R -			R 1,808,000
<i>Goods and Services</i>	R -		R -										R -
<i>Machinery and Equipment</i>	R -	R -	R -										R -
Accumulated EPWP Expenditure	R 169,422	R 374,613	R 572,783	R 755,276	R 944,383	R 1,141,79	R 1,418,2	R 1,707,6	R 1,808,0	R 1,808,0	R -	R -	R 1,808,000

						9	59	78	00	00			
Total EPWP funds Received and Not Spent	R - 169,422	R 78,387	R - 119,783	R - 302,276	R 321,617	R 124,201	R - 152,259	R 100,322	R -0	R -0	R -	R -	R -0
Expenditure as % of received amount	0%	83%	126%	167%	75%	90%	112%	94%	100%	100%	0%	0%	
Funds Currently Committed but Not Spent	R -												R -
Scheduled Transfers Withheld	R -												R -
<b>Expenditure on Approved Rollover</b>													
<b>Approved Rollover</b>	<b>July</b>	<b>August</b>	<b>Septemb er</b>	<b>October</b>	<b>Novem ber</b>	<b>Decem ber</b>	<b>Januar y</b>	<b>Februa ry</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>Jun e</b>	<b>Total</b>
R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
<i>Compensation of Employees</i>													R -
<i>Goods and Services</i>													R -
<i>Machinery and Equipment</i>													R -

## **2.10 Framework for Managing Programme Performance Information**

This Framework aims to:

- Clarify definitions and standards for
- Performance information in support of regular
- Audits of such information where appropriate
- Improve integrated structures, systems and
- Processes required to manage performance information
- Define roles and responsibilities for managing performance information
- Promote accountability and transparency by providing parliament, provincial legislatures,
- Municipal councils and the public with timely, accessible and accurate performance information.
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## **CHAPTER B2: GOVERNMENT PRIORITIES**

### **3.1 PGDS Spatial Planning Principles**

PGDS Spatial Planning Principles

The strategic and targeted nature of the Provincial Growth and Development Strategy implies that specific interventions will be undertaken within key geographical areas of Need and Potential.

The Principle of Environmental Planning (Bioregional Planning) refers to understanding and respecting the environmental character (potential and vulnerability) and distinctiveness of places and landscapes and promoting balanced development in such areas.

The Principle of Economic Potential aims to improving productivity and closing the economic performance gap between the various areas of KwaZulu-Natal towards economic excellence of all areas. Rapid economic growth that is sustained and inclusive is seen as a pre-requisite for the achievement of poverty alleviation.

The Principle of Sustainable Communities promotes the building of places where people want to live and work. Again the sense of Quality of Living refers to the balance between environmental quality, addressing social need and promoting economic activities within communities. Often communities within the rural context of KwaZulu-Natal are not located in the areas with perceived highest economic potential. Where low economic potential exists planning and investments should be directed at projects and programmes to address poverty and the provision of basic services in order to address past and current social inequalities towards building sustainable communities.

The Principle of Local Self-Sufficiency promotes locating development in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their need locally.

The Principle of Spatial Concentration aims to build on existing concentrations of activities and infrastructure towards improved access of communities to social services and economic activities. In practical terms this promotes concentration along nodes and corridors with multi-sectoral investment i.e. roads, facilities, housing etc. This principle will further assist in overcoming the spatial distortions of the past. Future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres in order for them to become regional gateways.

The Principle of Sustainable Rural Livelihoods considers rural areas in a way which is integrated with other decision making associated with the Sustainable Livelihoods framework. This principle requires that spatial planning consider the locality and impact of human, physical, natural, financial and social capitals of an area and spatially structures these in support of each other. Another aspect of this principle is promoting spatial planning in a continuum where rural areas are not addressed as completely separate entities to urban centres, but rather a gradual change in landscape with the potential progression of rural areas to more closely resemble the service standards and quality of living achieved in some urban contexts.

The Principle of Balanced Development promotes the linking of areas of economic opportunity with areas in greatest need of economic, social and physical restructuring and regeneration at all spatial scales. In practical terms the principles sought to find a balance between the potentially competing land uses by understanding the relationship and integration between major dimensions within the province and promoting a synergetic mixture of land uses in support of each other at various spatial scales.

The Principle of Accessibility simply promotes the highest level of accessibility to resources, services, opportunities and other communities. This is intrinsically linked to transportation planning and should consider localised needs for the transportation of people and goods by various modes of transport as guided by the scale and function of a region.

**LOCAL RELEVANCE:** The Mthonjaneni Municipality abides by sound spatial planning principles as extracted hereunder:

- Environmental awareness and sensitivity with due consideration to EMF and ESMP.
- Promotion of sustainable communities and the realization of restructuring zones in respect of human settlement projects.
- Urban integration and densification to decrease economic cost of travel specifically.
- Introduction of urban development boundary as a measure to achieve spatial concentration.
- Development of rural framework plans being initiated.

### **3.2 SPLUMA Principles**

The following provides a summary of the development principles contained in the SPLUMA (Spatial Planning and Land Use Management Act):

(a) The principle of spatial justice, whereby –

- past spatial and other development imbalances must be redressed through improved access to and use of land;
- spatial development frameworks and policies at all spheres of government must address the inclusion of persons and areas that were previously excluded, with an emphasis on informal settlements, former homeland areas and areas characterized by widespread poverty and deprivation;
- spatial planning mechanisms, including land use schemes, must incorporate provisions that enable redress in access to land by disadvantaged communities and persons;
- land use management systems must include all areas of a municipality and specifically include provisions that are flexible and appropriate for the management of disadvantaged areas, informal settlements and former homeland areas;
- land development procedures must include provisions that accommodate access to secure tenure and the incremental upgrading of informal areas; and
- a Municipal Planning Tribunal considering an application before it, may not be impeded or restricted in the exercise of its discretion solely on the ground that the value of land or property is affected by the outcome of the application.

(b) The principle of spatial sustainability whereby spatial planning and land use management systems must –

- i) promote land development that is within the fiscal, institutional and administrative means of the Republic;
- ii) ensure that special consideration is given to the protection of prime and unique agricultural land;
- iii) uphold consistency of land use measures in accordance with environmental management instruments;
- iv) promote and stimulate the effective and equitable functioning of land markets;
- v) consider all current and future costs to all parties for the provision of infrastructure and social services in land developments;
- vi) promote land development in locations that are sustainable and limit urban sprawl; and
- vii) result in communities that are viable.

(c) the principle of efficiency, whereby –



- i) land development optimises the use of existing resources and infrastructure;
  - ii) decision-making procedures are designed to minimise negative financial, social, economic or environmental impacts; and
  - iii) development application procedures are efficient and streamlined and timeframes are adhered to by all parties.
- (d) the principle of spatial resilience, whereby flexibility in spatial plans, policies and land use management systems are accommodated to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks.
- (e) the principle of good administration, whereby –
- i) all spheres of government ensure an integrated approach to land use and land development that is guided by the spatial planning and land use management systems as embodied in this Act;
  - ii) all government departments must provide their sector inputs and comply with any other prescribed requirements during the preparation or amendment of spatial development frameworks;
  - iii) the requirements of any law relating to land development and land use are met timeously;
  - iv) the preparation and amendment of spatial plans, policies, land use schemes as well as procedures for development applications, include transparent processes of public participation that afford all parties the opportunity to provide inputs on matters affecting them; and
  - v) policies, legislation and procedures must be clearly set in order to inform and empower members of the public.

**LOCAL RELEVANCE:** The following actions by the Mthonjaneni Municipality are of relevance with regard to the SPLUMA principles:

1. Efforts to densify, improve access to opportunities in non-core areas and densification.
2. Focus on sustainability of natural resource based – including protection of agricultural land resources.

Section 12 (1) (a) of the Spatial Planning and Land Use Management Act requires that the national and provincial sphere of government and each municipality must prepare spatial development framework that:

“Interpret and represent the spatial development vision of the responsive sphere of government and competent authority”

Section 12 (1) (h) of the Spatial Planning and Land Use Management Act requires that the national and provincial sphere of government and each municipality must prepare spatial development framework that:

“Include previously disadvantaged areas, areas under traditional leadership, rural areas, informal settlements, slums and land holdings of state-owned enterprises

and government agencies and address their inclusion and integration into spatial, economic, social and environmental objectives of relevant sphere”.

Section 12 (1) (i) of the Spatial Planning and Land Use Management Act requires that the national and provincial sphere of government and each municipality must prepare spatial development framework that:

“Address historical spatial imbalances in development”

The Municipal SDF is a primary spatial response to the development context, needs and development vision of the municipality (long term development vision). It is a key land use management tool at a strategic level with an important role to play in guiding and managing Municipal decisions relating to the use, development and planning of land.

The Municipal SDF also guides the form and location of future spatial development in a manner that addresses the imbalances of the past i.e. spatial injustice. It enables the municipality to manage its land resources in a developmental and sustainable manner. It provides an analysis of the spatial problems and provides strategies and programs to address the challenges defying.

### 3.3 Sustainable Development Goals

Sustainable Development Goals offer major improvements on the Millennium Development Goals (MDGs). The SDG framework addresses key systemic barriers to sustainable development such as inequality, unsustainable consumption patterns, weak institutional capacity, and environmental degradation that the MDGs neglected.

The SDG framework provides an overall narrative articulating how the goals will lead to broader outcomes for people and the planet. The 17 goals provide a clearer means-to-end continuum and they also offer better coverage of, and balance between, the three dimensions of sustainable development – social, economic and environmental – and the institutional/governance aspects. The SDGs are embedded in the world’s quest to ensure poverty eradication, changing unsustainable and promoting sustainable patterns of consumption and production and protecting and managing the natural resource base of economic and social development. These are the overarching objectives and essential requirements for sustainable development.

Table 23: Sustainable Development Goals

NO	SUSTAINABLE DELIVERY GOALS	ALIGNMENT WITH MTHONJANENI OBJECTIVES
1.	End Poverty in all its forms everywhere.	Viable Economic Growth and Development
2.	End hunger, achieve food security	Develop and sustain urban and

	and improved nutrition and promote sustainable agriculture.	commercial agriculture to build food security
3.	Ensure healthy lifestyles and promote well-being for all at all ages.	Improve quality of citizens health
4.	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Improving citizens skills levels and education
5.	Achieve gender equality and empower all woman and girls.	Establishment of ward-based special programmes forum
6.	Ensure availability and sustainable management of water and sanitation for all.	Efficient and integrated infrastructure and services
7.	Ensure access to affordable, reliable and modern energy for all.	
8.	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	Viable Economic Growth and Development
9.	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	Efficient and integrated infrastructure and services
10.	Reduce inequality within and among countries.	Socio-economic projects in rural areas.
11.	Make cities and human settlements inclusive, safe, resilient and sustainable.	To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing
12.	Take urgent action to combat climate change and its impacts.	To promote environmental conservation and protection
13.	Conserve sustainably use of oceans, seas and marine resources for sustainable development	
14.	Protect, restore and promote sustainable use of terrestrial ecosystem, sustainable manage forests, combat desertification and	

	halt and reverse land degradation and halt biodiversity loss.	
15.	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective accountable and inclusive institutions at all levels.	Democratic, Responsible, Transparent, Objective and Equitable Municipal Governance

### 3.4 Climate Change Resolution

In November and December 2015, the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC COP21) took place in Paris. UNFCCC is an international environmental agreement on climate change, of which there are 195 States Parties, including the South Africa.

The UN Intergovernmental Panel on Climate Change (IPCC) has warned of the consequences of failing to limit global temperature rises to at least 2 degrees Celsius (above pre-industrial times), highlighting that the impacts would pose a threat to humanity and could lead to irreversible climate change.

The meeting in Paris was hailed as a make-or-break opportunity to secure an international agreement on approaches to tackling climate change, a commitment to a longer-term goal of near zero net emissions in the second half of the century, and supporting a transition to a clean economy and low carbon society.

The key points of the Paris Agreement are summarised below. The agreement is due to come into force in 2020.

Table 24: Summary of Paris Agreement

Nr.	Key Points	Resolution
1.	Mitigation: reducing emissions	<ul style="list-style-type: none"> <li>• A long-term goal of keeping the increase in global average temperature to well below 2°C above pre-industrial levels;</li> <li>• To aim to limit the increase to 1.5°C, since this would significantly reduce risks and the impacts of climate change;</li> <li>• On the need for global emissions to peak as soon as possible, recognising that this will take longer for developing countries;</li> <li>• To undertake rapid reductions thereafter in accordance with the best available science.</li> </ul>
2.	Transparency and global stock take	<ul style="list-style-type: none"> <li>• Come together every 5 years to set more ambitious targets as required by science;</li> <li>• Report to each other and the public on how well they are doing to implement their targets;</li> <li>• Track progress towards the long-term goal through a robust transparency and accountability system.</li> </ul>

3.	Adaptation	<ul style="list-style-type: none"> <li>Strengthen societies' ability to deal with the impacts of climate change;</li> <li>Provide continued and enhanced international support for adaptation to developing countries.</li> </ul>
4.	Loss and damage	<ul style="list-style-type: none"> <li>Recognises the importance of averting, minimising and addressing loss and damage associated with the adverse effects of climate change;</li> <li>Acknowledges the need to cooperate and enhance the understanding, action and support in different areas such as early warning systems, emergency preparedness and risk insurance.</li> </ul>
5.	Support	<ul style="list-style-type: none"> <li>The EU and other developed countries will continue to support climate action to reduce emissions and build resilience to climate change impacts in developing countries.</li> <li>Other countries are encouraged to provide or continue to provide such support voluntarily.</li> <li>Developed countries intend to continue their existing collective goal to mobilise USD 100 billion per year until 2025 when a new collective goal will be set.</li> </ul>

### 3.5 National Plan Priorities

The National Planning Commission issued the first draft of the National Development Plan in November 2011 for consideration – its priorities are summarized in the table below:

Table 25: National Plan Priorities

No.	National Plan Priorities	Strategic Alignment There
1.	Create jobs	Viable Economic growth and development
2.	Expand infrastructure	Integrated Infrastructure and efficient services
3.	Use resources properly	Democratic, responsible, transparent, objective and equitable Municipal Governance
4.	Inclusive planning	To improve citizens skills levels and education
5.	Quality healthcare	Safe and Healthy living environment
6.	Build a capable state	Democratic, responsible, transparent, objective and equitable municipal governance
7.	Fight corruption	Safe and Healthy living environment
8.	Unite the nation	Social Cohesion

### 3.6 Fourteen National Outcomes

Table 26: The 14 National Outcomes that all provincial governments must align to

<b>Goal No:</b>	<b>National Outcome</b>	<b>Mthonjaneni Municipal Goal/Objectives</b>
1	Quality basic education	Social and Economic Development
2	A long and healthy life for all South Africans	Providing a safe a secure environment
3	All people in South Africa are and feel safe	Proper disaster management. Implementing of Anti-corruption plan.
4	Decent employment through inclusive economic growth	Creating a viable and sustainable work environment.
5	Skilled and capable workforce to support an inclusive growth path	Providing opportunities for all to aspire to a better future
6	An efficient, competitive and responsive infrastructure network	Providing a high level of affordable essential basic services
7	Vibrant, equitable, sustainable rural communities contributing towards food security for all	Encouraging community participation and in service delivery
8	Sustainable human settlements and improved quality of household life	Facilitating rural and middle income housing projects in all wards.
9	Responsive, accountable, effective and efficient local government system	Providing a high level of affordable essential basic services
10	Protect and enhance our environmental assets and natural resources	To ensure environmental sustainability and proper land use management

11	Create a better South Africa, a better Africa, and a better world	Providing service excellence  Providing a safe and secure environment
12	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Supporting the poor and vulnerable groups
13	An inclusive and responsible social protection system.	Democratic, responsible, transparent, objective and equitable Municipal Governance
14	National building and social cohesion	Social cohesion

### 3.7 Five National Priorities

Table 27: The Five National and Six Provincial Priorities

	<b>FIVE NATIONAL (INCLUDING 6 TH PROVINCIAL) PRIORITY</b>	<b>MTHONJANENI OBJECTIVES</b>
1	Job creation (Decent work and Economic growth`	Implementing of EPWP, Food for Waste and CWP program.  To develop, manage and implement Human Resource Strategies.
2	Education	Providing early childhood development facilities in partnership with The Department of Social development.
3	Health	Improve Quality of Citizens health.
4	Rural development, food security and land reform	Prioritisation of rural projects in IDP. E.g.: Rural roads and rural electrification projects.
5	Fighting crime and corruption	Implementing of anti-corruption plan.
6	Nation -building and good governance (State of KZN Province	To provide sound external and internal

	Address	communication.  To ensure that public participation structures are in place.
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### 3.8 Provincial Growth and Development Strategy

Table 28: PGDS Strategic goal and alignment

No.	PGDS Strategic Goal	Alignment thereof
1.	Inclusive Economic Growth	Viable economic growth and development
2.	Human Resource Development	Municipality that is resources and committed to attaining the vision and mission of the organisation.
3.	Human and Community Development	Viable economic growth and development
4.	Strategic Infrastructure	Integrated infrastructure and efficient services
5.	Environmental Sustainability	Optimal management of natural resources and commitment to sustainable environmental management
6.	Governance and Policy	Democratic, Responsible, Transparent, Objective and Equitable Municipal Governance and Social Cohesion
	Spatial Equity	Integrated urban and rural development

### 3.9 Growth Development Strategy

Table 29: DGDP strategic goal and alignment

No.	DGDP Goals	Alignment thereof
1.	Job Creation	Viable economic growth and development
2.	Human Resource Development	Municipality that is resources and committed to attaining the vision and mission of the organisation.
3.	Human and Community Development	Viable economic growth and development
4.	Strategic Infrastructure	Integrated infrastructure and efficient services
5.	Response to Climate Change	Optimal management of natural resources and commitment to sustainable environmental management
6.	Governance and Policy	Democratic, Responsible, Transparent, Objective and Equitable Municipal Governance and Social Cohesion
7.	Spatial Equity	Integrated urban and rural development

### 3.10 SONA 2021

**SONA 2021 as delivered by the President Cyril Ramaphosa of the Republic of South Africa on 11 February 2021**



## History

- **Thirty one** years since President Nelson Mandela walked out of the gates of Victor Verster Prison a free person.
- **Nearly 40 million** – years since an extraordinary ecosystem has existed at the southernmost tip of the continent.

## Coronavirus Disease (COVID-19)

- **Nearly one-and-a-half million** – people in South Africa known to have been infected by the virus, by 11 February 2021.
- **More than 45 000** – people known to have died of COVID-19 in South Africa, by 11 February 2021.
- **9 million** – doses of the Johnson & Johnson vaccine that government has secured.
- **80 000** – doses of the Johnson & Johnson vaccine that will arrive in the country next week.
- **500 000** – further consignments of the Johnson & Johnson vaccine expected to arrive in the country over the next four weeks.
- **12 million** – doses of the vaccine secured from the global COVAX facility.
- **20 million** – vaccine doses Pfizer has committed, commencing with deliveries at the end of the first quarter.

## Economy and employment

- **6%** – the smaller level of South Africa's economy in the third quarter of 2020 than in the last quarter of 2019.
- **1.7 million** – fewer people who were employed in the third quarter of 2020 than in the first quarter, before the pandemic struck.
- **30.8%** – the rate of unemployment in South Africa by 11 February 2021.
- **R500 billion** – value of the social and economic relief package to provide cash directly to poorest households, to provide wage support to workers and to provide various forms of relief to struggling businesses.
- **18 million** – people or close to one-third of the population who received additional grant payments through government's relief measures.
- **More than 5 million** – poor people who benefitted from the social and economic relief package.
- **R57 billion** – value of the wage support that has been paid to over 4.5 million workers through the Special UIF TERS scheme.
- **Over 4.5 million** – workers who benefitted from the wage support worth R57 billion that has been paid through the Special UIF TERS scheme

## Business support

- **More than R1.3 billion** – money provided to support mainly small- and medium-sized businesses.
- **Over R70 billion** – value of the tax relief extended to businesses in distress.
- **Around R18.9 billion** – value of loans approved for 13 000 businesses through the Loan Guarantee Scheme.
- **13 000** – businesses that will receive loans approved through the Loan Guarantee Scheme.

## Infrastructure

- **R340 billion** – value of the infrastructure investment project pipeline that government has developed in network industries such as energy, water, transport and telecommunications.
- **68 000** – households in Gauteng that will benefit from homes provided through two major human settlements projects of the Economic Reconstruction and Recovery Plan.
- **350 000 to 500 000** – people expected to benefit from homes built within the next decade, as part of the Lanseria Smart City project.
- **R19 billion** – value of roads projects covering the spine of the South African road network identified through the Infrastructure Investment Plan.
- **R100 billion** – the budget of the Infrastructure Investment Plan.
- **300 000** – student beds to be provided through the Student Housing Infrastructure Programme funded by the Infrastructure Investment Plan.

### Local products

- **20%** – the level of the planned reduction of South Africa's reliance on imports over the next five years.
- **42** – products – ranging from edible oils to furniture, fruit concentrates, personal protective equipment, steel products and green economy inputs – that can be sourced locally.
- **More than R200 billion** – money that could potentially be returned to the country's annual output by sourcing products locally.
- **1 000** – locally produced products that must be procured from small, medium and micro enterprises.
- **R800 million** – funds invested to upgrade production through the Poultry Master Plan.
- **1 million** – additional chickens that South Africa produces every week through the Poultry Master Plan.
- **80%** – quantity of sugar that large users of sugar have committed to procure from local growers, as part of the Sugar Master Plan.
- **85 000** – workers employed in the sugar industry.
- **More than half a billion rand** – money invested by the clothing, textile, footwear and leather industry to expand local manufacturing facilities, including small, medium and micro enterprises.
- **Around 70%** – the level of normal annual production that the auto sector had recovered by the end of 2020.

### Investment

- **R16 billion** – value of the investment by Ford Motor Company to expand their manufacturing facility in Tshwane for the next generation Ford Ranger bakkie.
- **12** – small and medium enterprises in automotive component manufacturing to be supported to grow through the R16-billion investment by Ford Motor Company.
- **R1.7 billion** – value of procurement opportunities from nearly half of the procurement spend on construction of the bulk earthworks and top structure at the Tshwane Special Economic Zone to be allocated to small, medium and micro enterprises.

- **R108 billion** – value of additional investment commitments raised by the third South Africa Investment Conference in November 2020.
- **R773 billion** – value of investment commitments received by 11 February 2021 towards government’s five-year target of R1.2 trillion.
- **R1.2 trillion** – government’s five-year target of investment commitments.
- **R183 billion** – value of investments that have reportedly flowed into projects that benefit the South African economy.
- **More than 125 000** – new companies registered through the BizPortal platform in 2020.

### **Job creation**

- **Over 430 000** – job opportunities supported through the Presidential Employment Stimulus by the end of January 2021.
- **180 000** – job opportunities supported through the Presidential Employment Stimulus still in the recruitment process by 11 February 2021.
- **Nearly half a million** – people receiving an income, developing new skills and contributing to their community and the country’s economy through environmental programmes.

### **Youth economic empowerment**

- **1 000** – young entrepreneurs who benefited from grant funding and business support provided by the National Youth Development Agency and the Department of Small Business Development, by International Youth Day on 12 August 2020.
- **15 000** – start-ups to be supported by the National Youth Development Agency and the Department of Small Business Development by 2024.
- **1.2 million** – people on the National Pathway Management Network, which provides support and opportunities to young people across the country.

### **Energy**

- **2 000** – megawatts of emergency power to be supplied by the successful bids to be announced by the Department of Mineral Resources and Energy.
- **11 800** – additional megawatts of power from renewable energy, natural gas, battery storage and coal that government will procure in line with the Integrated Resource Plan 2019.
- **Between 4 000 and 6 000** – the estimated electricity supply shortfall over the next five years.
- **2 600** – megawatts from wind and solar energy to be supplied as part of Bid Window 5 to address the estimated electricity supply shortfall over the next five years.
- **5 000** – megawatts of additional capacity to be unlocked by the easing of licensing requirements for new embedded generation projects to help ease the impact of loadshedding.

### **Water-use licence applications**

- **90** – days to finalise water-use licence applications within the revised timeframe.

## **eVisas**

- **10** – other countries that will also benefit from the roll-out of eVisas to visitors from China, India, Nigeria and Kenya.

## **Land restitution**

- **Over 5 million** – hectares of land, totalling around 5 500 farms, that government has redistributed to more than 300 000 beneficiaries, by 11 February 2021.
- **5 500** – total of farms with over five million hectares of land that government has redistributed to more than 300 000 beneficiaries, by 11 February 2021.
- **More than 300 000** – people who benefited from over five million hectares of land, totalling around 5 500 farms, that government has redistributed by 11 February 2021.
- **Over 2 million** – land claimants who benefited from the land restitution process that resulted in the transfer of around 2.7 million hectares of land.
- **Around 2.7 million** – hectares of land transferred to over two million land claimants through the land restitution process.

## **Women-owned businesses**

- **40%** – quantity of public procurement that should go to women-owned businesses.

## **Gender-based Violence and Femicide (GBVF) Response Fund**

- **R128 million** – value of pledges made by several South African companies and global philanthropies to the private sector-led GBVF Response Fund.

## **Special COVID-19 Grant**

- **R350** – value of the Special COVID-19 Grant.

## **3.11 SOPA 2021**

### **Premier Sihle Zikalala: KwaZulu-Natal State of the Province Address 2021**

26 Feb 2021

### **Theme: “Quickening the Tempo to Economic Recovery and Job Creation”**

Madam Speaker and Deputy Speaker of the KZN Legislature;

Members of the Executive Council;

AbaNtwana baseNdlunkulu;

Chairperson of the House of Traditional Leaders, Inkosi P.D.H Chiliza and uMama weSizwe saseMadungeni;

Members of the Executive Committee of the Provincial House of Traditional Leaders;

Members of the NCOP;

Honourable Mr Justice A Jappie, Judge President - KZN Division;

Honourable Members of the Provincial Executive;

Honourable Members of the Provincial Legislature;  
Mayors and Councillors;  
Acting Provincial Police Commissioner, General Gonya;  
Members of the Diplomatic Corps;  
Director-General of KZN, Dr N.O. Mkhize;  
Heads of Provincial Departments;  
Members of the Provincial Planning Commission;  
Representatives of the Business, Labour and Civil Society;  
Religious Leaders;  
Distinguished Guests;  
Ladies and Gentlemen;

## **Introduction**

### **In the face of death and devastation, KZN endures and is alive with possibility**

We stand at a stark moment in history.

The challenges we face and the tough decisions we make, will determine the trajectory of our province, of our country and of our people.

As a nation we have walked side by side through the valley of the shadow of death.

Today we are better armed knowing that as we work hard to manage the devastating COVID-19 pandemic, we must shift to higher gear.

We must quicken the tempo to lift our physical recovery, our emotional recovery, and very importantly, our economic recovery, reduce inequality and create jobs. Our undisputed leadership in building peace and hope is vested in our King, His Majesty *UBhejane Phume'siqiwini!*

His Majesty has always led from the front in building peace, unity and prosperity in our Province. In this regard as government and people of KwaZulu Natal we will continue to pray for His Majesty's health and well-being as he goes through these trying times. May God hold uHlanga Lomhlabathi in the palm of His hand.

## **Milestones and anniversaries**

Honourable Speaker,

The pandemic has brought the brutality of death into our homes, devastation to our economy and heightened the crisis of unemployment and inequality in our society.

Amid the gloom and doom visited upon the globe by the Covid-19 pandemic, hope springs eternally in our province. We are like the reed (umhlanga) that withstands the raging floods by bending, eventually emerging bruised but unbroken. Like the reed plant, ours is a nation that is bruised, but we remain unbroken as the Covid-

**Sukuma 100 000 and the KZN Youth Fund**

Last year we stated our ambition to support 100 000 job opportunities for jobless young people, including unemployed graduates. We are pleased that in the midst of Covid-19, we turned devastation into economic opportunity and supported local industries owned by young, black people.

We created 137 000 jobs under Sukuma 100 000, surpassing the target. We congratulate all our departments for embracing youth employment with such demonstrable vigour.

One such recipient of our funding is Gelanison Agric, an agricultural initiative that produces high-value crops using the hydroponic system. This project received R2 million from the KZN Youth Fund Programme towards the erection of 10 greenhouse tunnels, water sourcing and fencing for the 5ha of land.

**Theme for the State of the Province Address**

In his 2021 State of the Nation Address (SONA) on 11 February, His Excellency President Cyril Ramaphosa declared this as the year for our rebirth and renaissance. SONA identified four urgent priorities for our nation which are that we must:

- Defeat the Coronavirus pandemic;
- Accelerate Economic Recovery;
- Implement economic reforms to create sustainable jobs and drive inclusive growth;
- Fight corruption and strengthen the State.

**Building a thriving economy and job-creation**

We undertake a solemn declaration to spare no effort in the struggle to grow the economy. The focus will be on restructuring the economy to ensure growth and address the imbalances in ownership patterns and ensure creation of jobs.

The Provincial Government will establish the war room on jobs creation chaired by Premier to monitor and oversee the implementation of job creation projects.

**Clothing and Textile SEZ**

As per our announcement last year regarding our plans to establish a fully-fledged Clothing and Textile Special Economic Zone, we are pleased to report that we have achieved major milestones towards realising this goal. Firstly, we have completed the development of a business case for the SEZ. Secondly, we have secured a suitable industrial land at Ezakheni to host it. Thirdly, we have nominated Dube Trade Port to be its operator, and most importantly, we have successfully attracted investment worth R780 million from companies interested to locate within the SEZ. EDTEA together with TIKZN and the uThukela Economic Development Agency will be presenting the final business case for designation to the DTIC before the end of 2020/2021 financial year. The clothing and textile SEZ must transform uThukela to a city of fashion.

## **Port Infrastructure**

An efficient port is a very important asset for any country as it acts as a conduit for global and intra- regional trade. The Durban Port and Richards Bay remain the most strategic anchorages for the country's economic growth.

## **Enterprise Development**

In support of the provincial government's quest to accelerate economic development in the province through the establishment of viable, sustainable and employment creation enterprises, EDTEA provided support to small enterprises across priority sectors of the province.

The following were achieved within the area of enterprise development:

- Database was developed indicating operational and non-operational small enterprises together with their individual needs.
- Municipalities were engaged and a list of buildings and infrastructure considered for use by small enterprises updated.
- Ithala Development Finance Corporation (IDFC) was directed to provide share facilities for SMMEs that are part of manufacturing in township. As part of this initiative, Ithala has secured a facility for INK women cooperative involved in chemical manufacturing in KwaMashu Township.

## **Livestock (Red Meat & White Meat) Value Chain**

In the 2021/22 financial year, over 3 400 producers will be supported in the Red Meat Commodity Value Chain. A total of 49 livestock value chain projects constituting 23 beef projects, 11 poultry projects and 15 pig production projects are planned for implementation at a total budget cost of R110 million.

## **Grain Value Chain (Maize, Dry beans & Soya beans)**

In the 2021/22 financial year, over 10 800 producers will be supported in the Grain Commodity Value Chain. Furthermore, the department will support farmers to cultivate 23 000 hectares of grain commodities.

## **Public transport professionalization and stability**

To improve the public transport system, government took a bold step of hosting the National Taxi Lekgotla. The plan emanating from the resolutions seeks to eliminate violence, improve regulations and enforcement, illegal collection of monies, improve driver skills and training, professionalise the management and running of taxi associations and end Gender-Based Violence in Public Transport.

We are deeply disturbed by the incidents of violence and bloodshed that continue to engulf the area operated by Ndwedwe and District Taxi Association in Umzinyathi. This area remains a challenge in government's effort of stabilising the now relatively peaceful taxi industry. Most worrying is the shooting of taxis with commuters, and this is unacceptable.

## **Road Safety**

Road safety remains a challenge that needs all of us. We are all affected in one way or another by the rise in fatalities on the roads.

### **Public works and infrastructure delivery**

The Department of Public Works is the Implementing Agent of Choice for state-led infrastructure development in the Province. In 2020/21, the Department completed 151 capital projects in nine district municipalities and one metro at a combined cost of R694m. Public Works also has over 422 infrastructure projects which are currently under construction amounting to R3, 6 billion across the Province.

### **Challenges with Payment of Service Providers**

In her presentation to the Public Works Portfolio Committee, the Honourable MEC indicated that the Department was unable to meet its payment obligations to contractors, service providers and municipalities within the 30-day deadline committed by government. This has resulted in tremendous hardship for many of the small contractors who were brought into the system through empowerment programmes like the Eyesizwe Contractor Development Programme.

### **Expanded Public Works Programme**

The Expanded Public Works Programme (EPWP) remains one of the largest public employment programmes in the world. Public Works is responsible for the overall provincial coordination of EPWP. During the pandemic, over 6000 new entrants were mobilised to provide critical services like screening and monitoring at schools. While EPWP provides access to job opportunities, far greater investment is necessary in ensuring that these beneficiaries are able to receive credible training in critical skills to make them ready for the job market.

### **Creating massive work opportunities**

The impact of Covid-19 and pre-existing economic situation has impacted negatively especially to low skilled workers. To mitigate this plight, we will streamline all mass employment opportunities, repurpose it to ensure effectiveness - these will include Zibambeke and VRRM. The purpose will be to ensure that more allocation goes to intended beneficiaries and less is spent on management and facilitation.

### **Infrastructural Development**

The centrality of infrastructure, both physical and social, in development cannot be emphasised. Adequate infrastructure in the form of road and railway transport system, ports, power, airports and their efficient working is needed to integrate the KZN economy with other economies of the world.

### **A Determined Fight against Covid-19**

We once again wish to express our solidarity with all South Africans who have felt the brunt and devastation of Covid-19. We extend, once more, our gratitude to our frontline healthcare workers who continue to risk their lives to save our own.



## **Vaccine Rollout Plan**

Our vaccine rollout programme is progressing well. At least 33 399 people have already registered for the first phase of the vaccine rollout in the province. Most of our health workers have reported a renewed sense of positivity and feeling protected.

KZN received 10 800 vaccines in the first phase and we have vaccinated a total of 7337 health workers at our two sites in Albert Luthuli and Prince Mshiyeni Hospital.

## **National Health Insurance (NHI)**

Although we say Covid-19 does not discriminate, we also know that it has exposed our faultiness and exacerbated social inequalities. It is clear that the poorest of the poor are more vulnerable to an inadequate, unequal healthcare system. The ANC-led government remains committed to universal healthcare through the accelerated implementation of the National Health Insurance (NHI).

## **Dr Pixley Ka Isaka Seme Memorial Hospital is on course to open its doors**

The Province remains on track to deliver on one of its flagship projects, the Dr Pixley Ka Isaka Seme Memorial Hospital. This 500-bed hospital will provide regional services to our communities in the Inanda- Ntuzuma-KwaMashu (INK) area. The hospital is at 98% practical completion rate and should be operational no later than June 2021.

## **Community Safety and Liaison- Fighting Crime**

Compatriots, after years of conflict, violence, and brutality, South Africa has not completely discarded its violent and traumatic past. Today, what may start as an argument or a disagreement between friends or siblings, can end up in cold blooded murder. Even more heart-breaking, is the violence experienced by women and girls often from men they know and trust. Many of these crimes take place in homes, in our bedrooms, and tragically, even in places of worship these days.

## **Gender-Based Violence**

Gender-based violence remains one of the worst scars in our society, touching every community regardless of race, faith or economic status.

GBV remains the second pandemic after Covid-19 with a greatest threat to the building of a united, prosperous, non-sexist, non-racial and equal society.

## **Fight against Corruption – I do Right Even when nobody is watching**

In this sixth administration the fight against corruption remains a key priority of government.

We are united in ensuring that all persons charged with handling public resources are held to the highest ethical standards.

## **Operation Clean Audit**

As part of our turnaround strategy an Audit Improvement Plan was implemented under the supervision of the Provincial Treasury. We have identified constraints that lead to poor audit performance. The 2020/2021 audit process has shown improvement, but we have not yet reached our target and we will continue to ensure accountability and full implementation of audit outcomes.

### **Lifestyle audits**

Madame Speaker; we made an undertaking to facilitate the process of undertaking the Lifestyle Audits by Members of the Executive Council and SCM official in the first phase. We wish to update the house that we did approach the State Security Agency and SARS with a view to assist in this task. We were advised, via correspondence, that the State Security is finalising certain protocols in this regard.

As the Province of KwaZulu-Natal, we are committed to leading from the front in undertaking the lifestyle audits. We are confident that once processes are concluded, we will be among the first provinces to subject ourselves to this process.

### **Acknowledgments**

Madam Speaker, allow me to convey my deep sense of gratitude to Members of the Executive Council for their unwavering support as we work together to create a South Africa that is united, non-racial, non-sexist, just and prosperous.

A special thanks to His Majesty, Indlunkulu yonke and Amakhosi led by Inkosi Chiliza, for their wise counsel to me personally and the Executive Council.

COVID-19 has made our people weary with despair. Our economy has never known such devastation.

Covid-19 has reminded us that time is not a luxury available to us.

The time is now. The tempo must quicken. The hope and expectation of our people must be kept alive.

There is work to be done. Let us roll up our sleeves and get our shoulders to the wheel. The time is now.

Even though we walk through the valley of the shadow of death, we fear not. God Bless South Africa and the people of KwaZulu-Natal.

Together Growing KwaZulu-Natal

I thank you

## Chapter C – SITUATIONAL ANALYSES

### 4.1 Regional Context

Mthonjaneni is a small municipality situated in the central north easterly part of KZN with a population of 78883 (CS: 2011/2016). It consists of a town called Melmoth. The town was established in the Mthonjaneni after the invasion of Mthonjaneni by United Kingdom in 1887 and was named after Sir Melmoth Osborn.

Mthonjaneni is a member of Tourism Association Agency Route 66 which comprises of all municipalities that are linked by R66 in their economic and tourism activities. Route 66 members include Gingindlovu, Eshowe, Mthonjaneni, Ulundi, Nongoma and Pongola. Mthonjaneni is the gateway to Mthonjaneni and major economic active provinces in RSA which is Mpumalanga Province and Gauteng through R66 route.

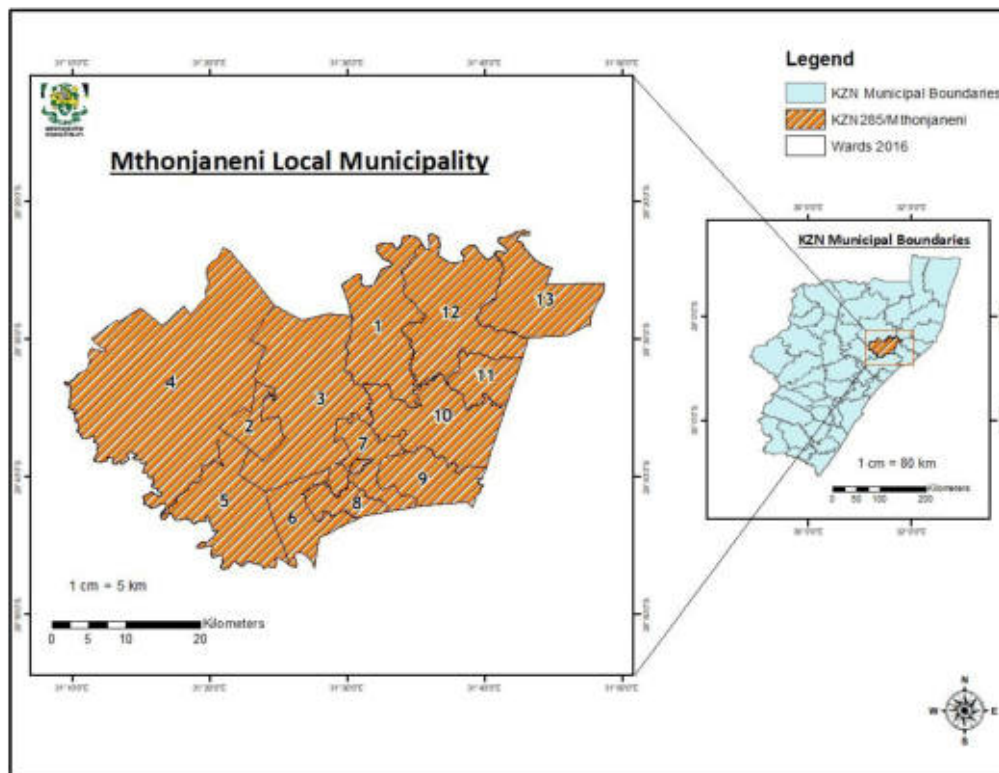


Figure 16: Map of Mthonjaneni in Regional context (*GIS Mthonjaneni: 2021*)

### 4.2 Administrative Entities

Mthonjaneni was established in the year 1888 after the invasion of the area by white settlers. It comprises of a Melmoth which is a town is named after Melmoth Osborn. It also has Thubalethu Township which and a large number of surrounding rural areas. Most of the area under Mthonjaneni Municipality is owned by Ingonyama Trust under the leadership of Inkosi Biyela of Obuka, Inkosi Zulu of

Ntembeni and INkosi Biyela of Yanguye. Part of the area is privately owned with vast areas being owned by white farmers.

### 4.3 Structuring Elements

There are lot of natural as well as man-made features that shape up Mthonjaneni municipality. Indigenous plantations and mountains add to the beauty of the area of Mthonjaneni municipality. There are also cultural and tourism site like Mthonjaneni cultural museum, Phobane lake, Inkosi Mgabhi home (the home to Nandi who was the mother of King Shaka). Mthonjaneni also has three traditional authorities which are INkosi Biyela of Obuka, INkosi Zulu of Ntembeni and INkosi Biyela of Yanguye.

### 4.4 Existing Nodes and Corridors

The desired spatial outcome of any area is regarded as a situation rather than an environment with specific character. The location and nature of developments within the Mthonjaneni municipal area are shown in the maps in this section. The Mthonjaneni's desired spatial outcomes for all nodes are shown in the tables below:

#### Primary Node: Melmoth

Table 30: Primary Node – Melmoth

Town/Settlement	Existing level of services/ facilities	Desired spatial outcomes
Melmoth (including Thubalethu)	Municipal Offices Clinic Welfare Offices Primary School High School Permanent Information Centre Post Office + Post Boxes Banks Library Bus and Taxi Terminals Police Station Magistrates Court Home Affairs Offices Community Hall Wholesalers/Stores/Shops Cemetery Jail Waste water treatment plant Refuse site Worship (8 Churches)	Melmoth is most suited for a primary node in Mthonjaneni Municipality. It has adequate facilities and meets most of the requirements in terms of level of services/ facilities for a primary node. It does not have a hospital but does have a clinic. KwaMagwaza hospital is approximately 10 km away and fulfills this function. There is no high school in Melmoth itself, but there is one in Thubalethu which services that area. Another gap is a Tertiary Training Facility.

Melmoth and the adjoining settlement of Thubalethu form the primary node and commercial and administrative hub of the Municipality. Located within this area

are the municipal offices, provincial government offices, schools, police station, magistrate's court and various stores and shops. (Mthonjaneni Draft IDP 2012/13 to 2019/20). Melmoth has an existing Town Planning Scheme which guides land use and development within the town.

The CBD is dissected by the Primary Corridor (R66/R34) which links Melmoth and Thubalethu making them highly accessible and giving them potential for economic development. The R66/R34 is the only proposed primary corridor. The idea is to encourage mixed usage between the two areas and along the primary corridor.

The map below shows the spatial form and land use within Melmoth town.

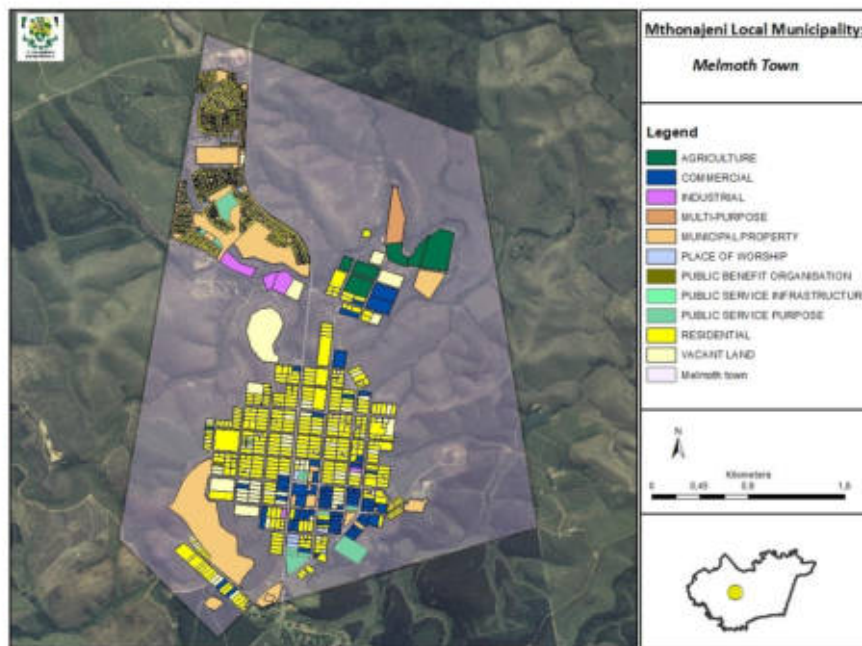


Figure 17: Melmoth town (GIS Mthonjaneni: 2021)

## Secondary Nodes

Ndundulu, KwaMagwaza and KwaYanguye are linked by the R66 and R68 respectively and have been identified as secondary nodes. These areas play an important role as service centres to the rural communities which are further removed from the primary node. The KwaMagwaza area is located close to the primary node and is relatively well established with a range of services and facilities.

The other two areas identified as secondary nodes need further planning and development in order to adequately fulfil their function as service centres. According to the Public Capital Investment and Settlement Growth guideline (Dewar, D and Iyer, N 2009) capital investment should aim to develop support to facilities and the current activities. This would involve the establishment of a formal market, taxi rank and the development of a multi-purpose hall as a first step.

The development of a library and resource centre is another social facility that would complement the existing facilities at the next level of development. This should be easily accessible to the existing schools.

Table 22 below also outlines minimum levels of services and facilities which should be available at a secondary node. In addition to the community hall, taxi rank and formal market, a Satellite Police Station and access to post boxes will ensure feasibility of all three nodes. The KwaYanguye area in particular would benefit from the establishment of an additional high school and clinic.

### (1) KwaMagwaza

Table 31: Secondary Node – KwaMagwaza

<b>Town/Settlement</b>	<b>Existing level of services/ facilities</b>	<b>Desired outcomes</b>
KwaMagwaza	Hospital Clinic Primary School High School Regular Bus Service Stores/Shops Community Hall Rural Service Information Centre	KwaMagwaza is a suitable secondary node as it has a number of facilities/ services. Gaps relate to the following:  There is no Satellite Police Station to service the area however, Melmoth is 10 km away and serves this purpose

The map below also shows the location and nature of developments and within the KwaMagwaza area.

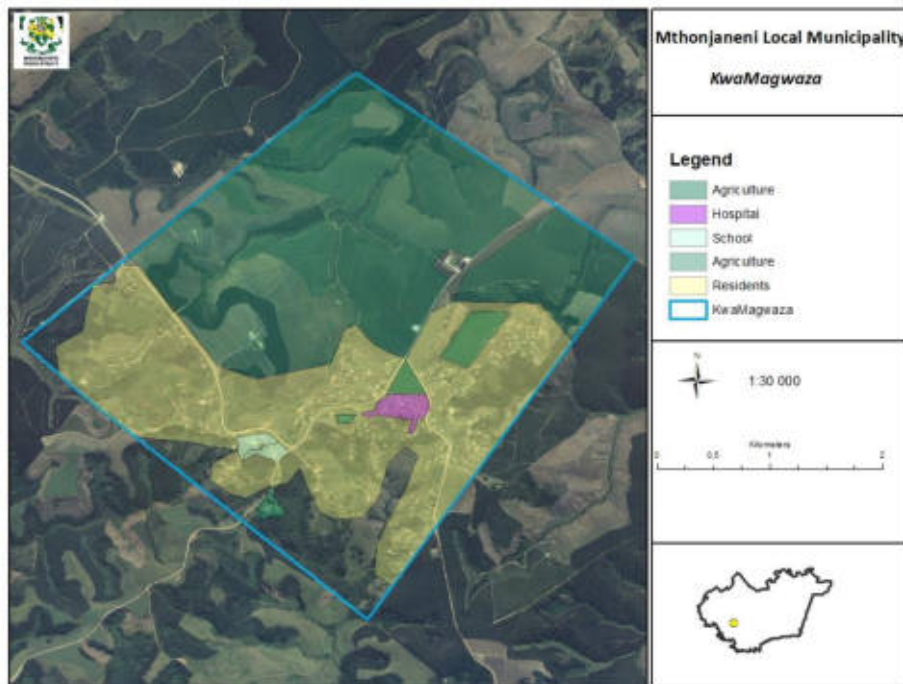


Figure 18: KwaMagwaza (GIS Mthonjaneni: 2021)

**(b) KwaYanguye**

Table 32: Secondary Node – KwaYanguye

Town/Settlement	Existing level of services/ facilities	Desired outcomes
KwaYanguye	Primary Schools High Schools Yanguye Tribal Court Informal taxi rank Places of Worship Cemetery Clinic	<p>This area is quite isolated and far from adequate services and facilities. If it is to be 100% effectively as a secondary node then the correct level of services/ facilities needs to be provided.</p> <p>The following are needed:            Satellite Police Station            Rural Service Information Centre            Additional clinic            Additional high school</p>

The map below also shows the location and nature of developments and within the Yanguye area.



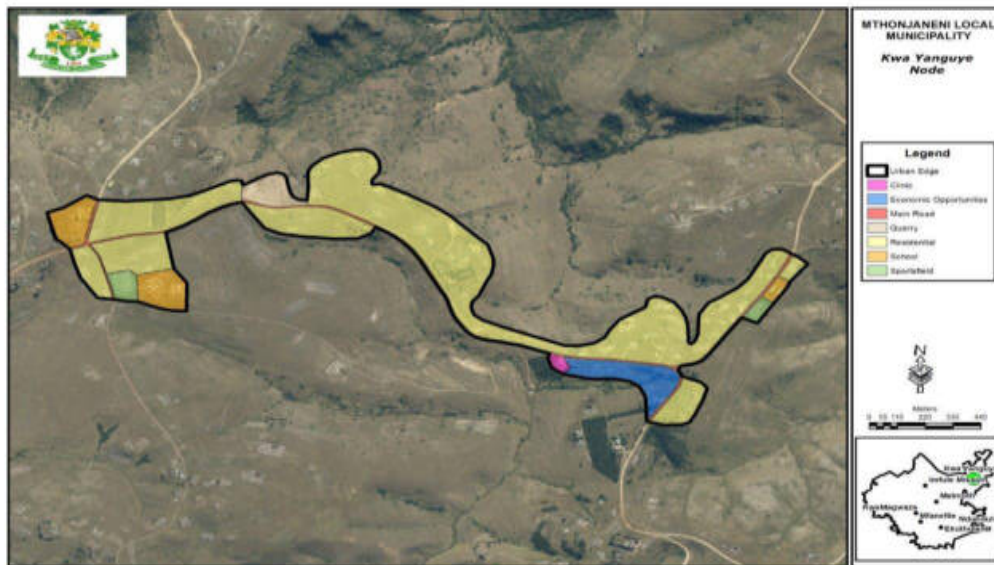


Figure 19: KwaYanguye

### c) Ndundulu

Table 33: Secondary Node – Ndundulu

Town/Settlement	Existing level of services/ facilities	Desired outcomes
Ndundulu	Clinic Primary School Ntembeni Tribal Court Place of Worship	This area was not identified as a secondary node in the Mthonjaneni SEA 2007, but is identified in the draft IDP 2012/13 to 2019/20. A number of factors need to be addressed if this area is to function as an effective secondary node.  Satellite Police Station Rural Service Information Centre Post Boxes High School

The map below also shows the location and nature of developments and within the Ndundulu area.



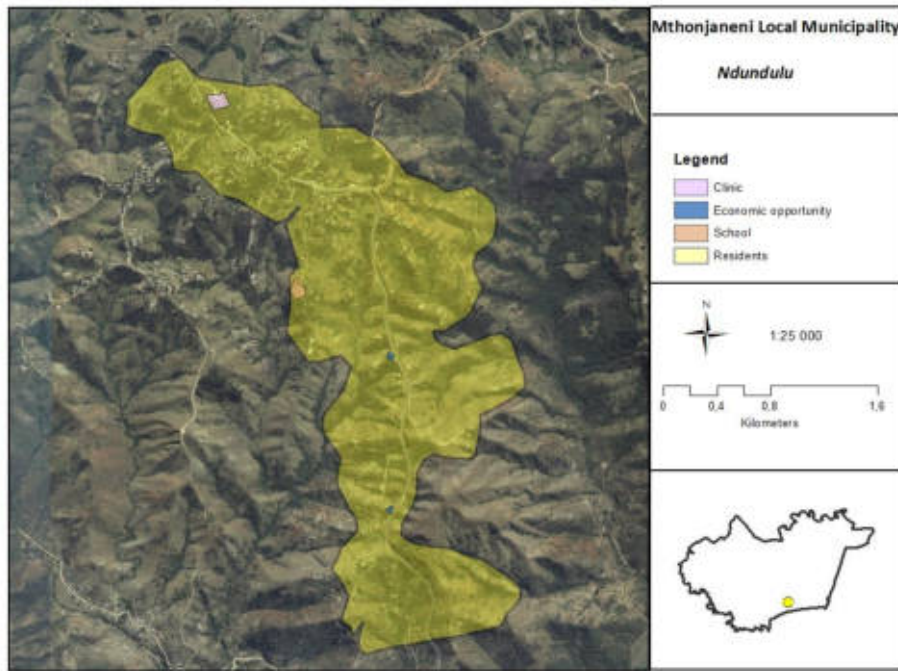


Figure 20: Ndundulu (GIS Mthonjaneni: 2021)

### Tertiary Nodes

Table 34: Tertiary Node

Town/Settlement	Existing level of services/ facilities	Desired outcomes
Ekuthuleni	Primary school Secondary school Clinic	This area was a former land reform project. A number of issues need to be addressed to meet the requirements of a tertiary node: Routine Police Patrol Weekly Mobile Welfare Services Post Boxes Meeting Places Shops
Imfule Mission	Primary school Secondary school Shops Cemetery	Routine Police Patrol Weekly Mobile Clinic Weekly Mobile Welfare Services Regular Bus Service Post Boxes Meeting Places
Mfanefile	Primary schools Secondary school	Cognizance needs to be taken of lack of services/ facilities in the area as well as its proximity to KwaMagwaza. Routine Police Patrol Weekly Mobile Clinic Weekly Mobile Welfare Services Post Boxes Shops

#### **4.5 land Ownership**

A large portion of the land is privately owned by individual and company commercial farmers. The remaining land belongs to Ingonyama Trust, Church land, as well as municipal owned land and State owned land.

Some of the Church and State Owned land has been earmarked for possible Land Reform projects namely;

- Melmoth State Farms,
- Ekuthuleni (Church land),
- KwaMagwaza Mission,
- Melmoth Labour Tenants,
- Mfule Mission,
- KwaYanguye (Tribal Commonage),
- Ekuthuleni State Land (started),
- Wilhemina Farm (started), and
- Arcadia Farm (started)

The land use patterns are further elaborated upon in the Land Use Management Systems (LUMS). In the LUMS, the areas described as “densely settled area of mixed residential and agriculture under private, trust or church tenure”, are identified as areas that “are not yet formalized, but show potential for developing into distinct villages”.

The land in Mthonjaneni is mainly used for agriculture and residential purposes. There are no conservation areas and very limited recreation areas in the form of a golf course and sports fields in places.

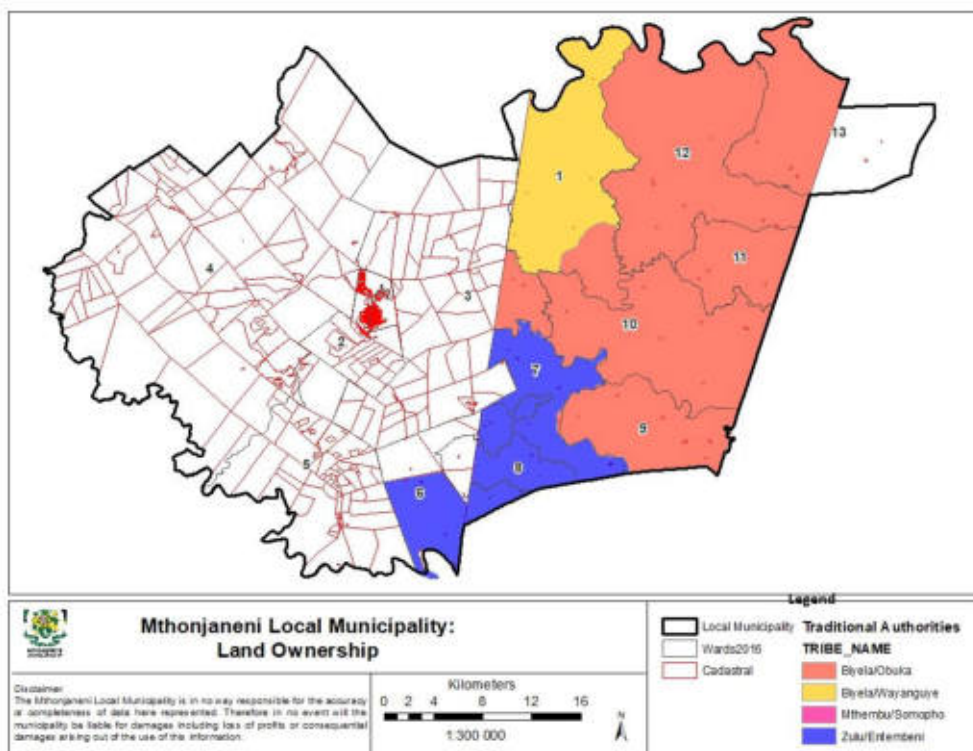


Figure 21: Land ownership in Mthonjaneni (*GIS Mthonjaneni: 2021*)

#### 4.6 Land Claims

The land claim in Mthonjaneni includes land restitution, land redistribution and land tenure. There are claims which have been lodged with the regional land claims office. There are consultative meetings which have been held with all the affected stakeholders on land claim issues.

#### 4.7 Land Capability

The majority of the land under Mthonjaneni municipality is utilised for agricultural production. This is merely favoured by the availability of arable land with the highest amount of rainfall being experienced in summer.

#### 4.8 Private Sector Developments

The Mthonjaneni municipality is surrounded by privately owned commercial farmers and small holder settlements, the urban area of Melmoth and the traditional authorities of Sanguye, Obuka and Ntembeni. The majority of land ownership at Mthonjaneni belongs to Ingonyama Trust with a small portion which is privately owned. The development of private sector is currently on hold since most of the land that is owned by private sector is under land claim.

#### 4.9 Environmental Analyses

##### Geomorphology

The geomorphology of the landscape is generally described as middle to high-relief area. Natural forces have resulted into new physical feature being developed. This includes landforms associated with erosion and weathering. There are also a large

number of perennial and non-perennial rivers with a lot of fluvial processes involved. The boundaries of Mthonjaneni are also enclosed by two exotic rivers which is Umhlathuze river on the southerly and white imfolozi towards the north. This therefore becomes an important factor for decision-making and development planning.

## Climate

Mthonjaneni Municipality experiences warm humid climate with more rainfall being experienced during the summer season. This becomes the favouring factor towards agricultural production. Forests and sugarcane production are the major commercial agricultural practices and livestock farming which is mostly subsistence in most surrounding rural areas.

## Agriculture

The agricultural potential within Mthonjaneni Municipality is very favourable. The agricultural potential is determined by factors such as climate, vegetation, soils, water supply and topography (Mthonjaneni SEA 2007). There are areas of low potential along the northern and eastern boundaries of the Municipality. The south-east boundary has an area of very low potential. There is also restricted potential north of Melmoth and in the southern section of the municipality.

The Land Cover map indicates that there are large areas of Commercial Crops primarily in the central band running from the north-west to the south-east. These follow transportation corridors and there is a concentration in the area to the north and south of Melmoth. There is a very large portion of this central band that is Commercial Forestry which covers the area that has been identified as 100% transformed. It also ties in with the Agricultural Potential map in that it overlays the areas classified as having good potential and high potential.

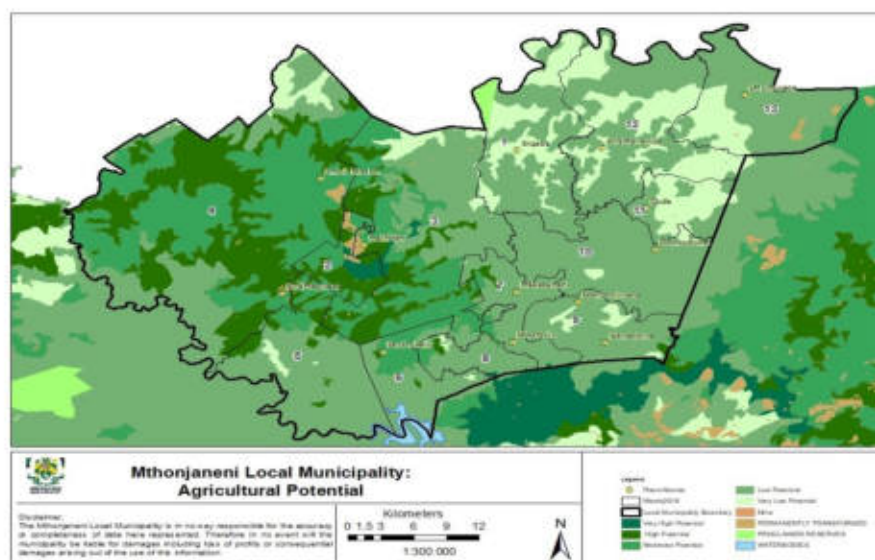


Figure 22: Agricultural potential (GIS Mthonjaneni: 2021)

The areas to the east and extending towards the north-east are semi-arid with soils that are having a poor structure and less arable land. The agricultural sector boosts the economy by creating job opportunities to local people.

### Land cover

In terms of land cover there are large areas of Commercial Crops primarily in the central band running from the north-west to the south-east. These follow transportation corridors and there is a concentration in the area to the north and south of Melmoth. There is a very large portion of this central band that is Commercial Forestry. The Commercial Forestry and Farming cover the area that has been identified as 100% transformed (see Transformation map). In terms of agricultural potential map it falls within areas classified to have high potential. Soil, climate and rainfall are also favourable in these areas.

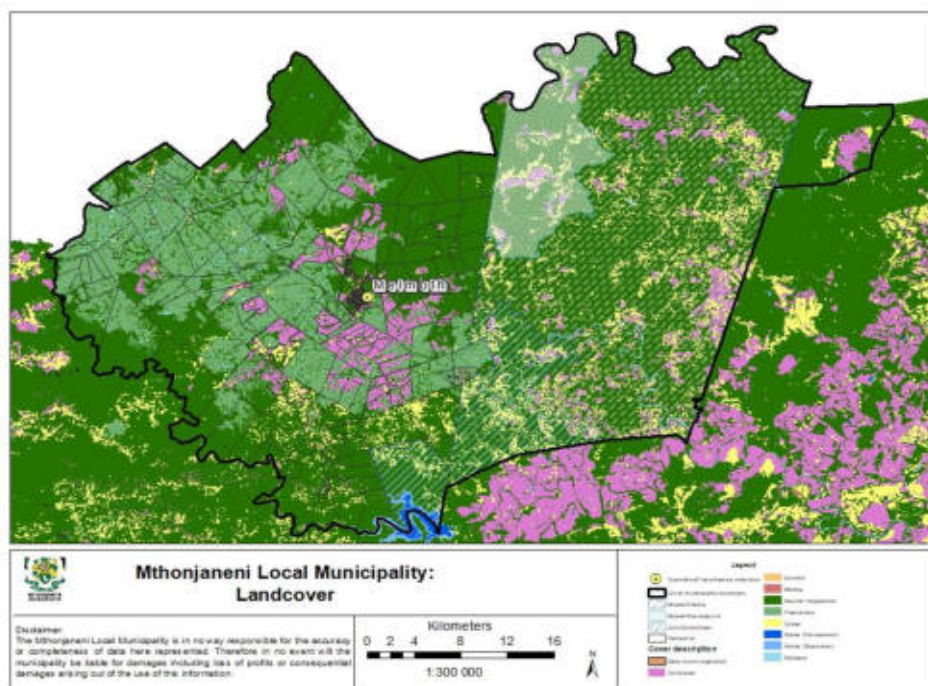


Figure 23: Land cover (Source: GIS Mthonjaneni)

The southern area of the municipality is primarily grassland and bushland with a few areas of subsistence rural agriculture mainly around settlements and the Ndundulu and Ekuthuleni area. The northern area of the municipality is primarily characterised by grassland and scattered bushland areas. Subsistence rural agriculture is located around the settlements surrounding Inqaba. There is significant bare rock/erosion areas amongst and surrounding the subsistence rural agricultural land use. There is however areas which have suffered invasion by alien plants and this have resulted in reducing the supply of water to some of the drainage areas.

### Biodiversity

According to the National Environmental Management: Biodiversity Act, No. 10 of 2004, biodiversity means the variability among living organisms from all sources including, terrestrial, marine and other aquatic ecosystems and the ecological



complexes of which they are part and also includes diversity within species, between species, and of ecosystems.

South Africa has ratified the International Convention on Biological Diversity which aims to develop and implement a strategy for the conservation, sustainable use and equitable sharing of biodiversity elements.

The Biodiversity Bill requires that a Bioregional Plan be developed for the Province. This must ensure that a minimum area of each bioregion with all its representative ecosystems is protected. Ezemvelo KZN Wildlife are the nature conservation agency for the province and are therefore key in managing biodiversity and ensuring that the bioregional plans are prepared and implemented.

The core functions of Ezemvelo KZN Wildlife are:

- Biodiversity Conservation;
- Wise and Sustainable Use of Natural Resources; and
- Provision of Affordable Eco-Tourism Destinations
- Ezemvelo KZN Wildlife is currently in the process of preparing bioregional plans for each in the province. The Biodiversity Sector Plans for King Cetshwayo is still in the process of being prepared.

The Biodiversity Sector Plans look at both “terrestrial and aquatic features in the landscape that are critical for conserving biodiversity and maintaining ecosystem functioning”. It is intended to serve as an informant or guideline for multi-sectoral planning and decision making.

### **Terrestrial (MINSET)**

Minset identifies a “minimum set” of planning units that will assist in meeting conservation targets. The Minset map indicates areas that are already protected, areas of transformation, and areas of biodiversity priority.

#### **(a) Protected Areas**

Protected Areas are areas that have been declared or proclaimed as such in terms of either the KwaZulu-Natal Nature Conservation Management Act (No 9 of 1997) or the National Environmental Management: Protected Areas Act (No 57 of 2003). Protected Areas play a key role in conservation and meeting biodiversity targets.

#### **(b) Transformation**

The latest Land Cover data (2005) is intended to be utilised to demarcate areas of transformation. Areas of transformation are areas that have already changed to such an extent that biodiversity is of little significance.

### **An Integrated approach to Development and Land Use Management**

#### **Key Intervention Areas**

Specific areas will require targeted intervention to assist and guide development. The objectives set out below can also serve as guidelines for the municipality's Land Use Management System.

## An Integrated Approach to Land Use Management

- To create more efficient urban form by:
  - densifying existing urban nodes in appropriate locations
  - strengthening secondary service centres
  - identifying and implementing development corridors
  - Ensure more efficient use of infrastructure
  - Promoting a more appropriate land use mix
  - Giving preference to those land uses that will assist in achieving the Municipality's Vision and particularly the local economic development and environmental objectives.
  - preserving high quality agricultural land
  - promoting diversity in land use, especially in and around the nodes
  - ensuring that environmental objectives are taken in to account in the formulation and adjudication of development proposals
  - creating an environment conducive to small entrepreneurs
  - optimising the inherent tourism and recreation potential of the area

### **Environmental Management Areas**

The value of landscape forms in the municipality should be conserved. In terms of land use management, the specific ecosystems and vegetation communities that require specific environmental management are wetlands and grasslands, which contain the habitats of important species.

### **Methodology:**

A comprehensive land use needs to be undertaken for the municipality to include the following categories:

- Grassland & other
- Dense Rural
- Informal Settlement
- Natural Bush
- Active and Passive Open Space
- Thornveld
- Cultivated Land
- Commercial
- Education
- Forestry
- Formal Urban
- Transport
- Hospitals
- Industrial

This land use would be determined through the analysis of digitally corrected photography of the municipality.

The Environmental Inventory in the form of these priority zones will inform the SDF.

Beyond the Priority Areas the following factors need to be considered.

## **A) Indigenous forested areas**

All areas under indigenous forest and properties with indigenous trees should be subject to the following guidelines:

- No indigenous trees should be removed without authorization from DWAF who are responsible for protection of protected tree species.
- No undergrowth should be removed or the natural forest structure interfered with in any way as; when the forest undergrowth is removed, the large trees left standing often slowly die due to drought. Authorization must be obtained from DWAF prior to any clearing of both trees and under story of indigenous forested areas.
- All forest along streams and rivers must be conserved to prevent bank erosion.
- Wherever possible, patches of forest must be linked to form a continuous network and thus a path of migration for flora and fauna present (bushbuck, duiker, birds and so on) this would be easiest along existing corridors like streams and rivers.
- Forest trees should be left to screen development to improve stormwater drainage and aesthetics.
- Developers should be encouraged where possible to maintain any trees on site as part of the layout of the development.

## **B) Areas of High Biodiversity Value**

These areas are identified as areas of high irreplaceability and areas in the minset data set designated as non-negotiable reserves should be categorized in this category, Further the environmental atlas areas within the municipality are almost entirely biodiversity related and therefore these areas are included in this category. These areas are somewhat limited by land transformation in the municipality and include only small portions of the northern areas and south western of the study area.

- This zone represents areas of natural vegetation and therefore any transformation of this area greater than 3 Ha should be subject to impact assessment. Further any development greater than 1 Ha would be subject to Basic Assessment and any development greater than 20 Ha would be subject to Full Environmental Impact Assessment.
- The local authority should negotiate with the property developer to incorporate land not to be used for development into Conservation Reserves. This can be done when permission for development is being sought.
- The Environmental Impact Assessment required for priority 1 zones should include a biodiversity assessment of the site and its biological value.
- The layout of the development should take biodiversity impacts and mitigation into account and as such should avoid areas of high biodiversity value.
- The local authority should negotiate with the property developer to incorporate land not to be used for development into Conservation Reserves. This can be achieved as part of authorization for development on submission of the plans.
- When building plans are submitted to the local authority for approval, they shall indicate whether the development constitutes a listed activity and if so include a copy of the Record of Decision (ROD) issued by DAEMA and an Environmental Management Plan (EMP) where required by the ROD.



- No construction of a listed activity under the NEMA EIA regulations may begin without authorization from DAEA, the Municipality in its development control capacity should not, under any circumstances, authorize any listed activity until such time as DAEA has given authorization for the activity to go ahead.
- Any unauthorized development should be reported immediately to the DAEA.
- The width of survey paths shall be kept to the absolute maximum of 1 metre.
- Where areas have been set aside for conservation in the layout, such areas will have to be demarcated. This should be done before building starts, sites must be staked and should be fenced or cordoned off with Chevron Tape. This is with a view to preventing damage to conservation areas during construction and operation. The fencing used should be appropriate and should allow for the movement of small animals, which may be found in this area.
- In the conserved areas, only nature-related recreation and education shall be permitted, such as bird watching, walking and canoeing. These areas should be left as undisturbed as possible.
- Exotics should be avoided in landscaping of developments.
- Invasive aliens should be eradicated as part of landscaping and management plan for the development.
- As far as possible, medium density housing development in this zone should be clustered in order to minimise visual impact and the amount of land needed. This reduces development costs and also makes land available for conservation or open space purposes. Further advantages are wind protection and better controlled access the development area
- Landowners shall be made aware of the priority status of their land before purchase. Estate agents in the area could assist in this regard. The clearance certificate issued to each purchaser shall make note of the priority status, for the purchaser's information, should the estate agent not have raised the issue.
- Earthmoving equipment must be prohibited from the site until the environmental assessment has been approved and the vegetation to be conserved has been demarcated.
- The Local Council should not plant exotic trees or shrubs in areas of this category.
- Sub divisional applications should be assessed in the light of proposed usage and the effect it would have on areas of high biodiversity value.
- Landowners should be made aware of the high biodiversity value of their land before purchase. Landowners should be made aware of their responsibility to maintain and manage the vegetation on their land. The local council may need to provide assistance in the form of advice to landowners in high biodiversity value areas.

### **C) Nature Reserves**

These areas are mapped on the Minset Map below.

- This is with a view to preventing damage to conservation areas. The fencing used should be appropriate and should allow for the movement of small animals that may be found in this area, for e.g. Duiker, weasel.
- In the conserved areas, only nature-related recreation and education shall be permitted, such as bird-watching, walking and canoeing

- The introduction of any exotic plants to conservation areas must be prevented and any existing alien invasive vegetation should be removed.

#### **D) Wetlands, dams, and drainage corridors**

The wetlands, dams, and drainage corridors are shown on Map4 however; it must be stressed that wetlands identified over and above these maps should be subject to the same guidelines:

- Infilling, drainage and hardened surfaces (including buildings and asphalt) should not be located in any of the wetland zones (i.e. permanent, seasonal and temporary) such activities generally result in significant impacts on a wetland's hydrology, hydraulics and biota and on the goods and services wetlands provide.
- Hardened surfaces and even should be located at least 15 m outside of the outer boundary of the seasonal/permanent zone (Note: if the width of the outer temporary zone is greater than 15 m and Item 1 above is met then this requirement would automatically be met). The seasonal and permanent zones generally have surface water for extended periods. In the case of seasonal zones, it may be for most of the wet season and in the case of permanent zones, it may be throughout the year. A buffer is required between areas potentially generating non-point source pollution and such areas characterized by surface water.
- Extension to the buffer in localized areas should also be included to minimize the impact of concentrated stormwater run-off into the wetland. Stormwater outflows should not enter directly into the wetland. A predominantly vegetated buffer area at least 20 m wide should be included between the stormwater outflow and the outer boundary of the wetland, with mechanisms for dissipating water energy and spreading and slowing water flow and preventing erosion. This buffer is particularly important when the catchment feeding the stormwater drain comprises predominantly hardened surfaces. Extensive hardened surfaces in the catchment and stormwater drains significantly increase the intensity of stormwater runoff, which increases the risks of erosion in a wetland. In addition, urban stormwater runoff is often polluted. A buffer is therefore required to reduce the energy and erosive power of the stormwater and to decrease the level of pollutants in the runoff before it enters the wetland.
- Where the wetland has a particularly high biodiversity value, further buffering may be required, the width of which would depend on the specific requirements of the biota. This should be determined in consultation with Ezemvelo KZN Wildlife. The value of a wetland for biodiversity derives not only from features of the wetland but also from the quality of natural, non-wetland areas adjacent to the wetland, as many wetland dependent species such as the giant bullfrog (*Pyxicephalus adspersus*) require both wetland and non-wetland habitat.
- If a road crossing is planned in a wetland, first seek an alternative route. If this is not available then ensure that the road has minimal effect on the flow of water through the wetland (e.g. by using box culverts rather than pipes). Do not lower the base level of the wetland or any stream passing through the wetland. Ensure an adequate buffer is present to deal with run-off from the road (see Item 3 above). During construction, minimize disturbance of the wetland at and adjacent to the road crossing site. Road crossings may potentially greatly modify local water flow patterns in a wetland. In addition to having a damming or draining effect on the flow upstream of the road,

roads which do not allow for the adequate passage of water may concentrate flow downstream, increasing the erosion hazard and drying out this portion of the wetland. A lowering of the base level increases the gradient in the wetland, thereby increasing the speed of water flow and its erosive potential and the extent to which it contributes to lowering the water table.

- Where a road runs alongside a wetland and it intercepts natural hill slope runoff into the wetland, the road should be set back from the boundary of the wetland by at least 20 m and feed-off points should be included at frequent intervals along the road (at least every 100 m) and the outflows of these should conform to the requirements of the storm water outflows (given in Item 2 above). A road running alongside a wetland can strongly affect the natural hill slope runoff into the wetland by intercepting this runoff and concentrating it in localized entry points. The fewer the feed-off points into the wetland and the less protected they are, the more severe this effect will be.
- Where development (e.g. hardened surfaces, infilling and drainage) in a wetland is unavoidable then the resulting impacts must be mitigated. In many cases, off-site mitigation may be the only means of achieving satisfactory mitigation. The cumulative loss of wetlands in South Africa is already very high (see Section 1.1) and the continued net loss of wetlands needs to be prevented. Invasion of a wetland by alien plants may considerably reduce the integrity of a wetland.
- Where any disturbance of the soil takes place in a wetland, clear alien plants which establish and follow up for at least 2 years thereafter. Disturbance of a wetland favours the establishment of alien plants, which require long-term control.
- Where the infiltration rate of a wetland's catchment is naturally high and the wetland is maintained predominantly by groundwater input, at least 60% of the wetland's catchment should remain as permeable surfaces in a residential area and preferably at least 30% in an industrial/commercial area. Where the level of development is very high, reduced surface runoff can be promoted through mechanisms such as porous pavements (The inclusion of these mechanisms in areas dominated by hardened surfaces is generally sound catchment management practice and should be encouraged widely). Failure to maintain groundwater input to a predominantly groundwater-fed wetland will considerably alter the hydrological regime of the wetland, thereby compromising its integrity.
- The onus is on the developer to identify and delineate all wetlands in the project area at a finer scale depending on the proposed development. Mapping at a minimum scale of 1: 10 000 is generally required. In order to account for the impact of a development adjacent to a wetland, it is essential that the boundary of the wetland be mapped. Any wetlands identified on the ground should be delineated and mapped by the municipality on an ongoing basis.
- Any development must comply with the requirements of the National Water Act. Through the concept of the "ecological reserve", this act makes provision for ensuring water of acceptable quantity and quality for maintaining the ecological functioning of wetlands and river systems. While wetlands assist in enhancing water quality, they should not be relied upon as an easy substitute for addressing pollution at source, as this may lead to serious impacts to the wetland systems.
- Access to wetlands by off-road vehicles, man and livestock, should be as far as possible prevented.

- Development within the flood line or within 32m of a river or stream should be avoided and vegetation in this zone should be conserved.

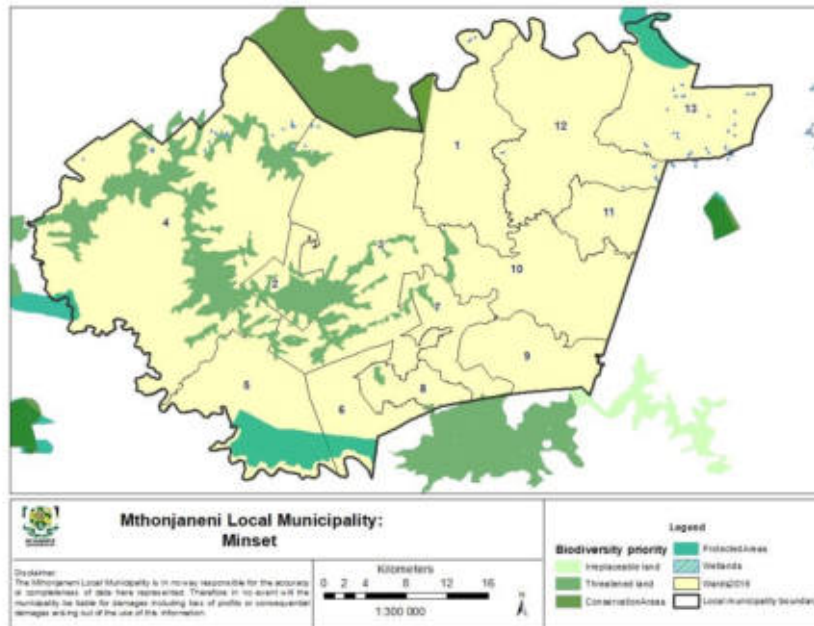


Figure 24: Minset map (GIS Mthonjaneni: 2021)

## Environmental Projects

The Mthonjaneni municipality has identified projects that will address the environmental challenges, Alleviate Poverty, create employment, labour intensive and empower marginalized community.

The Municipality has request for funding from the Department of Agriculture and Environmental Affairs for the following projects:

- Rehabilitation of the transfer station
- Weigh bridge and information system
- Refuse collection and Street cleaning
- Upgrading of Parks, (ward 2 and 3)
- Guard house at the transfer station

## 4.10 Disaster Management

In terms of disaster risk reduction principles, the local sphere of government is the first line of response and responsibility and therefore, in the event of a disaster occurring or threatening to occur in the Mthonjaneni municipal area of responsibility, the Municipality remains responsible for the co-ordination and management of the disaster incident until such time that the responsibility escalates to a higher level of Governance.

Thorough disaster risk management planning and effective co-ordination of all line function response agencies is, therefore, key to saving lives and limiting damage to

property, infrastructure and the environment. They (disaster risk management plans) also facilitate the optimal utilization of resources.

The Mthonjaneni Disaster Management Advisory Forum is the most effective platform from which disaster risk reduction and operational plans can be developed.

### **Content of an Operational Plan**

In terms of the provisions of the Mthonjaneni Disaster Risk Management Policy Framework, the Municipality is mandated to develop Operational Plans which are aimed at:-

- Response Protocols;
- Contingency Planning
- Access to Resources for:
- Immediate relief;
- Equipment; and
- Recovery and rehabilitation.
- Guidelines for:
- Funding; and
- Declaration of a State of Disaster.

#### **a. Response Protocols**

Having conducted, in terms of the provisions of the approved Disaster Risk Management Policy Framework, a Disaster Risk analysis of the individual Wards within the Mthonjaneni Municipal area, the Advisory Forum will now be able to identify specific communities and infrastructure that are most vulnerable to the risks or threats that are prevalent in that particular Ward.

It is important for the Advisory Forum to be fully acquainted with the Legislative provisions in respect of Line Function Policies and Responsibilities of all Response Agencies who are likely to respond to a Disaster Incident or other Emergency which would require the activation of the Disaster Management co-ordination structures of the Municipality. This is particularly important for the development of Incident Specific Contingency Plans where it is necessary to assign functions and responsibilities to Responding Agencies without deviating from the individual line function policies of the responders.

Although the Disaster Management Act assigns the responsibility for the co-ordination and management of the activities of all responders to a disaster incident, it is of vital importance that the on-scene Command and Control be assigned to the Response Agency most qualified, in terms of line function, to deal with the consequences of the incident. An example of this would be the assignment of Command and Control to the Fire Brigade during a fire.

The Response Protocol of Mthonjaneni will therefore identify the relevant agencies and individuals within those agencies who would respond to a specific incident and

then, in a collective process, a plan of action or a Contingency Plan must be developed for each incident.

The Mthonjaneni Disaster Management Advisory Forum has studied the Risk / Hazard Analysis as contained in the Mthonjaneni Disaster Risk Profile and has identified the relevant agencies and individuals within those agencies who would respond to a specific incident.

Having identified the response agencies that have a specific line function responsibility in relation to a particular disaster incident, the Advisory Forum must, in a collective process, develop the Response Protocol for Mthonjaneni which will inform the development of a Contingency Plan (or Plan of Action) for each identified risk or hazard.

The following Risk Response Protocol Matrix has subsequently been developed by the Mthonjaneni Disaster Management Advisory in a consultative process.

### **Mthonjaneni Disaster Plan**

The Mthonjaneni municipality has a disaster management plan in place. The plan was reviewed during the 2017/2018 financial year.

Mthonjaneni Municipality faces increasing levels of disaster risk. It is exposed to a wide range of natural hazards, including severe storms that can trigger widespread hardship and devastation. The Municipality's extensive forestry industry, coupled to the major transportation routes, inside the municipality as well as those leading to other major centres, present numerous catastrophic and hazardous materials threats. In addition to these natural and human-induced threats and despite on-going progress to extend essential services to poor urban and rural communities, large numbers of people live in conditions of chronic disaster vulnerability in underdeveloped, ecologically fragile or marginal areas – where they face recurrent natural and other threats that range from flooding to informal settlement fires.

The Mthonjaneni disaster management Policy Framework is the legal instrument specified by the Act to address such needs for consistency across multiple interest groups, by providing a coherent, transparent and inclusive policy on disaster management appropriate for the Municipality of Mthonjaneni as a whole.

In this context, the disaster risk management framework of Mthonjaneni Municipality recognizes a diversity of risks and disasters that occur or may occur in the Municipal area of responsibility, and gives priority to developmental measures that reduce the vulnerability of disaster-prone areas, communities and households.

Also, in keeping with international and national best practice, the Mthonjaneni disaster risk management framework places explicit emphasis on the risk reduction concepts of disaster prevention and mitigation, as the core principles to guide disaster risk management in the municipality.

In terms of disaster risk reduction principles, the local sphere of government is the first line of response and responsibility and, in the event of a disaster occurring or threatening to occur in the Mthonjaneni municipal area of responsibility, the community is, in reality, the first responder. The primary responsibility for the co-ordination and management of local disasters rests with Mthonjaneni Municipality as the local sphere of governance. Thorough disaster risk management planning and effective co-ordination is, therefore, key to saving lives and limiting damage to property, infrastructure and the environment. They also facilitate the optimal utilization of resources.

Apart from internal arrangements to allow for interdepartmental co-operation within the municipality, the ideal mechanism for dealing with disaster risk management planning and co-ordination has been the establishment of an Mthonjaneni disaster risk management committee or advisory forum. It was launched in August 2009 and reviewed in 2017 and comprises of all internal and external role-players, including traditional authorities.

This forum is responsible to:

- Give advice and make recommendations on disaster-related issues and disaster risk management
- Contribute to disaster risk management planning and co-ordination;
- Establish joint standards of practice;
- Implement response management systems;
- Gather critical information about Mthonjaneni's capacity to assist in disasters and to access resources; and
- Assist with public awareness, training and capacity building.

The Mthonjaneni Disaster Management Plan is attached as annexure B.

## **Disaster Management SWOT Analysis**

### **Strength**

- Existing Land use management systems that assists in allocating developments in the correct places.
- The local disaster management and local disaster advisory forums are all functional.
- Excellent Service and partnership with Rural Metro.

**Weakness**

- Disaster management framework not reviewed.
- Minimum budget and resources to address disaster issues.
- Disaster management officer position not filled.
- Motor vehicle accident rate is too high.

**Opportunities**

- Preparation of Wall to wall scheme will assist in land use management in rural areas and thus decrease developments in disaster sensitive areas.
- Rural Housing projects (RDP) provide safe housing structures.
- Municipal rural roads projects also act as fire breaks.

**Threats**

- Poor rural roads condition makes it difficult to arrive in disaster scene.
- Conditions of fire hydrant around Melmoth town in bad condition and might be a problem if there is a fire break out.
- Burning of houses caused by the illegal electricity connections.

**4.11 Business Continuity Management**

In the event of a material disruption to its critical activities, Mthonjaneni municipality is committed to ensuring the it's continuity by:

- Ensuring the safety and wellbeing of its employees, contractors and visitors
- Protecting the wellbeing of the environment and society in which the municipality operates
- Minimising the adverse impact of the disruption to the municipality's operations
- Ensuring continuity of the critical processes to a predefined, acceptable level.

To achieve this, Mthonjaneni has developed an integrated Business Continuity Management (BCM) as an essential part of its day-to-day operations. The Municipal Manager has established a BCM policy to provide the framework around which Mthonjaneni's BCM capability and programme are designed and built.

The objectives of Mthonjaneni's BCM programme are to:

- Protect the Municipality, including its staff and stakeholders, by minimising the impact of a material disruption to critical activities, ensuring continuation of service delivery to the community.
- Understand and communicate the recovery needs of the Municipality and ensure an appropriate recovery capability is provided.
- Recover the Municipality in a planned and controlled manner, meeting the requirements of the municipality and complying with applicable laws, contracts, regulations etc.
- Ensure that Business Continuity is an essential part of municipal planning and development.



- Maintain staff, customer and stakeholder contact and confidence.

## 4.12 Spatial and Environmental SWOT Analyses

### Strength/Opportunity

- Good agricultural potential.
- Good access- The Mthonjaneni Municipality is located along an important transport route, the R66 to Ulundi/Mthonjaneni to the north and Eshowe to the South.
- Opportunity of Tourism development along the R66 route.
- The introduction of Land use management system for the whole of the municipal area.

### Weakness/Threads

- Poor land use management in the Ingonyama trust land.
- Communities settling along rivers without consideration of flood lines.
- Poor access roads in rural areas.
- Scattered developments in traditional authority areas.

## 5. Demographics Characteristics

### 5.1 Demographic Indicators

Table 35: Population and Household Numbers (Source: StatSA census 2011/2016)

Mthonjaneni Municipality is located in King Cetshwayo District. The population increase in King Cetshwayo District, broken down per municipality is indicated in the table and explanatory figure herewith.

	KCDM	MTHONJAN ENI	IMFOLOZI	UMHLATHU ZE	UMLALAZI	NKANDLA
2011	90751 9	47818	122889	334459	213601	114416
2016	97113 5	78883	144363	410465	233140	114284
% Growth	7,01%	64,97%	17,47%	22,73%	9,15%	-0,12%

### Key Findings

The 2021/2022 IDP Review makes use of the 2011/2016 StatSA Census data and the 2001 Census information. The Census Data indicates that the population of the Mthonjaneni Municipality had decreased from 50,382 people in 2001 to 47,818 people in 2011. After the redetermination of municipal boundaries in 2016 and the inclusion of four wards from Ntambanana Municipality the Mthonjaneni municipality now has a total population of 78 883. The 2007 figures indicate a total

population of 47,010 which indicates a decline of -6.69% from the 2001 population statistics. When comparing the population growth between 2001 and 2011 a total negative growth rate of -5.25% was experienced.

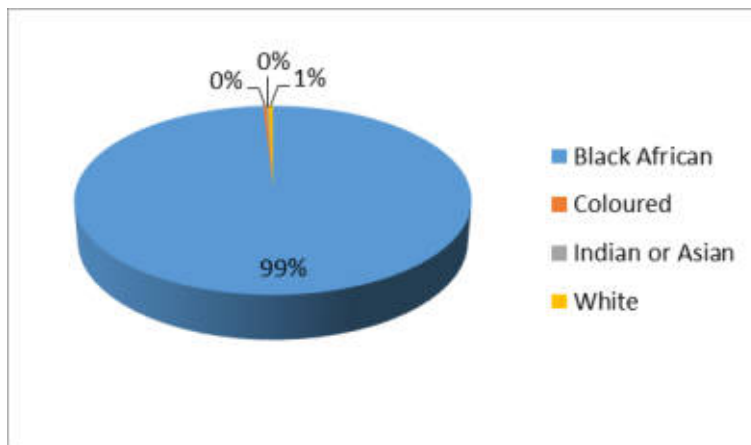


Figure 25: Population by population group (Source: StatSA census 2011/2016)

### Population Density

Population densities in the Mthonjaneni Local municipality show a decline in density from the western boundary of the municipality to the eastern boundary of the Municipality. The highest densities are found around Ndundulu which has a density of 150 to 200 people per km<sup>2</sup>.

In particular the northern, southern and central area stretching from the western boundary is primarily sparsely populated with a population density of less than 50 people per square kilometre. The north western boundary of the municipality has a density of less than 10 people per km<sup>2</sup>. Please refer to figure 2 for depiction of the above.

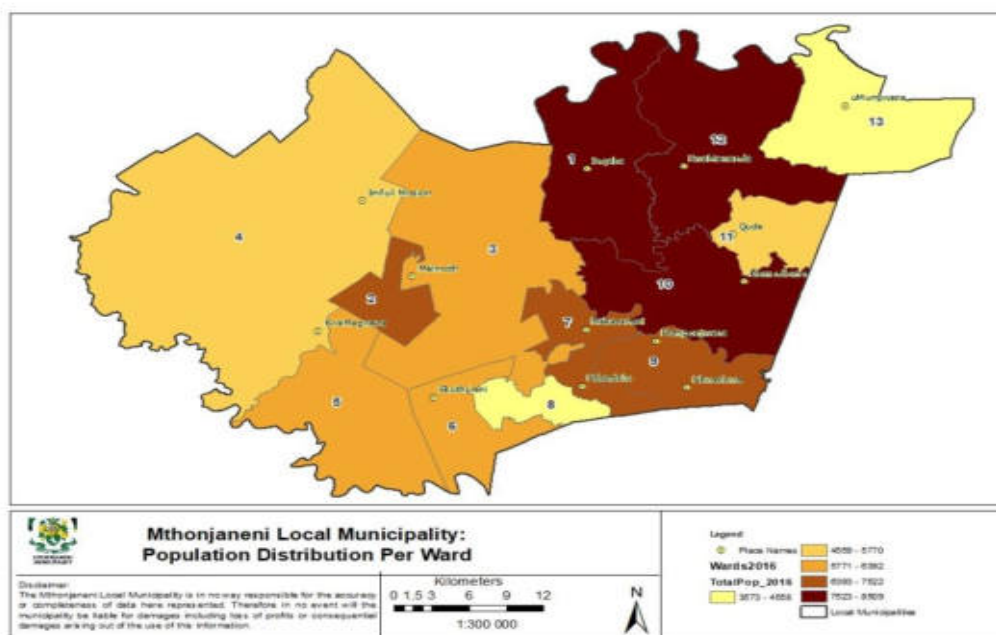


Figure 26: Population distribution per ward (GIS Mthonjaneni: 2021)

Based on the STATSA 2011/2016 census, the figure below indicates the population concentrations within the Mthonjaneni Municipality.

### General health and functioning

The inclusion of statistics on disability serves as a crucial role in the identification of persons living with disabilities. This is one of the most marginalized and vulnerable groups in many societies regardless of whether they are rich or poor. The disabled who comes from the poorest cohorts of society inevitably have more serious problems than the wealthy counterparts, as they lack resources to ameliorate their circumstances. Disparities are apparent between persons with impairments and those without. Disabled persons often have inadequate access to education, transport, health and other basic services making them vulnerable to the poverty trap and its associated vices.

Table 36: Disability by degree of difficulty (Source: StatSA census 2011/2016)

Degree of difficulty	Hearing	Seeing	Communication	Walking	Remembering	Self care
No difficulty	71 992	68 582	72 898	71 985	68 734	62 750
Some difficulty	2988	5896	1619	2670	4520	1926
A lot of difficulty	567	1001	419	717	1246	702
Cannot do at all	182	202	457	423	393	1298

### Gender Statistics

The 2016 figures indicate that there are 45.8% men in the municipality and 54.2% females. This indicates that there may be high levels of migratory labour from the municipality to other centres around the province and country.

Table 37: Population by gender (Source: StatSA census 2011/2016)

<b>Gender</b>	<b>Male</b>	38257
	<b>Female</b>	45306
<b>TOTAL</b>		83563

### Age and Gender Profile

Knowledge about the age-sex distribution of a population is valuable information on demographics and social economic concerns.

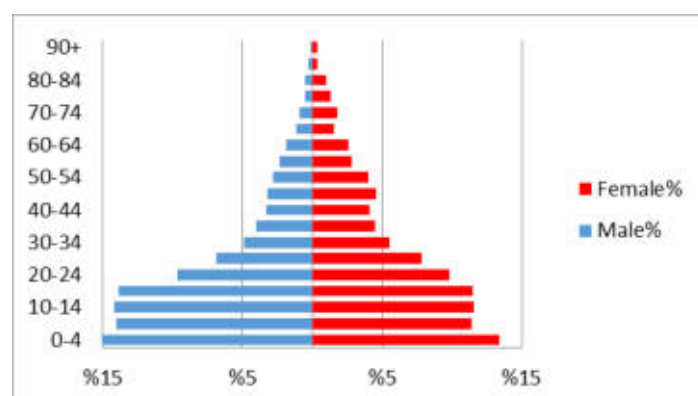


Figure 27: Age and gender pyramid (Source: StatSA census 2011/2016)

Figure above presents the distribution of the municipality population by age and sex. The figure shows a fairly large proportion of females than males in all age groups, except for teen ages, where a proportion of males is higher than females. Overall, there are more females than males within the municipality. At an elderly stage 70+ more females seems to be surviving than males.

## Age Group Profiles

The age cohorts for the municipality are as follows:

Table 38: Age Distribution of the Population (Source: StatSA census 2011/2016)

	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 - 44	45 - 49	50 - 54	55 - 59	60 - 64	65 - 69	70 - 74	75 - 79	80 - 84	85+	Total
Mthonjaneni	12068	10519	10672	10479	8114	6176	4397	3554	3107	3296	2897	2180	1884	1139	1172	777	649	481	83563
Ward 1	1289	1185	1145	979	682	477	332	260	234	275	245	207	200	118	132	53	61	49	7923
Ward 2	784	633	660	709	832	804	610	463	420	334	258	136	99	47	39	18	7	8	6861
Ward 3	772	653	660	628	661	646	448	319	317	331	245	194	139	87	80	37	56	40	6312
Ward 4	634	598	589	526	594	598	480	391	292	268	224	204	127	80	71	45	31	20	5770
Ward 5	978	764	820	749	551	424	296	199	228	236	242	166	150	80	78	54	55	73	6142
Ward 6	1005	846	898	910	568	387	266	231	207	227	191	158	152	84	95	69	58	39	6392
Ward 7	1065	1034	1010	1002	732	506	317	303	234	284	188	209	172	109	118	119	79	43	7522
Ward 8	557	473	454	423	355	230	197	157	121	137	95	99	99	44	59	28	24	22	3573
Ward 9	1071	920	919	993	646	413	316	282	236	244	266	149	163	112	97	95	44	36	7003
Ward 10	1311	1123	1141	1172	755	573	389	300	249	304	318	215	203	114	131	76	85	49	8509
Ward 11	730	646	665	722	528	381	230	191	178	177	182	123	118	87	84	48	39	24	5152
Ward 12	1221	1010	1047	1066	798	452	313	294	259	309	269	199	180	109	112	88	72	49	7846
Ward 13	651	636	663	599	413	285	205	166	132	170	176	121	84	68	76	47	37	29	4558

## Language

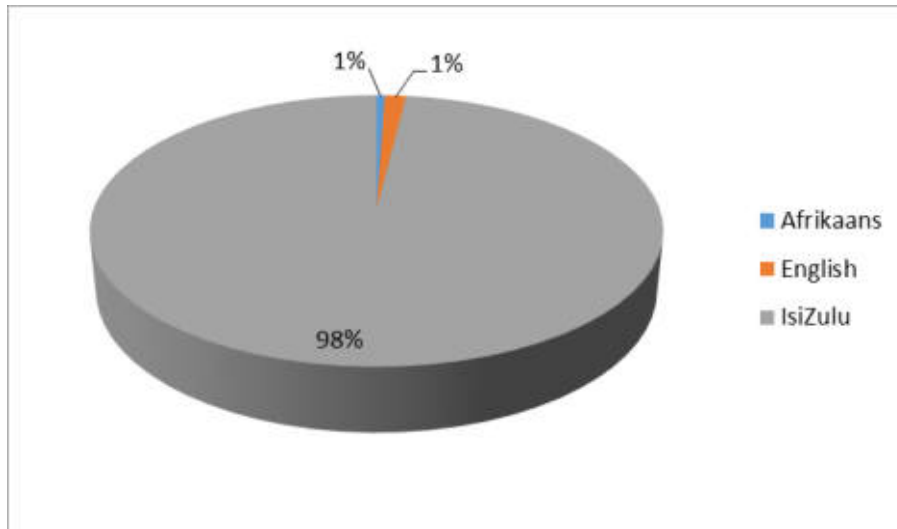


Figure 28: Population by Language (Source: StatSA census 2011/2016)

Out of eleven South African languages, isiZulu is the main spoken language in ward 8, followed by English and Afrikaans, the statistics correlate with the statistics above where population is highly dominated by Black African population group.

Table 39: Age Groups in 5 years by Population group and Gender (Source: StatSA census 2011/2016)

It can be concluded that at birth age there are more Black Africans that are born. The highest proportion is in age group is 0-4 years. The municipality is dominated by young Black African population from both females and males. There are individuals representing other population groups. More females from the age group 90+ are surviving within Black population.

	Black African		Coloured		Indian/Asia		White	
Age	Male	Female	Male	Female	Male	Female	Male	Female
0-4	5 974	6 027	10	12	5	12	10	13
5-9	5 313	5 144	16	11	10	4	12	8
10-14	5 399	5 216	14	11	8	9	6	6
15-19	5 260	5 169	5	8	10	5	7	11
20-24	3 629	4 409	12	6	13	9	14	7
25-29	2 567	3 517	7	13	10	6	11	16
30-34	1 827	2 506	11	9	11	0	14	7
35-39	1 501	1 996	8	8	1	3	15	15
40-44	1 231	1 820	6	9	7	6	16	6
45-49	1 210	2 036	10	2	6	8	10	9
50-54	1 053	1 782	1	9	6	2	23	20
55-59	865	1 270	5	4	2	0	11	23
60-64	705	1 151	6	2	1	1	6	11
65-69	417	704	5	1	2	0	7	2
70-74	339	817	1	2	0	2	5	5
75-79	179	589	2	2	0	0	2	2
80-84	182	464	0	0	0	1	0	2
85-89	86	154	0	1	0	0	3	0
90+	53	182	0	1	0	0	1	0

## Heads of the household

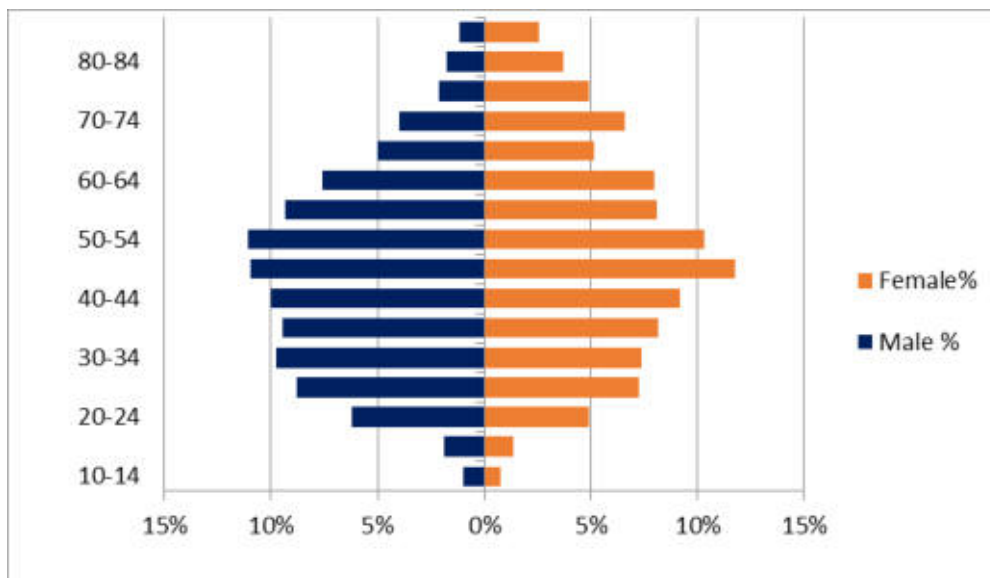


Figure 29: Head of the household (Source: StatSA census 2011/2016)

Figure above indicates that the municipality has a large proportion of female headed Household; however it noted that there is a proportion of male headed households as well. There is small proportion of child headed household, if we consider age groups (10-19 years). Male child headed household is slightly higher than that female child headed household.

## Marital and Civil Partnership Status

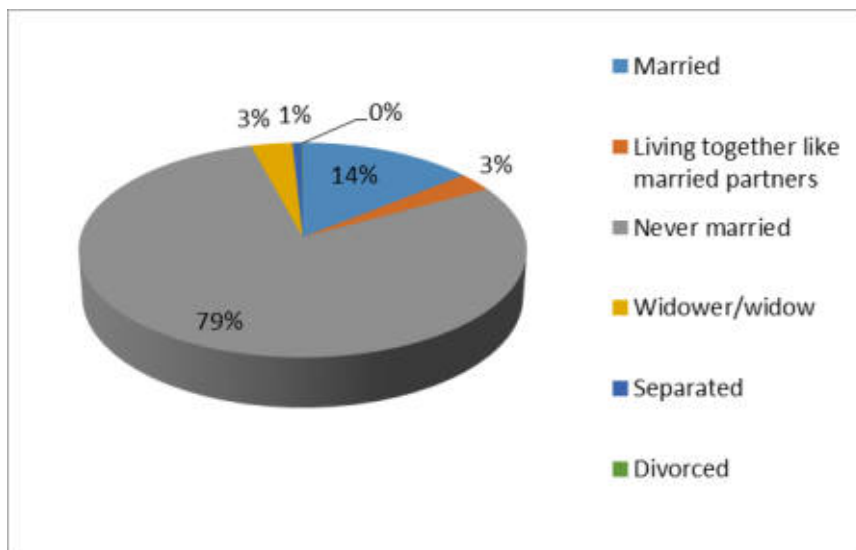


Figure 30: Marital status (Source: StatSA census 2011/2016)

From the figure above, it is noticeable that the percentage of the adult population that has never married is at 79% followed by married population at 14%. The percentage of a population living together as married couples is at 3% and only a 3% of widows/widower

population. Divorce rate and separation rate are very low as they stand at 0% and 1%, respectively.

Table 40: Migration, Province of Birth by Region of Birth (Source: StatSA census 2011/2016)

The table shows that the majority of the population is South African. There is a high number of people born in KwaZulu-Natal, followed by people born in Northern Cape and Eastern Cape. There are a noticeable proportion of individuals born in other provinces, SADC and rest of Africa.

Province	Region of birth					
	Born in South Africa	SADC	Rest of Africa	UK	Asia	Unspecified
Western cape	66	0	0	0	0	0
Eastern cape	294	0	0	0	0	0
Northern cape	716	0	0	0	0	0
Free state	51	0	0	0	0	0
Kwazulu-natal	79 643	0	0	0	0	0
North west	133	0	0	0	0	0
Gauteng	125	0	0	0	0	0
Mpumalanga	243	0	0	0	0	0
Limpopo	204	0	0	0	0	0
Outside South Africa	0	243	27	10	17	64



## Parental Survival

Orphan hood estimates becomes critical with the advent of HIV which has resulted in an upsurge in the numbers of children that are orphaned especially in Southern Africa, of which South Africa is part.

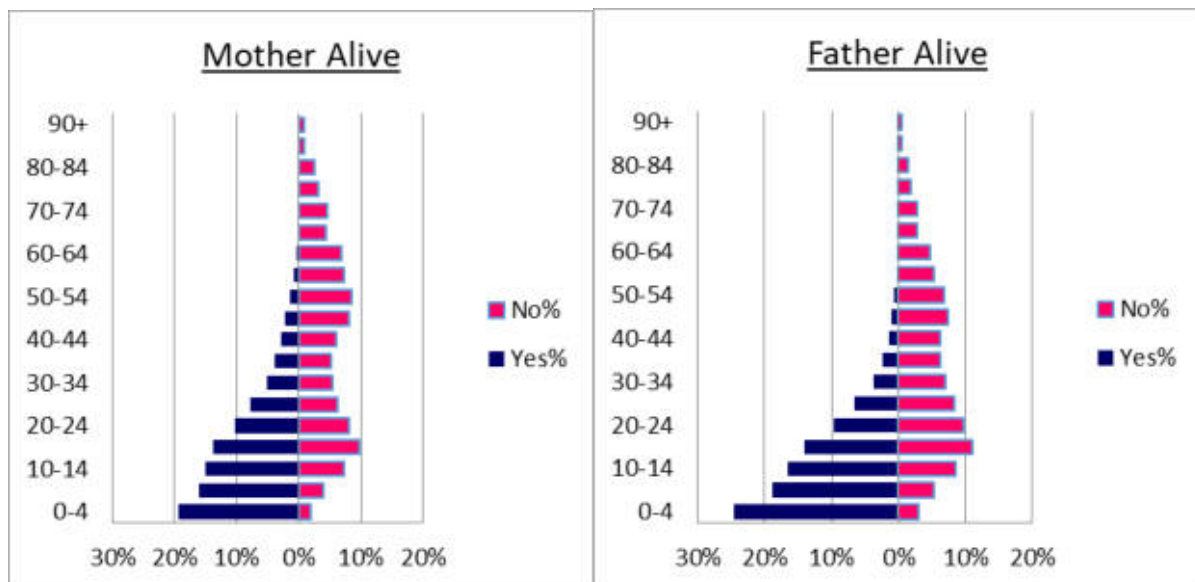


Figure 31 (a & b): Parental survival (Source: StatSA census 2011/2016)

These estimates provides an indication of the number of children who are vulnerable, even though all age groups are indicated above , the focus is on children aged 0-19. This figure above clearly shows that paternal orphan hood is consistently higher than maternal orphan hood.

## 6. Municipal Transformation and Organisational Development Analyses

### 6.1 Municipal Powers and Functions

A municipality has the functions and powers assigned to it in terms of Sections 156 and 229 of the Constitution. Chapter 5 of the Local Government: Municipal Structures Act, 117 of 1998 clearly defines those functions and powers vested in a local municipality, notably:

- To provide democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment, and
- To encourage the involvement of communities and community organizations in the matters of local government.

In setting out the functions of a Local Municipality, the Municipal Systems Act indicates that the Minister responsible for Local Government may authorize a Local Municipality to perform the following functions of a Municipality.

The Mthonjaneni Municipality performs the following:

- Potable water supply systems
- Bulk supply of electricity
- Domestic waste-water systems
- Sewage disposal systems
- Municipal Health Services.

More specifically, the objectives of local government are:-

- Air and Noise Pollution
- Building, Trading Regulations, Liquor and Public, Nuisance Control
- Fire Fighting Services
- Pounds
- Public Places
- Refuse Removal, Refuse Dumps and Solid Waste
- Street Trading
- Street Lighting
- Traffic and Parks
- Electricity Reticulation
- Cleansing and Trade Areas
- Beaches and Amusement Facilities
- Billboards and Display of Advertisements in Public Places
- Cemeteries, Funeral Parlours and Crematoria
- Licensing, Facilities for Accommodation, Care and Burial of Animals
- Fencing and Fences
- Local Amenities
- Local Tourism
- Municipal Airports
- Municipal Planning
- Municipal Public Transport
- Storm Water Management
- Local Sport Facilities
- Markets Stalls / Trade Areas
- Municipal Abattoirs
- Municipal Parks and Recreation

## **6.2 Institutional arrangements**

The Mthonjaneni municipality has a staff component of 149 employees who are permanently employed, and 169 employees who are on contract.

A total number of twelve (12) staff members from the Ntambanana Municipality were redeployed to Mthonjaneni Municipality after the 2016 local government elections. The table below reflects the breakdown per department of the employees that were deployed to Mthonjaneni Municipality

Table 41: Number of employees per department

DEPARTMENT	NUMBER OF STAFF
Office of MM	5
Finance	20
Technical Services	56
Community and Corporate Services	67

### Municipal Directories

The municipality reviewed its organogram in 2018/2019 Financial year and has combined the department of community services and corporate services into one Directorate.

Table 42: Executive Management

DIRECTORATE	DIRECTOR RESPONSIBLE
OMM	Municipal Manager
Community and Corporate services	Director Community and Corporate services
Finance	Chief Financial Officer
Technical and Planning Services	Director Technical and Planning

The table below highlight the responsibilities of each municipal department.

Table 43: Departmental Functions

Department	Functions
<b>Office of the Municipal Manager</b>	Municipal Management; Municipal Finance Management. Internal audit. Communication and office bearer support.
<b>Community and Corporate Services</b>	<p><b>Administration:</b> it is responsible for municipal administration; property administration; security and cleaning; libraries; human resources; legal services; business licenses; information technology. : It is also responsible for community services, youth services and empowerment.</p> <p><b>Protection:</b> it is responsible for fire-fighting services; noise pollution; pounds ; public places; street trading; traffic and parking; disaster management ; control of public nuisances; municipal public transport; public safety; motor licensing ;roadworthy testing; and municipal policing.</p> <p>Communication, LED, Tourism</p>

Department	Functions
<b>Finance Services</b>	<p><b>Income:</b> is responsible for Revenue Management; Debt Management and internal control.</p> <p><b>Expenditure:</b> is responsible for expenditure management; procurement; materials; insurance; internal control and properties.</p>
<b>Technical Services</b>	<p><b>Community services:</b> is responsible for Building regulations; Electrical is responsible for electricity and gas reticulation and street lighting.</p> <p><b>Civil Services:</b> is responsible for air pollution; municipal airports; municipal public works; stormwater management; cemeteries; funeral parlours and crematoria; cleansing; fence and fences; burial of animals; local sports facilities;; markets; municipal abattoirs; municipal parks and recreation; municipal roads; and refuse removal, refuse dumps and solid waste.</p> <p>Municipal Planning (IDP and PMS)</p>

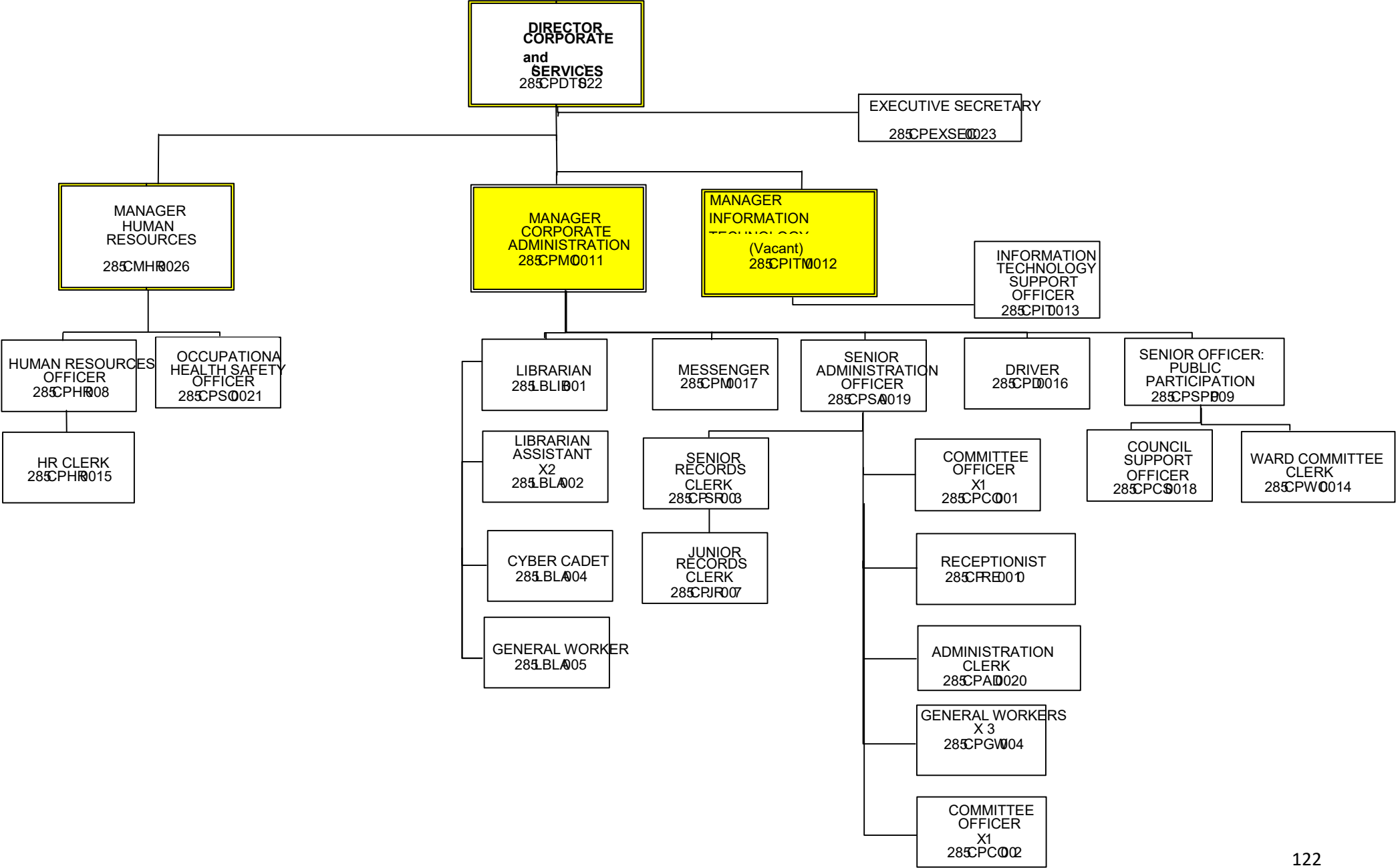
The Organogram attached below intends to show the current vacancies within the Municipality, starting from the strategic office (Office of the Municipal Manager) to Community and Corporate Services, Technical Services and Financial Services Departments. The Organogram indicates the status of budgeted and non-budgeted posts within Mthonjaneni Municipality.

#### **Mthonjaneni Local Municipality Organogram**

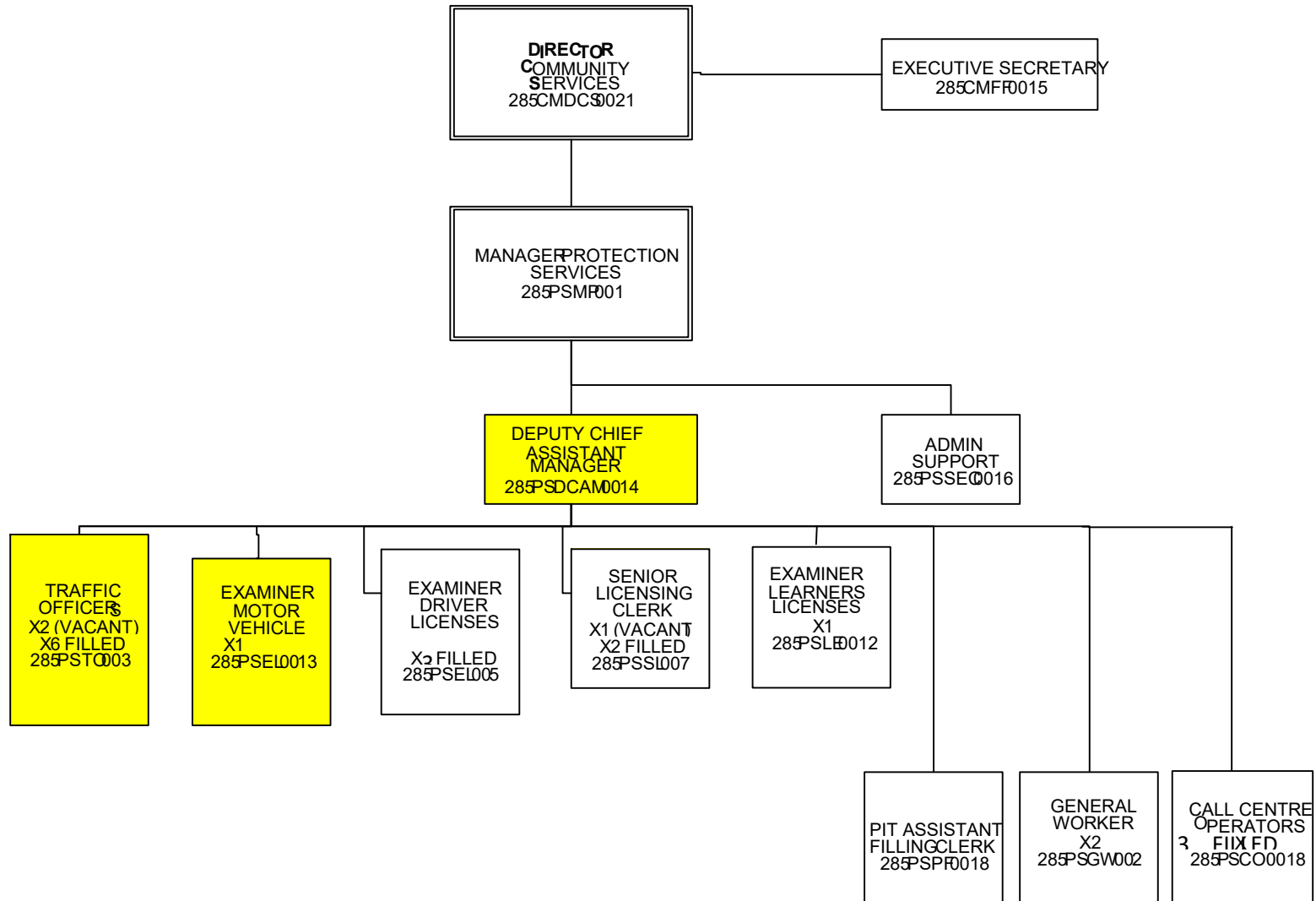
Below is the Mthonjaneni Local Municipality organogram which was approved by Council **in June 2021**. The organogram is been implemented and all the vacant budgeted positions will be filled during the 2020/2021 financial year.

Figure 32: Mthonjaneni Local Municipality Organogram

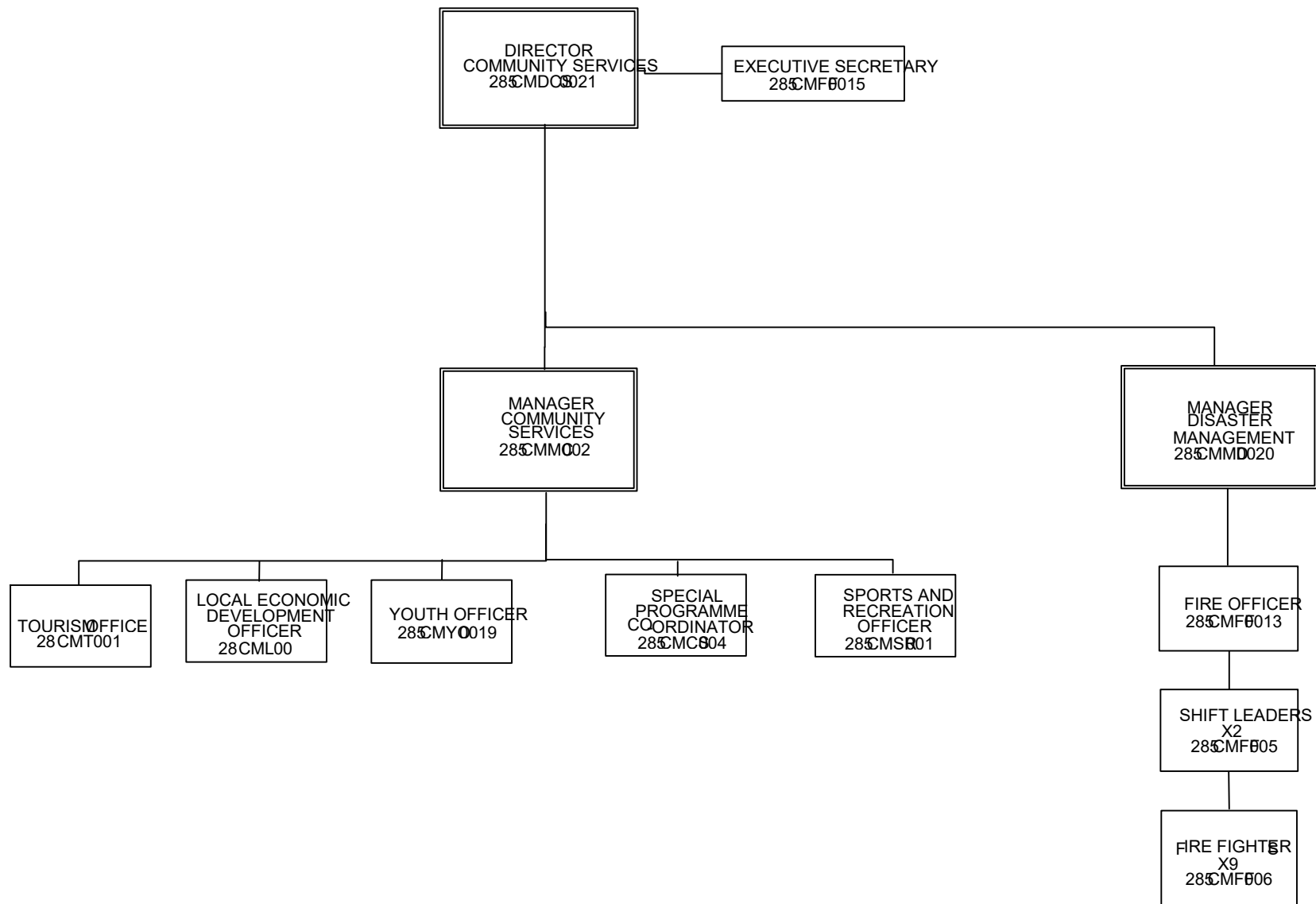
## **OFFICE OF THE MUNICIPAL MANAGER**



## COMMUNITY SERVICES DEPARTMENT PROTECTION SERVICES

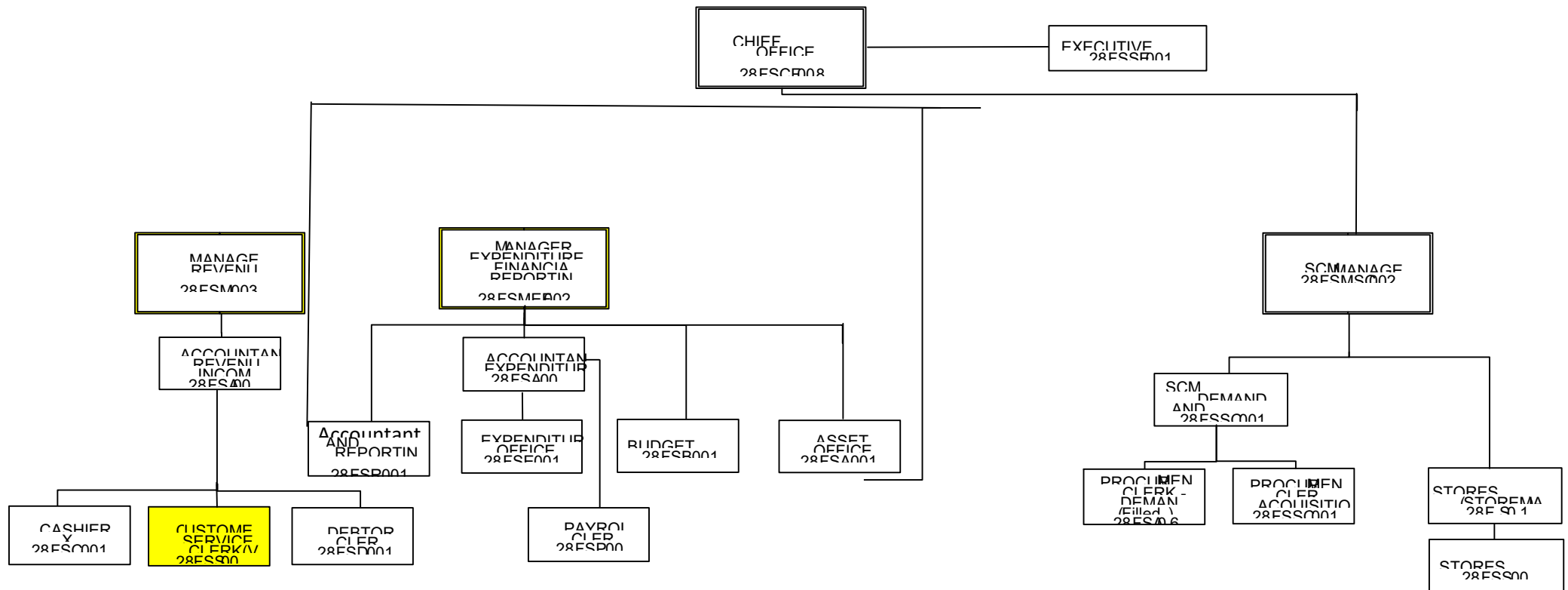


## COMMUNITY SERVICES DEPARTMENT

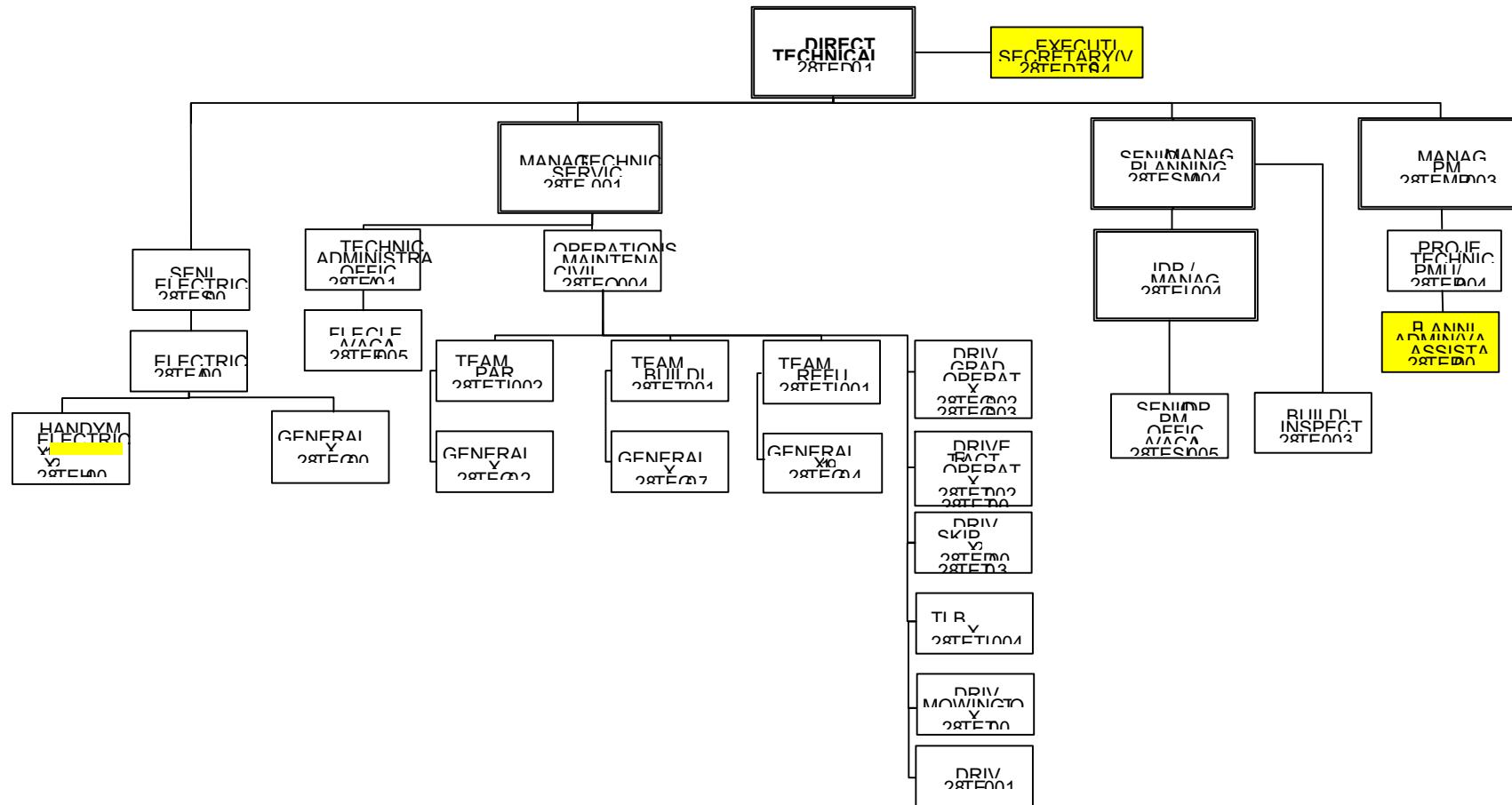




## FINANCE DEPARTMENT



## TECHNICAL SERVICES DEPARTMENT



The number and levels of employees from designated and non-designated groups (as at February 2020) is provided in the following table:

Table 44: Designated and Non-Designated Employment Numbers

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	3	0	0	0	1	0	0	0	0	0	4
Senior management	10	0	0	1	1	0	0	0	0	0	12
Professionally qualified and experienced specialists and mid-management	1	0	0	1	3	0	0	0	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	17	0	0	0	11	0	0	0	0	0	28
Semi-skilled and discretionary decision making	31	01	0	0	25	0	0	0	0	0	57
Unskilled and defined decision making	19	0	0	0	16	0	0	0	0	0	35
<b>TOTAL PERMANENT</b>	81	01	0	2	57	0	0	0	0	0	141
<b>GRAND TOTAL</b>	81	01	0	2	57	0	0	0	0	0	141

### **Vacant Positions**

The Municipality currently have a total of Seven (08) budget vacant positions in its organogram. These positions are in the process of being filled during this 2020/2021 financial year.

The municipal Council took a resolution to combine two services i.e. Community and Corporate into one Directorate. The position of the CFO has also been filled.

### **Human Resource Strategy**

#### **Introduction**

The Municipality does not have a single Human Resource strategy. The Municipality is in the process of appointing the service provider to develop the

Human Resource strategy. The strategy should be developed and approved by Council during the 2020/2021 financial year.

The post of the Municipal manager, Director corporate and community services and Technical Director were filled during the 2016/17 financial year. The post of the CFO has been vacant due to resignation and has been filled during the 2019/2020 financial year

### **Employment Equity**

In compliance with the Employment Equity Act (55 of 1998), the municipality has developed and implemented an Employment Equity Plan. The Employment equity plan was approved by Council by 2017/2018 financial year.

### **Skills Development**

The municipality has developed a comprehensive Workplace Skills Development Plan for the period under review in accordance with the relevant legislation.

### **Municipal Human Resource Policies**

The municipality has developed a number of policies that deal with Human Resource issues. The following are the policies that have been adopted by Mthonjaneni in order to address its institutional related matters and are currently being implemented:

#### **Recruitment, Selection, Promotion, Demotion, Transfer, and Appointment Policy**

The Municipality's policy must comply with the requirements of the Labour Relations Act, No. 66 of 1995, as amended, the Basic Conditions of Employment Act, No. 75 of 1997, and the Employment Equity Act, No. 55 of 1998.

All employments in Mthonjaneni are effected in terms of the above policy. This policy set out the principles which shall be followed in filling any vacancy within the institution. The policy is indeed implemented as and when there is recruitment processes.

#### **Training and Development Policy: The objective of this policy is**

The objectives of this policy document is to create a pool of adequately trained and readily available personnel within the Municipality, thereby enhancing the organisation's ability to adopt and use technology to enhance the organisation's competitive position and improves employee morale.

This policy is currently being implemented i.e. there has been a number of trainings and workshops that took place. In May 2017 there was a strategic training workshop that was conducted between the Management and the new Councillors, this was done in order to share knowledge and increase understanding about the Local Government. The municipality continues to implement the policy the evidence to that is that the municipality develops the Personal Development

Programme, keeping training records and etc. The policy has the number of types of development, which aims at expanding the capacitating.

### **Study Scheme Policy**

The objectives of this policy document is to create a pool of adequately trained and readily available personnel within the Municipality, thereby enhancing the organisation's ability to adopt and use technology to enhance the organisations competitive position and improves employee morale.

- To ensure a uniform procedure to all employees of the Mthonjaneni Local Municipality with regard to further studies.
- To afford employees the opportunity to further their studies.
- To encourage employees to acquire qualifications and skills.
- To develop and empower staff to expand their career prospects within the Mthonjaneni Local Municipality and other public sector institutions.
- To ensure uniformity in granting financial assistance with regard to further studies.

Other Human Resources Strategies (Policies) that have been adopted with the intension of ensuring that institutional matters are addressed in a democratic way and cost effective manner include the following policies and the these policies are also being implemented accordingly i.e.:

- Employment Equity Policy
- Overtime and Stand-by Policy

### **Human Resources Plan**

The municipality currently does not have a Human Resources Plan. The plan is currently been developed and will be approved by Council in June 2019.

### **Mthonjaneni Information Technology General Controls (ITGC) Framework**

The Mthonjaneni Municipality adopted its information Technology Governance Policy during the 2015/2016 financial year and will be reviewed during the 2020/2021 financial year. The purpose of the policy is to define the guidelines, principles and policy statements for the governance of Information Technology (IT) with the Mthonjaneni Municipality.

In most enterprises, IT has become an integral part of the business and is fundamental to support, sustain and grow the business. Successful enterprises understand and manage the risks and constraints of IT. As a consequence IT is of strategic importance.

Governance developments is primarily driven by the need for the transparency of enterprise risks and the protection of stakeholder value, the use of technology has created a critical dependency on IT that calls for a specific focus on IT governance.

The Mthonjaneni IT governance policy provides for applying the principles of corporate governance strategically to directing and controlling IT in Mthonjaneni Municipality and it specifically has emphasis to the following:

1. The measurement of IT performance
2. The potential of IT to leverage and influence intangible assets (e.g. information, knowledge, trust,
3. The review and approval of IT investments
4. The alignment of IT and business strategies
5. The assurance of IT-related risk transparency.

### **IT Steering Committee**

The Mthonjaneni Municipality established its IT steering committee during the 2016/2017 financial year. The IT Steering Committee reports to the Municipal Manager and Council on the Governance subset of the Municipality IT Balanced Scorecard, consisting of;

- Governance Decisions Register – overall IT Governance Decisions and;
- Governance “Health” – Overall Effectiveness and Efficiency of the IT Governance

### **6.3 Powers & functions**

Table 45: Mthonjaneni Municipality Powers and Functions

<b>Function</b>	<b>Responsible Department</b>
IDP	Planning
Electricity	Technical Services
Solid Waste	Technical Services
Municipal Roads	Technical Services
Fire Fighting Services	Community & Corporate Services
Cemeteries	Technical Services
Tourism	Community & Corporate Services
Grants distribute	Budget and Treasury
Collection of levies	Budget and Treasury
Other: Disaster Management	Community & Corporate Services

### **6.4 Municipal Transformation and Organisational development: SWOT Analyses**

**Strengths**

- Human capital
- HR policies in place
- Sound and good administration
- Committed staff and Councillors

**Weakness**

- Minimum funding source
- Experienced staff retention
- Retaining of staff
- Inadequate training and development of staff

**Opportunities**

- Communities have access to services
- Dedicated programs for community participation
- On-going public participation process

**Threats**

- Lack of continuity of management skills
- Long term sustainability under threat
- Increased administration cost

**7. Service Delivery and Infrastructure Analyses****7.1 Introduction**

Within the Technical Services Planning Department there is a unit responsible for transport and roads. As such, the unit has the following sub-sections:

- Urban Roads and Road Markings
- Transportation Planning and Traffic Signs
- Rural Roads

**7.2 Roads**

The local municipal area is traversed by numerous roads, forming the base of the primary transport methodology within this municipality. As such, the roads may be regarded as the most important functional service which needs to be provided so as to ensure effective transportation of the communities between places of work and the respective residences, and to utilize community facilities or provide access to economic opportunities.

There are numerous levels of roads traversing the municipality namely:

- Provincial roads (P routes);
- District roads (D routes);
- Local roads (L routes); and
- Community access roads (A routes)

The condition of the roads varies throughout the municipality. The condition of urban roads is fairly decent. The table below provides an indication of the condition of urban roads.

Table 46: Road Conditions

Condition of criteria	Distribution	
	% of surfacing	% of structure
Very good	21	36
Good	22	22
Fair	33	14
Poor	13	23
Very poor	11	5

## Rural roads

### Condition assessment

The condition of the rural road was assessed during in loco inspections. The condition could be classified according to the following norms:

- Gravel road, being those that had formally been shaped and provided with a gravel surface.
- Dirt roads, being those that were merely formed through blading.
- Tracks, being those formed through use of only vehicles.

The majority of the roads in existence were classified as dirt roads, being those which had merely been bladed, with no formal gravel surface or storm water drainage. These however still provide access to homesteads.

### Road functionality

During the in loco inspections, various roads were flagged by the local community as being of importance. Various other roads have also been identified which have not been flagged by the community during public meetings, but which have been identified in terms of physical functionality to be of importance, being those roads providing through access, implying use by busses and taxis, or serving community facilities such as schools and others.

#### 7.2.1 Upgrade and expansion of roads in various wards

Arising from the condition assessments done by the municipality, the upgrade requirements to the existing road network have been determined.

#### 7.2.2 Maintenance and Rehabilitation of existing access roads in rural and urban areas

##### Status of Rural Roads Projects

The Mthonjaneni Municipality is responsible for the provision and maintenance of access roads within its jurisdiction.



The table below reflects the project implemented during the 2019/2020 financial year and which is now completed.

Table 47: Status of rural roads projects

PROJECT NAME	WARD	STATUS
Noziphiva gravel road	Ward 10	100% complete

The current MIG projects for 2020/2021 financial year, which are anticipated to be completed in June 2021.

Table 48: MIG projects for 2020/2021

WARD	NAME OF PROJECT	PROJECT VALUE	STATUS
13	Sangoyana Sportsfield Ward 13	10 988 802,00	59% COMPLETE
11	Mbiza Gravel Road Ward 11	5 512 381,00	84% COMPLETE
8	Mabhungu Gravel Road Ward 8	4 389 752,40	63% COMPLETE
4	Katazo Creche Ward 4	2 701 969,69	92% COMPLETE

### Road Maintenance Plan

The maps below reflect the Mthonjaneni Municipality roads maintenance plan that was prepared to assist in addressing road maintenance backlog and also in identifying and prioritising of roads projects that need to be budgeted for. The road maintenance plan was approved in April 2017.

The table below reflects a list and status of urban roads projects that were implemented in 2020/2021 financial year.

Table 49: Urban road project

PROJECT NAME	WARD	STATUS
Urban roads upgrade and rehabilitation	Ward 3	90% complete (May 2019)

The following table reflects the MIG projects that's have been submitted for to Cogta for approval of 2021/2022 financial year.

Table 50: MIG projects submitted for approval

WARD	NAME OF PROJECT	PROJECT VALUE	
1	Mahehe Creche	2 874 537,30	0% COMPLETE
3	Njomelwane Community Hall	3 846 080,70	0% COMPLETE
8	Ndundulu Gravel Road	7 130 463,45	0% COMPLETE
9	Makhubalo Gravel Road	3 472 028,14	0% COMPLETE
12	Ntilingwane Gravel Road	5 523 505,20	0% COMPLETE



Figure 33: Melmoth Town Roads maintenance plan



Figure 34 : Thubalethu Township roads Maintenance Plan

## **Rural Roads Maintenance Plan**

Map to be inserted in final IDP

Figure 35: Rural roads maintenance

## **Integrated Transport Management Plan**

The Mthonjaneni municipality is responsible for transport management within its area of jurisdiction. It has however been challenging for the Municipality to manage transport systems within its area because it currently does not have an integrated transport plan in place. A budget has been set aside for the development of the plan and will be developed during the 2020/2021 financial year.

## **Transport analyses**

The R34/R66 which runs through Ward 2 and 3 is the main transportation route between Mthonjaneni/Ulundi and Empangeni/Richards Bay.

The R34 and the R66 share the same road from the N2 up through Melmoth up until the municipal boundary with Ulundi where it splits.

The provincial road corridors (R34, R66) play a part in the development of urban settlements along the routes.

The R34 and R66 routes provide regional accessibility. The R34 is the strongest, being the main transport link between Richards Bay and Mpumalanga.

## **Road Classification**

Four types of road classes have been identified according to the KwaZulu-Natal Department of Transport database. This classification is as follows:

### **National Roads**

These roads denoted with the prefix 'N' e.g. N11 and are primarily the responsibility of the Department of Transport and are maintained through the South African National Roads Agency.

### **Provincial Main Roads**

These are higher order provincial roads all with the prefix 'P' e.g. P47-3. There is a further breakdown of this class into types of main roads, each type meeting certain requirements pertaining to traffic volumes, freight requirements and so forth and hence not all main roads are surfaced roads. The Department of Transport also uses another classification system and therefore some provincial roads are also referred to as Routes (R). In the case of Mthonjaneni, the P47-3 is also referred to as the R66, and the P253 and P48 as the R68.

### **Provincial Roads**

All these roads are the responsibility of the Department of Transport and the majority are not surfaced. Again there is a further breakdown into types of roads, each allocated different design and maintenance specifications. These roads normal have a prefix 'D' e.g. D550. Provincial Local Roads 77

Formerly, these were known as “Community Access Roads” and are classified as third order roads with minimum design requirements. In this class there is a further breakdown into two types, namely gravel and earth roads (tracks).

### Public transport

As many of the community do not have their own motor vehicles, public transport is essential in providing mobility and accessibility of these communities to socio-economic facilities. Transportation within the Municipality is almost exclusively achieved through the use of road vehicles. Categories of transport are as follows:

- Public Transport – Buses
- Public Transport – Taxis
- Private Transport – Passenger Vehicles
- Private Transport – Trucks

There is a widespread bus network which focuses primarily on short trips to the minor population centres. These centres include: Melmoth, Imfule Mission, Mfanefile, Makhasaneni, Hlabatini, Yanguye, Mkhandlwini, Mkwenkwe, Ndundulu, KwaMagwaza.

### Existing transport infrastructure within Mthonjaneni Municipality

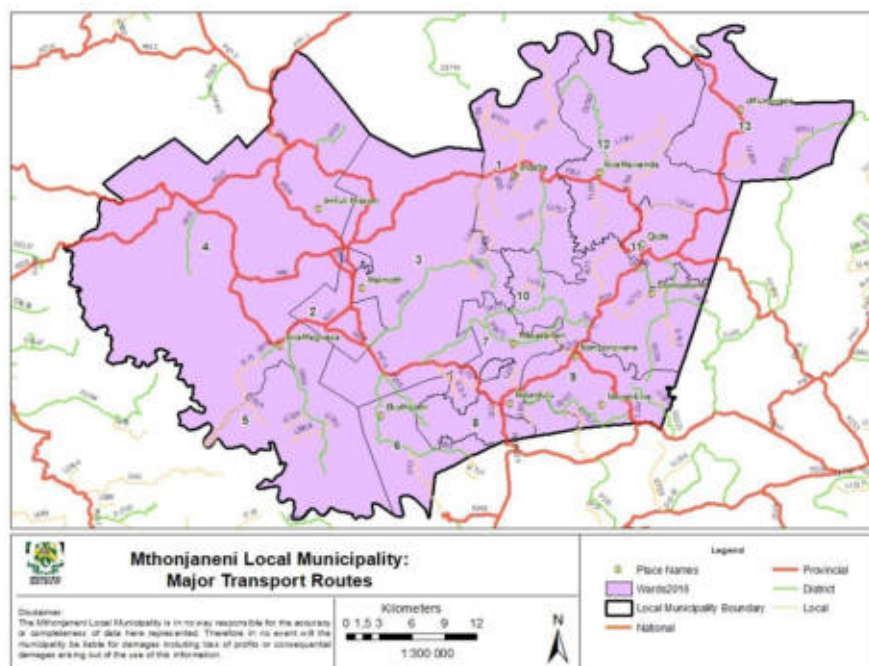


Figure 36: The major transport routes (*GIS Mthonjaneni: 2021*)

As mentioned in the transport analyses the Mthonjaneni Municipality consists of the R34/R66 that runs through the Melmoth town which is also the main transportation route between Mthonjaneni/Ulundi and Empangeni/Richards Bay. The P700 is a new Provincial road that rural connects the community of Obuka area to neighbouring towns of Empangeni and Ulundi.

### 7.3 Electricity

Eskom, the national electricity supplier, supplies electricity in bulk within the municipality and supply to rural areas is slow due to high costs associated with scattered settlements and no anchor clients. Melmoth town buys electricity in bulk and distributes it to its consumers in the Melmoth town and Thubalethu Township.

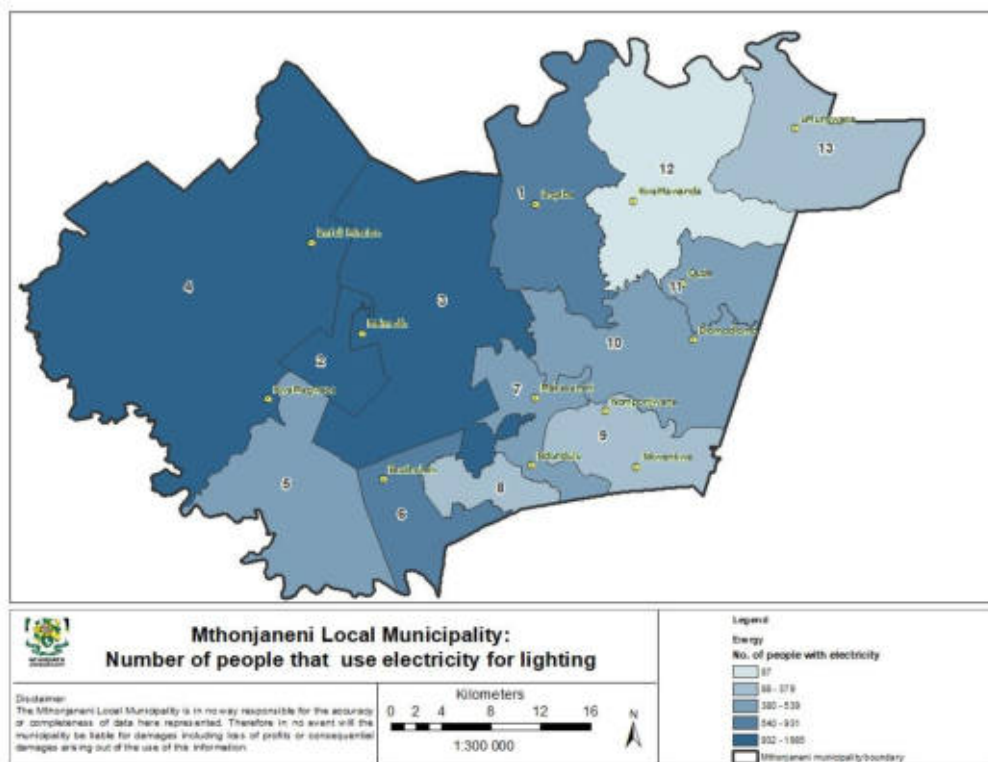


Figure 37: Electricity Provision for Lighting (GIS Mthonjaneni: 2021)

#### 7.3.1 Expand electricity accessibility in various wards

##### Addressing the backlog

The municipality currently has rural electrification projects in three wards which are currently underway and are phased over two financial years.

Table 51: Electrification project planned for the 2018/2019 and 2019/2020 financial years

Project Name	Ward	No. of connections
Makhasaneni/Soqiwa	3 & 7	199 connections (Soqiwa) 275 connections (Makhasaneni)



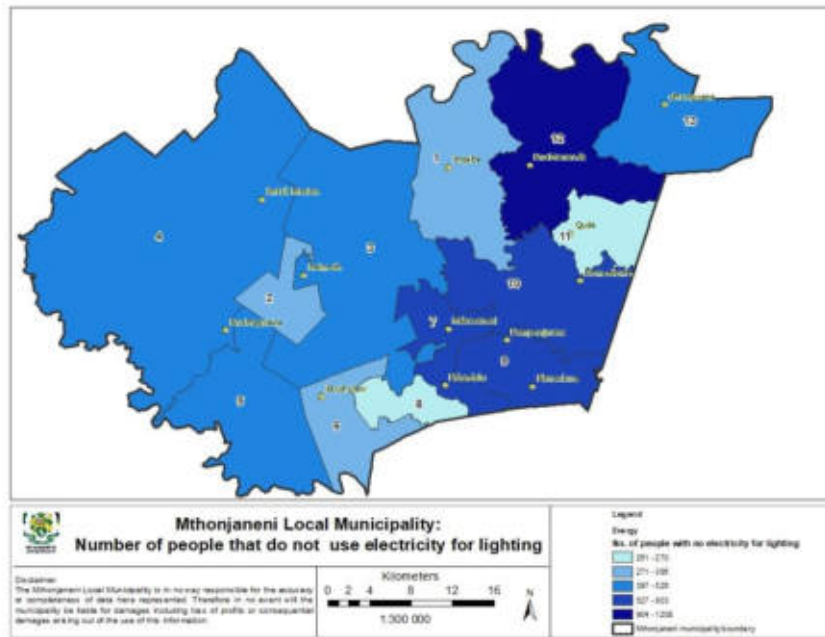


Figure 38: Electrification backlog in Mthonjaneni Municipality (GIS Mthonjaneni: 2021)

### 7.3.2 Expand and maintain existing network electricity in urban and rural areas.

#### Energy Sector Plan (ESP)

The King Cetshwayo Municipality appointed NET Group Solutions to review the energy sector plan as developed in 2003. The plan includes new funded projects by Eskom, Department of Energy (DME), Department of Local Government (known as COGTA) and the municipalities.

The review of the energy sector plan is considered to be a desktop study that addresses following:

- Confirm electrification status within the District
- Assess estimated electrification backlogs
- Develop perspective of electrification requirements to eradicate backlogs
- Determine suitable options for feasibility studies for investigation of the use of renewable energy sources
- Develop cost estimate and implementation schedules to eradicate backlogs

#### Objectives of the Energy Sector Plan

The objectives of the energy sector plan are as follows:

- State the vision for electricity services and support objectives of the IDP
- Prioritise areas and agree on priority / to clear backlog
- Compile a load forecast for capacity planning
- Define study areas for renewable energy feasibility investigations
- Compile capital project lists and budgets
- Communicate the plan to all stakeholders

The ESP is currently being implemented by the Mthonjaneni municipality.

### **The Electricity Supply Development Plan (ESDP)**

The ESDP key outcomes of the plan include:

- Clustering of dwellings, communities, clinics and schools into sustainable nodes;
- The identification of cost effective supply routes;
- The preparation of an Electricity Budget based on priorities for the DM; and
- The preparation of a five year Electricity roll-out plan.

In order to achieve the above outcomes, the Mthonjaneni municipality through the assistance from stakeholders will encourage the future proposed developments to take place within the existing nodes and this includes RDP housing.

### **Electrification Operations and Maintenance Plan**

The municipality is not an Energy authority however has been implementing electrification projects through the INEP grant. For the past 5 years the municipality has constructed approximately 2500 new electrification connections to new rural households. However as indicated in this document the electrification backlog is still high and there is still a high demand for new electrification projects and infill projects. These rural projects are not maintained by the municipality. The project is handed back to ESKOM and once completed and ESKOM does all necessary maintenance to all rural electrification infrastructures.

Although the municipality currently does not have electrification operations and maintenance plan but maintains the electricity infrastructure for Melmoth town and Thubalethu as per monthly maintenance schedules that are developed internally by the municipal electrical engineer.

The municipality has set aside a budget for the development of an electrification operations and maintenance plan during the 2021/2022 financial year.

### **Electrification projects constructed in the past 2 years**

The table below reflect funded electrification projects within the Mthonjaneni Municipal area that were implemented in the past 2 years through the INEP grant.

Table 52: Electrification projects

<b>WARD</b>	<b>PROJECT NAME</b>	<b>NO OF CONNECTIONS</b>
Ward 4, 7 & 8	Electrification of Siyavuna Phase 1 ,2&3	803
Wrd 4 & 5	Electrification of Bomvini,Manzawayo and Thunzini	270
Ward 3 & 7	Makhasaneni Soqiwa Electrification Project	474

The municipality has budgeted the following electrification projects for 2021/2022 financial year.

Table 53: Budgeted electrification projects for 2021/2022

<b>Project Name</b>	<b>Project Type</b>	<b>Number of Connections Applied For</b>	<b>Funding Recommended</b>	<b>Recommended Number of Connections</b>
Inkisa	Households	85	R2, 125,000.00	85
Kataza	Households	61	R1, 525,000.00	61
Njomelwane	Households	50	R1, 250,000.00	50
Ntombokazi	Households	42	R105,000.00	42
Sengoyane	Households	72	R1, 800,000.00	72
Umhlatuze	Households	100	R2, 500, 000.00	100
Thubalethu 20MVA substation P-1		Infrastructure	R10,000,000.00	
Edubeni	Households	25	R625,000.00	25
Nqekwane	Households	35	R875, 000.00	35
<b>Total</b>		<b>470</b>	<b>R20, 805,000.00</b>	<b>470</b>

## **7.4 Sport and Recreational facilities.**

### **7.4.1 Expand accessibility of Sports and Recreational facilities in various wards.**

The municipality has a plan of developing local talent around the area of Mthonjaneni. Sports and recreational facilities have been constructed in wards and are made accessible to community members. The access to facilities around the Melmoth town is through booking from the municipal offices and those that are in wards are accessible through ward councillors.

### **7.4.2 Maintenance of Sports and Recreational facilities in various wards.**

There is a clear plan to ensure that the sports and recreational facilities are effectively maintained for ease of use by the community. There are CDW's in all wards which are responsible for the maintenance of these facilities. Furthermore the municipality also has a program where in the EPWP workers go to wards to clean the sports and recreational facilities which include deforestation and grass cutting.

## **7.5 Community facilities**

### **7.5.1 Expand accessibility of community facilities in various wards**

Communities also utilise the community facilities during various functions lie weddings, funerals, church services and meetings. The access to facilities around the Melmoth town is through booking from the municipal offices and those that are in wards are accessible through ward councillors.

## **7.6 Cemeteries**



Mthonjaneni Municipality is responsible for local cemeteries. There is an existing cemetery in Melmoth town, KwaMagwaza, Mfanefile, Ekuthuleni and at Imfule Mission as well as a cemetery adjacent to the church in KwaYanguye.

#### **7.6.1 Expand accessibility of community cemeteries in various wards.**

Previous studies identified that there is insufficient capacity and it was recommended that:

The cemetery in Melmoth be extended by an additional 4 hectares in order to provide 6 400 burial sites. The Imfule Mission cemetery be extended by 5 hectares to provide 8 500 burial sites; and a new cemetery be developed in Ndundulu. The Melmoth cemetery has been partially extended with an additional 2 000 sites and is trying to source funding to address the other identified cemetery needs. The Mthonjaneni municipality has set aside a budget for the extension of the Melmoth cemetery.



Figure 39: Cemetery site (GIS Mthonjaneni: 2021)

#### **7.6.2 Maintenance of community cemeteries in various wards**

Cemeteries are regularly maintained in order to ensure that they are in an acceptable condition. Maintenance includes the cleaning of paved areas, grass cutting and removing unnecessary soil. The cemeteries in Melmoth town are accessible through the locked gate which is only opened when there are funerals or at a request by families of people buried on the cemetery.

### **7.7 Crèches**

Mthonjaneni municipality has identified areas in various wards where there are no crèches. Crèches have then been built and are utilised by the community. The

municipality also ensure that these crèches are maintained so that they remain in good condition.

### **7.7.1 Enhance Early Childhood Development**

A budget has been set aside to provide resources for early child development. ECD centres are identified by councillors each year and the municipality provides aids that assist in these centres.

## **7.8 Libraries**

### **7.8.1 Expand accessibility and maintenance of library**

There is only one functional library which is located in the town of Melmoth. People from all the wards come to this library for information. The library is accessed by both the learners and the public. It has various sections to accommodate different age groups, varying from pre-school age learners to adults.

Community members utilize the books and other material inside the library. There is also membership provided by the library which allows the user to take out the books with him/her out of the library. Learners and teachers have an access to internet and all the material has been provided by Department of Arts and Culture.

Mthonjaneni municipality is responsible for all the maintenance processes of the library. This is done to ensure that the library is always having a conducive atmosphere for its purpose.

## **7.9 Refuse removal**

### **Urban**

The Municipality offers a high level access to waste in the urban areas (Melmoth and Thubalethu), where waste is collected from households and businesses on weekly basis or when requested during festive season. Households are supplied with 2 refuse bags per week, and instructed to place full bags on the kerbside for collection as per a specific refuse collection programme. Tractors and trailers are used to collect the waste. Waste is removed from households within various areas as indicated. Skips are strategically placed within the urban areas for effective waste management.

Table 54: Timetable for waste collection

	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
<b>Household</b>	<b>x</b>	<b>X</b>		<b>x</b>	<b>x</b>
<b>Business</b>	<b>x</b>		<b>x</b>		<b>x</b>
<b>Garden waste</b>		<b>X</b>		<b>x</b>	

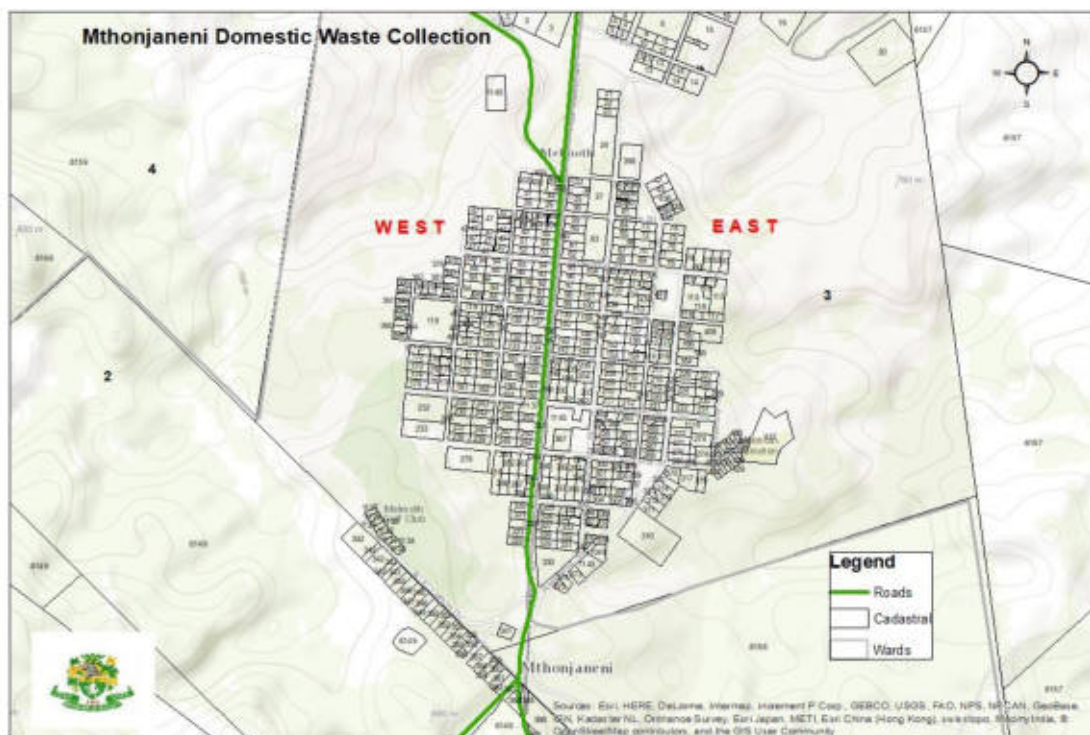


Figure 40: Urban domestic waste collection

### Rural

84 % of the population in MLM is living in rural areas. MLM has strategically placed skips in some of the rural areas (wards 2; 4 and 6) as an initiative to grant rural areas a waste removal service (Refer to Waste Receptacles).

The municipality has purchased 20 skips which are strategically placed within the boundaries of MLM in the following areas. These skips in the rural areas will be collected every two days and if it is full before the two days the full skips will be collected and the waste will be disposed of.

Table 55: Record of skips within MLM

Ward	Area	Number of skips
2 & 3	Melmoth	12
2	Thabalethu	3
4	KwaMagwaza	1
8	Ndundulu (only used for cleaning services)	3



Figure 41: Strategically placed skips around MLM

MLM currently own 70 x 70 litre concrete waste bins which are strategically placed around public areas within the urban area in MLM. These bins are placed around urban public recreational areas, i.e. swimming pool, centenary area, pavements, taxi rank etc. It is the responsibility of waste management section within MLM to collect and remove waste from the concrete bins.



Figure 42: Concrete waste bins in urban areas

The farms and traditional/tribal areas are not receiving any service except for the provision of exposure to cleaning campaigns. In the absence of resources temporary workers are utilized to attend to littering. Waste in the serviced areas is removed in black bags supplied by the MLM.

### **Rural Areas**

With no waste collection taking place in the rural areas (only cleaning services at the 2 market stalls in Ndundulu), illegal dumping as well as burning of waste is taking place in MLM and it's a huge problem within the Municipality. This is a problem further compounds the effect of contamination, pollution, damage to

tourist assets and the environment. There is also no real policing of illegal dumping.

There are small businesses in the rural areas of MLM, and waste is not collected by the Municipality. Waste produced by the small business is mostly burnt or buried on site.

### **Urban areas**

The main urban area of Melmoth and Thubalethu are serviced by the Municipality. The Melmoth waste disposal site is available for the public to use in regards to disposal of their wastes. Garden waste and builders rubble removal is not formally addressed and is either taken to the waste disposal site or dumped illegally by the general public, or collected by MLM upon request. MLM collects garden waste and builder's rubble from households and businesses with a trailer. These waste streams are often left on the verges with general household/ business waste for collection.

The estimated number of households in the Municipality is 10433 and 3 084 of the households waste is collected by the MLM, this is a shortcoming which requires urgent attention.

The table below illustrates how waste removal is handled in the area. According to Stats SA, (2011) 29.56% of households did receive a collection service by the local authority/private company. It is evident that 70.44% residents have no access to household waste removal services.

Table 56: MLM Waste Removal

<b>SOURCE</b>	<b>HOUSEHOLDS</b>
Removed by local authority/private company at least once a week	2650
Removed by local authority/private company less often	434
Communal refuse dump	165
Own refuse dump	5994
No rubbish disposal	750
Other	440
<b>Total</b>	<b>10433</b>

### **SEPERATION/AVOIDANCE OF WASTE AT THE SOURCE**

Mthonjaneni municipality supply two refuse bag per household per week one is green it is used for keeping the recyclable items the other one is black it is used for keeping non-recyclable items.

### **RECYCLING**

There is a service provider that is sorting, processing and transporting recyclable items for re-use. The service provider employed eight people who are doing the sorting of waste at the transfer station.



## STATUS OF MELMOTH WASTE DISPOSAL SITE

The Melmoth disposal was decommissioned on 13 July 2011 as per the National Environmental Management Act (act. 107 of 1998) and National Environmental Waste Act. (act. No 59 of 2008) (Permit no. D28/WML/0002/2011

It should be noted that transfer facility was constructed at the landfill site in 2011 and that waste disposal site was to be replaced by waste transfer facility .The waste transfer facility has been commissioned by the Mthonjaneni Municipality and is currently used to temporarily store waste in rolls on bins. Once bins are full the service provider removes the waste from the transfer station to the KCDM waste disposal site.

The Melmoth waste disposal site has no remaining life as the site is technically closed.

### 7.9.1 Implementation of the Integrated Waste Management Plan

Waste removal and disposal is currently being provided by the Mthonjaneni Municipality and is currently restricted to Melmoth, Thubalethu Township, and KwaMagwaza area. The waste removed is disposed at the Melmoth landfill site.

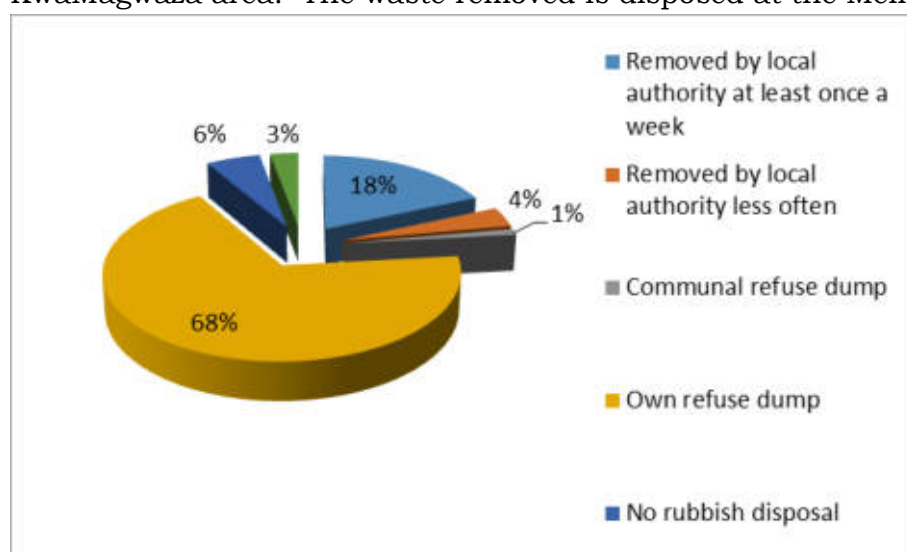


Figure 43: Refuse removal (Source: StatSA census 2011/2016)

#### Expand accessibility of refuse services in various wards

The Community Survey (2007) indicates that 24% of households have refuse removed by the local authority or a private company at least once a week, while less than 10% have refuse removed less frequently. 23% of households make use of their own refuse dump and a further 40% have no refuse disposal.

Mthonjaneni Local Municipality (MLM) appointed Aurecon to assist in developing an Integrated Waste Management Plan (IWMP) for the Solid Waste Disposal Division for the Municipality. As a requirement of the National Waste Management Strategy 2011 (NWMS) and the Integrated Development Plan (IDP) process all Municipalities are obliged to compile an IWMP.

The compilation of this IWMP is done in line with the draft guidelines for compiling waste master plan documentation made available by the National Department Environmental Affairs (DEA) as well as the Draft Starter Document for Integrated Waste Management Planning in South Africa.

The Mthonjaneni Integrated waste management plan was reviewed during the 2018/2019 financial year.

The Mthonjaneni IWMP clearly sets out the IWMP goals, policies and objectives to which the MLM should strive in order to remain compliant with the overall goals and objectives of the NEMWA. The IWMP also provides an evaluation of alternative waste management scenarios and options that were scrutinized and considered for possible implementation by the MLM to address their waste management needs in a sustainable manner. The most suitable options were then translated into implementable projects as part of the IWMP Implementation Plan. The said Implementation Plan sets the time-frames over which specific projects should be rolled out by the MLM.

The following assumptions were made where insufficient information was available:

a) Waste Generation Calculations

- Domestic Waste Generation – 7 days a week
- Business Waste Generation – 6 days a week

b) Waste Collection Calculations:

- Domestic & Business – 5 days a week

c) Where recorded generation rates were not available the following quantities were used:

- Rural Settlements (Poor Communities) – 0.3 kg per person per day
- Urban – 1.5 kg per person per day

## 7.10 Human settlements

### Status Quo of Human Settlement

The population of the municipality is distributed per ward as per the table below.

Table 57: Land Use Settlement Patterns per Ward

WARD	ESTIMATED POPULATION	COMMENTS
1	7923	<p>This ward has three distinct areas in terms of land use: the sparsely populated north western portion which has some commercial agriculture – mainly sugar cane, but is mainly extensive areas of grassland under livestock, with patches of traditional agriculture towards KwaYanguye, where there are farms which are currently under consideration for transfer in terms of land reform policy. This area also has a large area of thickets and bush as the land falls away towards the Mfolozi river valley. The southern portion which is also very sparsely populated, but has considerably more commercial agriculture under sugar cane and timber with some citrus and other fruit. The eastern portion is the KwaYanguye Tribal Area which is under communal tenure (Ingonyama Trust).</p> <p>There are pockets of settlement ranging from 50 – 600 persons per km<sup>2</sup>. Apart from these settlement clusters, which are scattered along the spine road and the flatter areas on top of the watersheds, the remaining area is very sparsely populated, largely due to the steep terrain as the land falls away from the highlands towards the valley bushveld of the Mfolozi river. Most of this is not arable, suitable only for extensive grazing, with the most environmentally sensitive areas on the steeper slopes, not suitable for any type of agricultural practice.</p>
2	6861	<p>This ward comprises part of the Melmoth Town, including Thubalethu, so comprises perhaps the highest densities in the municipality. The town of Melmoth is the central place of almost all the wards at Mthonjaneni and Thubalethu is a township which is a residential area for most of the commuters.</p>
3	6312	<p>The area covers part of the town. It also comprises of privately owned farms which are utilised for commercial farming specialising mainly on forestry and sugar cane cultivation. Part of the ward is characterised by nucleated rural settlement, the pattern being informed by unavailability of land and some areas with a steep terrain</p>



WARD	ESTIMATED POPULATION	COMMENTS
4	5770	<p>This is the largest municipal ward in terms of area, but the most sparsely populated. Apart from an area around KwaMagwaza, essentially the farms KwaMagwaza Mission Station and Spes Bona, and part of the Imfule Mission farm, the ward has a population density of less than 50-100 people per km<sup>2</sup>.</p> <p>The KwaMagwaza node has a population of 601 – 700 / km<sup>2</sup>.</p> <p>The ImfuleMission node – just the southern end of the Imfule Mission farm – has a population density of 901 – 1000 /km<sup>2</sup>. Overall, the densities are very low, the existing land use being dominated by forestry (plantations) with grasslands on the steeper slopes. Around the KwaMagwaza area are small patches of commercial agriculture (largely sugar cane), traditional agriculture and thickets and bush.</p> <p>The area South west of the ward consist of partly isolated households due to steep slopes and the vegetation cover is grassland and thornbushes towards the middle course of Mhlathuze river</p>
5	6142	<p>The farms Wilhelmina and Arcadia are the most densely populated in this ward, with densities varying between 100 – 500 people per km<sup>2</sup>. This area, also commonly known as Mfanefile, has a mixed land use of settlement, small scale agriculture, including sugar cane, timber and vegetable patches. The settlement and land use activities extend down the spine road which branches south of the tar road at KwaMagwaza, and winds slowly down the watershed between tributaries of the Mhlathuze, the land falling steeply away on either side. The topography of the ward, the southern part being the steep slopes leading down to the deeply incised Mhlathuze river valley, means that the remainder of the ward area, away from the road, is sparsely populated, the land use being largely grassland, thickets and bush with small patches of traditional agriculture in the river valley. Settlement patterns are mostly nucleated towards the main road.</p>
6	6392	<p>The area is under INgonyama Trust. The area consist of settlements which are sparsely nucleated and which mainly practices subsistence farming. Vast of the area is having steep slopes.</p>
7	7522	<p>This is the northern portion of the Zulu-Entembeni Tribal ward area and is Ingonyama Trust land. Once again, the terrain has led to human settlement and</p>

WARD	ESTIMATED POPULATION	COMMENTS
		activity being confined to clusters ranging in density from 100 to 800 people per km <sup>2</sup> .
8	3573	Together with the Ekuthuleni area, this ward of the municipality is perhaps the most densely settled with the concentration along the R34 primary corridor which passes through the Ndundulu node which has the highest concentration of people of between 700 – 800 people per km <sup>2</sup> . This ward all falls under the Ingonyama Trust.
9	7003	This is one of the highly populated area with clustered homestead towards the main road. The area is semi-arid and this limits agricultural practices. There is but however accessibility to towns like Mhlathuze
10	8509	This is a semi-arid area with nucleated homesteads. Agricultural practises very limited with large areas of erosion
11	5152	The area is also highly populated and also semi-arid. It is also characterised by clustered settlements.
12	7846	The area is sparsely isolated settlement and is also semi-arid. Agricultural practices are also ineffective.
13	4558	The area is in the close proximity of Umfolozi game reserve. It consists of thorn veld bushes. Agricultural production is also at a very low level with only few areas of subsistence farming mainly focusing on livestock
<b>TOTAL</b>	<b>83 563 (StatSa, 2011/2016 Census)</b>	

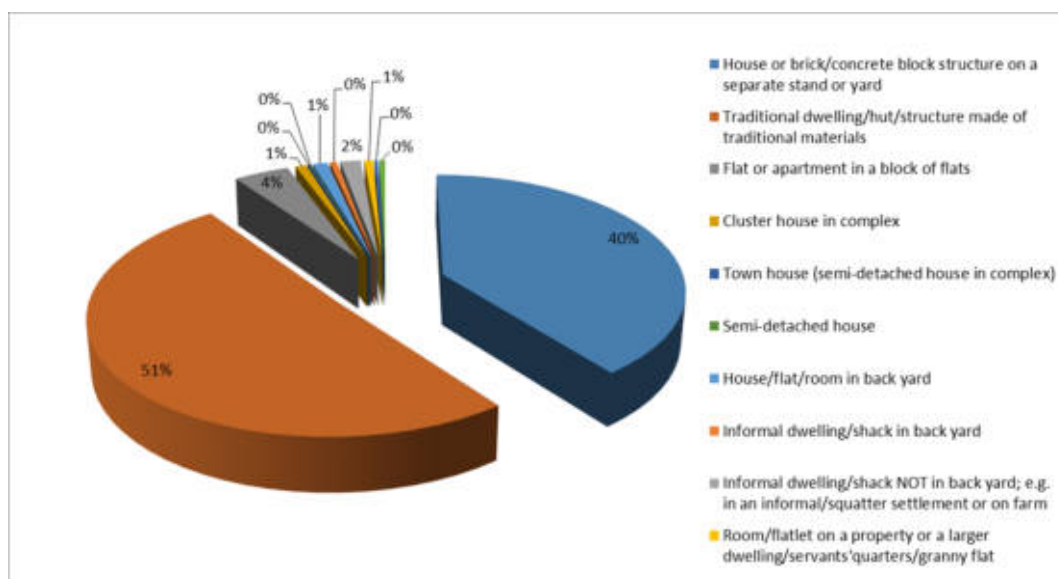


Figure 44: Distribution of households by dwelling type (Source: StatSA census 2011/2016)

The Community Survey 2011 indicates that the majority of households (53%) are traditional dwellings, while 22% are worker hostels, and 22% are houses on a separate stand.

#### **7.10.1 Provision of sustainable settlements to the people**

##### **Current housing needs**

Housing was identified as a key issue in the community participation process of the IDP. As part of the Integrated Development Plan Process and Land Identification Study for Low-cost Housing, a range of population projections were undertaken to provide a base for the determination of present and future housing needs, specifically in the low-cost group. The total number of households within the municipality was calculated to be 5 461 with the total population estimated to be 47 818 this implies an average household size of approximately 10, 433 (Source Stats SA 2011/2016).

Based on the information compiled from the Statistics SA 2011/2016, the projections indicate that approximately 3, 1 % of households (317) within the municipal area into the homeless, and informal dwelling shack category and be in line with the Provincial targets to clear all slums by the year 2010, while 55, 8% of dwellings (5641) fall into the traditional housing category.

With reference to the above statistics it is evident that the housing demand is very high in the rural areas which estimated to be at least 70% (3 928) of the total demand in rural areas and it is increasing at a very fast rate. Therefore it is suggested that the rural housing projects be prioritised in the rural housing programme that seeks to reduce the backlog in basic infrastructure services within the rural areas.

There is a need to address major problems such as land reform related issues in many parts of the municipal area. The majority of these areas are on land that is currently occupied by farmers. Some of these areas which belongs to black farmers are not utilised for commercial farming practices.

##### **Housing Sector Plan**

##### **Planned / proposed future housing projects**

The Housing Sector Plan was prepared in 2008/09 identified projects that are required by the communities. The housing sector plan was revised for the purposes of updating the current housing status quo and new planned housing projects. The revised Housing sector plan was approved by Council during the 2014/2015 financial year. The Municipality has review its Housing sector plan during the 2017/2018 financial year and the new wards from Ntambanana Municipality have been included.

According to the housing sector plan the following are prioritised proposed housing projects per ward identified by the Housing Steering Committee within Mthonjaneni Municipality:

Focus point one: To compile a detailed and accurate beneficiary waiting list.

Table 58: Housing Projects

WARD	PROJECTS	REMARKS
1	Yanguye(Rural Housing)	1000 houses currently underway
2	<b>Thubalethu (Proposed Low Cost Housing Extension)</b>	Site is situated opposite the existing Thubalethu Township The issue of land ownership and zoning needs to be clarified and the preliminary feasibility study needs to be undertaken. The site is within the urban area and in close proximity of bulk services.
	<b>Melmoth (Proposed Middle Income Residential)</b>	Site is adjacent to Protection Services. The issue of land ownership and zoning needs to be clarified and the preliminary feasibility study needs to be undertaken. The site is within the urban area and in close proximity of bulk services.
4	<b>Ward 4 Rural housing project</b> (Proposed in-situ upgrade project)	The area is very rural and dwellings are very much dispersed. Most of the ward area is covered by private farms which poses a challenge in the implementing project. 1000 units to be constructed in the ward.
5	<b>Mgabhi</b> (Rural Housing)	The area is very rural and dwellings are very much dispersed, the area is also very steep. The issue of land ownership has not yet been resolved and this has poses a challenge in the provision of houses to the ward.

6	Esibayeni Rural Housing Project	The terrain of the area is steep and this becomes the confronting factor in the delivery of material to areas away from main road.
	Ekuthuleni (Mission Property) Rural Housing Project	The area consists of mission property and it is one of the Land Reform projects currently underway. The area is largely rural, semi dispersed, steep and in terms of bulk services: most parts of the area are electrified and the community uses communal stand pipes as a water source.
7	<b>Makhasaneni</b> (Rural Housing)	The area is very rural, steep and the dwellings are dispersed; in terms of bulk services: most parts of the area are electrified and the community uses communal stand pipes as a water source. The project consist of 1000 houses
	<b>Hawule</b> (Rural Housing)	The area is rural, steep and dwellings are semi dispersed, in terms of bulk services: the area is not entirely electrified and communities use water tanks as a source of water.
8	<b>Dubeni/Mabhungu Housing Project (Rural Housing)</b>	The area is mountainous. The area does have provision of water and electricity. The project consist of 360 houses
9	<b>Nomponjwane Rural housing Project</b>	The terrain of the area is mostly of gently gradient. There is electricity and water yet some of the areas use jojo tanks.
10	<b>Nomponjwane Rural housing Project</b>	The terrain of the area is mostly of gently gradient. There is electricity and water yet some of the areas does not have stand pipes and mainly uses jojo tanks.
11	<b>Ogelweni Rural Housing Project</b>	The project consist of 1000 housing units
12	<b>Obuka Rural Housing Project</b>	The project consist of 1000 housing units which is shared with ward 13
13	<b>Obuka Rural Housing Project</b>	The project consist of 1000 housing units which is shared with ward 12

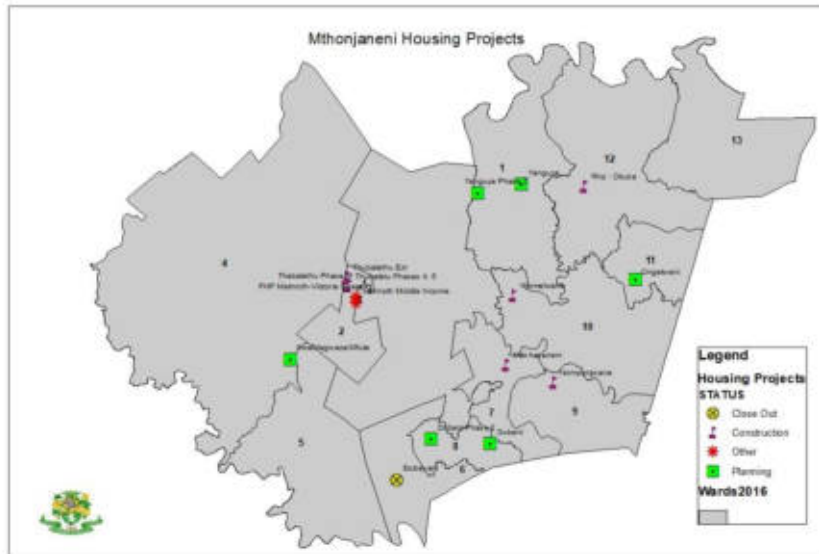


Figure 45: Mthonjaneni Housing Project(KCDM – GIS 2019)

## Housing Strategies

Table 59: Housing Strategies Focus

OBJECTIVE	ACTIVITY/DELIVERY STRATEGY	OUTPUT	RESPONSIBLE UNIT
Compilation of a detailed housing demand database	Assign functions to an official to manage the compilation of a housing waiting list	Functions are assigned to an official to manage the housing list	Technical Department / Planning Office
	Develop a housing demand database format to be used in enlisting applicants	List format is developed	Consultant and Technical Services
	The housing database format should categorise applicants in terms of income, disability, pensioners etc.	A standard form will be agreed upon and used	Technical Services and Ward Councillors
	A data base will be established and compilation of a single municipal database categorised into wards	A data base will be established	Technical Services
	Housing Committee to decide on the allocation of subsidies.	Subsidies will be allocated	Housing Steering Committee

## 7.11 Sector Involvement and Projects

Table 59: Capital Projects for Electricity, Water, Sanitation and Roads

Detailed description	project	Ward benefitting	adopted 2018/19
Makhasaneni/Soqiwa Electrification Project		Ward 3 & 7	199 connections (Soqiwa) 275 connections (Makhasaneni)

## 7.12 Access to Community Facilities

### Cemeteries

There is one fully operational cemetery within Mthonjaneni, located in the outskirts of the town. There are also other cemeteries in wards where burials are done for people living in rural areas.

### Access to Community Facilities

Table 61: Number of facilities per municipal ward

Distribution of Community Facilities													
Facility	Wards												
	1	2	3	4	5	6	7	8	9	10	11	12	13
Community halls		1	2	2	1	1		1	2	1	2	1	3
Libraries			1									1	
Cemeteries			1	2									
Sports field	1	2	2	2	2	1	1	1	1	1	1	1	1
Pay points					1	1							

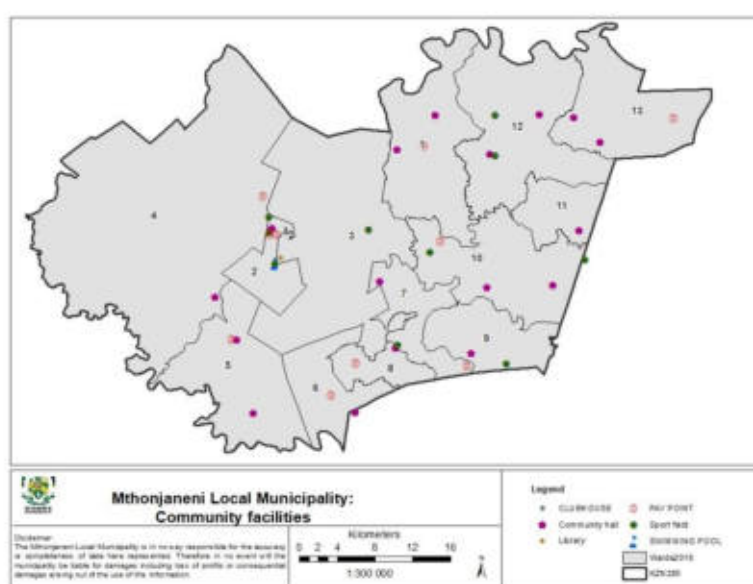


Figure 46: Community Facilities (Source: GIS Mthonjaneni)

### **7.13 Human settlements/ Housing Charter**

The Constitution of the Republic of South Africa (Act 108 of 1996) is the supreme law of the country. The sections of the Constitution that are relevant with respect to human settlements are the following:

- Sections 26, 27 and 29 of Chapter 2 - Bill of Rights – states that, “everyone has the right to access to adequate housing, health care services, social security and education.”
- Schedules 4 and 5 states that, “the Province has legislative competence in regard to (inter alia): Environment; Urban and Rural development; Welfare; Housing, Health Services; Regional planning and development; (concurrent competence with national) and Provincial planning and Provincial Roads and Traffic (exclusive competence).”

Section 9(1)(a)(i) and (f) of the Housing Act 107 of 1997 identifies the primary role of the municipality as taking all reasonable and necessary steps, within the framework of national and provincial legislation and policy, to ensure that the inhabitants within its area of jurisdiction have access to adequate housing on a progressive basis; and to initiate, plan, coordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction.

The Housing Chapter/Sector Plan is a five (5) year housing plan undertaken by the municipality and incorporated into the Municipal IDP with the aim of fulfilling the abovementioned role assigned to the municipality in terms of the Housing Act 107 of 1997 read with the National Housing Code. The Housing Chapter/Sector Plan is reviewed annually as part of the annual review of the IDP.

The Mthonjaneni Municipality developed a comprehensive Housing Chapter/Sector Plan and will be reviewed by Council during the 2020/2021 financial year. The Housing Chapter is a summarised version of the comprehensive Housing Chapter/Sector Plan and focuses on certain key areas for the purpose of the IDP (i.e. analysis of housing demand, strategy for the supply of housing demand, set of designed and prioritised housing projects integration of housing strategies and projects with other sectors).

### **7.14 Service Delivery and Infrastructure: SWOT Analyses**

#### **Strengths**

- Good relationship with all stakeholders.
- Job creation through capital projects
- Employment through EPWP grant
- Municipal assets maintenance plans in place.
- Skilled project management personnel

#### **Weaknesses**



- Decaying municipal buildings
- Poor maintenance of municipal roads
- Unavailability of maintenance policy

### **Opportunities**

- Acceleration of Service Delivery through MIG grants
- Strengthen relationships with other government departments to ensure program and projects alignment.
- Growth of local economy through municipal infrastructure projects
- Growth in skills development through municipal projects.

### **Threats**

- Under expenditure of MIG grant could affect future grants allocation for the municipality..
- Vandalism of municipal infrastructure
- Loss of income due to illegal electricity connections.
- Public protest due to slow progress in infrastructure projects.

## **8. Local economic and social development analyses**

### **8.1 Introduction**

This section serves as a highlight of the existing Local Economic Development Strategy for Mthonjaneni Municipality and will include implementation thereof. Amongst others, this section will be covering the following areas:

The LED Constraints and Opportunities of the municipality;

- The Mthonjaneni LED strategy;
- Mthonjaneni LED institutional structures;
- LED and linkages to the budget and staff compliment;
- Municipal LED support for SMME's as well the second economy; and
- Linkages of LED strategies and projects to the SDF.

### **8.2 Local Economic Development Analyses**

LED is intended to maximize the economic potential of municipal jurisdictions throughout the country and, within the context of sustainable development, to spur macro-economic growth through economic growth, employment creation, and development initiatives at the local level. The "local" in local economic development underscores the belief that a local jurisdiction is often the most appropriate arena for economic intervention as local government enjoys legitimacy deriving from its being a democratically elected body accountable to the local community.

### **Mthonjaneni's Economic Profile**

Functional age groups indicate the level of the potential work force in the region. Therefore, the key age group relates to individuals aged 15 to 64 years. The following tables provide a comparison between the 2001 and 2011/2016 census

years in respect of the 0-14, 15-64 and 65+ population age cohorts for Mthonjaneni and the other municipalities in the King Cetshwayo.

Table 62: Economic Population (Source: StatSA census 2011)

	Population		Age Structure					
			<15		15-64		65+	
	2001	2011	2001	2011	2001	2011	2001	2011
DC28: King Cetshwayo	885965	907519	38.3	34.8	57.3	60.7	4.4	4.5
KZN285: Mthonjaneni	50382	47818	39.1	38.3	56.1	56.9	4.8	4.7
KZN284: uMlalazi	221078	213601	39.7	37.2	55.1	57.2	5.2	5.6
KZN281: Mfolozi	106942	122889	40.1	36.1	55.5	59.5	4.4	4.4
KZN286: Nkandla	133602	114416	43.7	40.3	50.2	53.6	6.1	6.1
KZN282: uMhlathuze	289190	334459	33.0	29.3	64.2	67.5	2.8	3.2

### 8.3 Local Economic Development Strategy

The Mthonjaneni Municipality Local Economic Development strategy was last reviewed in 2008-2009. The attempt to develop LED Strategy was made in 2015-2016. Due to operational reasons this plan was not adopted by the municipality. The municipality has prioritized the development of LED Strategy by no later than 30 June 2021. Action plan to achieve this target will be developed and adherence to this deadline is critical for the municipality and the municipality will execute it without fail.

The following are the strategies and principles that need to be considered during the development of the SDF. These are briefly discussed in the sections below. Mthonjaneni LED strategy has the following overall objectives to be achieved.

Table 43: Local Economic Development Strategy Objectives

<b>Reduction in income leakage</b>	Ensure spendable income is utilized within district itself.
<b>To increase investment (Local and external)</b>	Investment in tourism, agriculture and business is to be promoted
<b>To promote local business development and business interaction</b>	Interaction between businesses will contribute to countering income leakage and establishing a new vibrancy in the economy.
<b>To increase entrepreneurial opportunities and employment</b>	All the objectives need to be supported by a strong focus on entrepreneurial development, micro and small business establishment, and employment creation through appropriate support mechanisms.

## Local Economic Development Principles

The following principles need to be considered during development of the Mthonjaneni Spatial Development Framework which is also due for the review in the next financial year.

Table 64: LED Strategy Principles

<b>Process approach:</b>	Local economic development is a process and the planning for implementation should consider the logical steps involved in such a process, i.e. a focus on small scale community tourism if tourists cannot be attracted to the area will not be sustainable.
<b>Sustainability</b>	Local economic development processes should be economically, socially and environmentally sustainable, e.g. the impact of coal mining on the environment and specifically on tourism needs to be considered, because it makes economic sense does not suggest that it is sustainable.
<b>Collaborative effort / Coordination</b>	The District Municipality views economic development as a collaborative effort in which a wide range of stakeholders have a role to fulfil. The successful implementation of the strategies will be dependent on all stakeholders fulfilling its specific role in a coordinated fashion.
<b>Market based</b>	Support for new economic development ventures will be based on a clearly defined market for the products / services which the venture will deliver.
<b>Integration</b>	Integration of existing and new economic development ventures is essential. The upstream and downstream impact of ventures within the District needs to be considered. The impact of ventures should not be considered in isolation.

## LED Strategies

The sector specific strategies relating to the municipality are outlined in the table below:

Table 65: LED Strategy – Strategies (Source: LED Strategy revised 2015)

<b>District Strategies</b>	<ul style="list-style-type: none"> <li>7. Establishing LED institutions and processes</li> <li>8. Changing attitudes</li> <li>9. Addressing the fundamentals</li> <li>10. Raising the profile of the region</li> <li>11. Improving and Promoting Access</li> <li>12. Visible Delivery</li> </ul>
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<b>Business Strategies</b>	6. Institutional structuring for delivery 7. Capacity building and training 8. Establishing/building agri-industries 9. Establishing small scale mining 10. Municipal business strategies
<b>Agriculture Strategies</b>	6. Institutional structuring for agricultural delivery 7. Sustainable land reform 8. Improved market access for agricultural produce 9. Visible delivery in agricultural sector 10. Municipal agricultural strategies
<b>Tourism Strategies</b>	8. Institutional structuring for tourism 9. Tourist information inside the District 10. Tourist information outside the District 11. Making tourists feel safe and welcome 12. Community tourism 13. Visible tourism delivery 14. Municipal tourism strategies

#### 8.4 National Development Plan

The National Development Plan provides a target for 2030 and notes a number of enabling milestones as summarised in the following table. The following provides a brief summary of the implication of the NDP target and milestones for the Mthonjaneni Municipality:

- According to STATSSA, uMhlathuze had a population of 79 883 and the country 51,700,000 population in 2011. Mthonjaneni is therefore expected to contribute towards the employment targeted by 2030 as per the NDP.
- The NDP further requires an improvement of the Gini-coefficient from 0.69 to 0.6.
- Other, non-income and employment elements, that require on-going attention from the Municipality in relation to the NDP relate filling of managerial posts, energy supply, public transport, primary health care and water quality.

#### 8.5 LED Strategic Focus Areas aligned to NDP, PGDS and DSGP

The Mthonjaneni Municipality has developed its Local Economic (LED) Strategy during the 2015/2016 financial year. The strategy was developed by an outsourced service provider. The LED strategy was developed in order to ensure proper alignment with the objectives of the National Development Plan and other national and provincial plans.

The terms of reference and scope for the development of the LED strategy were strictly aligned to all National and Provincial Government Development plans, e.g.: PGDP and also the Growth Development Plan. The table below reflects a summary of the terms of references developed by the Project steering committee and the terms provided to the servicing provider and project steering committee.

Table 66: Summary of the terms of references

	SECTION	RESPONSIBLE STAKEHOLDER
1	Ensure stakeholder participation in the project	Project Steering Committee
2	Developing of LED Goals, Objectives and Strategies.	Municipality and Service provider
3	Unpacking of Key economic Drivers.	Service provider and Melmoth business chamber
4	Proposing of LED key interventions.	Service provider and Municipality
5	Proposing and unpacking of programs to transform local tourism, local farmer, informal economy etc..	Service provider, DEDT
6	Identifying of catalytic projects	Municipality and service provider

### **Stakeholder consultation**

All role players will be contacted and engaged during the development of LED Strategy. The LED role players are critical and their input during the development of this strategy was critical and taken into consideration when the LED strategy was developed. Stakeholder identification and consultation was carried out throughout the project.

The following were some of the stakeholders that will be engaged in the development process:

- Formal Business Representatives;
- SMMEs & Informal Sector;
- Farmers Associations;
- Tourism association;
- Neighbouring Municipalities;
- District Municipality and;
- Government departments.

### **Key economic players (stakeholder analysis)**

This section of the report discusses the role of all the stakeholders in Local Economic Development within both King Cetshwayo and Mthonjaneni Municipality and outlines the already existing programmes aimed at promoting viable and sustainable local economic behaviour. The section commences by looking at the role of the government structure at local, provincial and national level, then the role of NGOs, CBOs, the Traditional Authorities, the Farmers, the Business Associations, and the Tourism Association/s.

### **Local, Provincial and National Partnerships**

Local government structures within both King Cetshwayo Municipality and Mthonjaneni Local Municipality have a critical role to play in LED. This includes investment promotion, facilitation and creating an enabling framework for job creation and economic growth. While there is general acceptance of this mandate, the municipality experience a number challenges. These challenges can be summarized as follows:

- Lack of sufficient and appropriately qualified human capacity.
- Lack of clarity about the LED role of local government and poor understanding of LED.
- Poor integration of LED into the service delivery functions of the Municipality.
- Lack of LED vision and strategy, apart from the King Cetshwayo Municipality LED and Tourism Strategies.
- Poor access to relevant information.

The level of coordination between the Municipalities and sector Departments is generally weak. The participation of government Departments in the preparation of IDPs has generally been poor.

The following government Departments are involved in LED-related activities within Mthonjaneni Local Municipality:

- Department of Agriculture, Environmental Affairs and Rural Development.
- Department of Economic Development & Tourism (DEDT).
- Department of Arts and Culture.
- Department of Human Settlements.
- Department of Social Development.
- Department of Transport.
- Department of Public Works.
- Department of Rural Development and Land Reform.
- Department of Co-operative Governance & Traditional Affairs.
- Department of Health.

The above mentioned Departments can be divided according to the three spheres of government, namely, local, provincial and national spheres. These spheres are the

key drivers for LED. Very importantly, for the effective use of resources and implementation, the government as a whole has to have a synergy.

The key performance areas of the National and Provincial spheres of government are:

- Economic growth.
- Employment creation.
- Competitiveness.
- Broad-based economic empowerment and,
- Appropriate geographic spread of economic activity.

The key performance areas of the local government sphere include mobilization of local communities in development activities under the framework of the PGDS, PSEDS and the NSDP.

### **Local Business Associations**

There are quite a number of businesses taking place in the Mthonjaneni Town due to it being declared a primary node. These businesses are limited to the commercial stores and transport related businesses. These businesses specialize in servicing the basic needs of the public. The existence of business forum is of prime importance to facilitate all matters pertaining to business development and support. The Department of Economic Development & Tourism (DEDT) has established a special unit called SMME Development to assist local business with technical support, training and fulfil the liaison role for funding purposes.

### **8.6 Agriculture**

The agricultural sector in the municipality has a dual nature with both commercial and traditional farmers contributing to this sector. Commercial agriculture is largely based on two mono-crops in the forms of sugarcane and forestry. Both of these sectors have also been at the forefront of assisting in the development of emerging farmers. In other traditional areas of the municipality, traditional forms of cropping are practiced. As is noted in the DM's IDP (2007/08 – 2011/12, the development of this sector is hindered by a low skills base and a lack of organised bodies for financial assistance, access to markets and markets channels.

The municipality is initiating programmes aimed at assisting emerging farmers. This program is driven by the Department of Agriculture, Land Affairs and Rural Development. It is aimed at increasing income for emerging farmers through the development of the red meat programme which is implemented at Edebe area in ward 13.

The Council is also aiming to invest in agri-processing and this will be part of the Agricultural sector plan which will be developed during the 2020/2021 financial year.

The Global Insight (2009) data indicates that the agricultural sector contributed 33.5% to the total economy of the Mthonjaneni municipality which is well above the 7.7% KCDM average.

## 8.7 SMME's Development

The primary role of the Municipality in local economic development is to coordinate, facilitate and stimulate sustainable economic development within its jurisdiction through appropriate mechanisms; Strategy and policy development; Programme development and co-ordination and Strategic liaison and networking.

The Municipality is in possession of LED Plan which also detail programs aimed at SMME support and development. The municipality has proactively prioritized LED projects that are aimed at assisting SMMEs in various ways.

During the 2017/2018 financial year the municipality underwent an initiative to identify all SMME's and cooperatives in order to ensure that all SMME's and cooperatives within the jurisdiction of Mthonjaneni Municipality are assisted.

The following table indicates the LED Co-operatives that were identified and funded by the municipality:

Table 67: LED Cooperatives

Ward	Name of Co-operative	Activity of Co-operative
1	Sizakancane goat farming	Goat farming
2	Juniors car wash	Car wash
3	Xoshububha co-operative	Sewing
4	Sigcabangile co-operative	Vegetable production 4HA
5	Fuduamazulu	Sewing
6	Zibambele primary co-operative	Goat farming
7	Ohawule agricultural project	Crop production
8	Inkisa knitting project	Knitting
9		Egg laying broilers
10	Inkathelo community development	Sewing & beadwork
11	Kancanekancane	Broiler production
12	Tilingwane Co-operative	Sewing
13	Isikhwebezi samahedle	School uniform production

The Mthonjaneni Council is working with both public and private sector in programmes that are aimed at developing our local suppliers. The table below shows the database of the program which is developed in partnership with Transnet.



Table 68: Mthonjaneni SMME's updated list: Transnet Project

<b>Company Name</b>	<b>Company Registration Number</b>	<b>Core Services</b>
Masizimele Projects & Supplier PTY- LTD	2013/046254/07	Consulting Services Filed Services: Filed Engineering Construction
YAKAYAKA Projects	2014/155884/07	Materials supplying construction logistics
Ngwane Construction	2014/179670/07	Construction Sector
Coalition Trading 142 t/a Amantungwa	2003/035565/23	Portable toilets Marquee hire
Mankere Trading ( PTY) LTD	2013/075970/07 084 8833740	Supplying Cleaning Catering
1 Cousin Holdings ( PTY) LTD	2016/342213/07	IT Services & Web design services Supplying of goods Logistics Computer equipment
<u>kwenziwe</u> Usimakade ( PTY) LTD		Civil Work General Maintenance Rehabilitation Office Cleaning and Commercial & industrial Cleaning
Shayiziwethembi Construction	2011/052483/23	Construction Supplying
Jiba Transport & Construction	2005/166750/23	Transport Cleaning Fencing
DSM Electrical Contractor	2002/085242/23	Electrical services Fault findings and repairing fault on electrical systems
Thokho Construction & Services	2005/030963/23	Constriction Painting & Carpentry Industrial Cleaning Plumbing
Zphokuhle Catering & Services	2004/089171/23	Security Cleaning Transport Catering Construction

Eyakuduka Trading	2014/099354/07	Grass cutting Bush clearing Construction
DEE- DEE Towing	2007/021640/23	Towing Recovery
Nomthy Trading Enterprise	2012/154193/07	Construction Grass cutting Garden services Supply
Nqana Trading Enterprise		
Isfuba Trading & Construction	2016/034528/07	Construction Supplying Delivery Maintenance Welding
Jabula happy Contracting and Trading ( PTY) LTD	2015/386359/07	Catering Transport Cleaning Construction
Ngethembe Construction	2006/064545/23	Construction Road Maintenance Catering Building
Ubuhle Bamaphikelela ( PTY) LTD	2014/005289/07	Catering Construction Catering Building Installation
Zunger ( PTY) LTD	2016/186464/07	General Supplying
Amampengesi Empire Trading ( PTY ) LTD	2016/013755/07	Catering Supplying
ABS CONSTRUCTION		Construction
Snakekelo catering PTY LTD	2014/179663/07	Catering Events coronation
Umphehmvemve ( PTY) LTD		Project & Suppliers
SF Security Construction and Other Services	2012/03450/07	Security services Escort Duties
Siyathuthuka Catering & Multi- Purpose	2009/001113/24	Catering Multi-purpose suppliers
Ntshalantshala Trading ( PTY) LTD	2012/001060/07	Construction Catering Plumbing
Jabula Contracting and Trading (PTY LTD)	2015/386359/09	Food Supplying Catering

Zwelananathi Trading CC	2006/031919/23	Grass Cutting Maintenance Fencing & Plumbing Supply
Eyakuda Trading PTY-LTD	2014/099354/07	Grass cutting Construction Timber felling Cleaning Services
Lubambhoh Dignified PTY- LTD	2017/35532/0/07	Funeral services
BM MDIMA TRADING	2018/275686/07	Construction Civil engineering Food Services
Ulundi Fruits & Vegetables and General Supply ( PTY) LTD	2015/032937/07	Fruits & Vegetables & General Supplying

### **Broad Based Community Needs**

Ward based plans have been developed for 13 wards, in consultation with the community and all affected stakeholders. These plans inform the municipalities budgeting and ensuring that the budget is highly influenced by the needs of the community. In preparation of the fourth generation IDP a series of ward meetings/engagements took place to confirm wards based community needs. The Public Participation Report based on the outcomes of these wards meetings/engagements is provided as annexure to the IDP. Summary of the report is provided below:

Table 69: Summary of Community Needs

<b>WARD 1</b>	<b>Area</b>	<b>Potential Funder</b>
Electricity Infiles	Whole ward	Department of Energy
Bridge	Manzamyama	Department of Transport
Jojo tanks	Nungwini	King Cetshwayo Municipality
Library and skill center	Yanguye	Department of arts and Culture
Satellite Police station	Yanguye	South African Police Services
Lightning conductors	Whole ward	Mthonjaneni LM
Crèche	Mahehe	Department of Social Development
Sewing project	Candolo	Mthonjaneni LM
Access road	Nungwini, Mahehe, Ncanyini	Mthonjaneni LM
Poultry project	Whole ward	Mthonjaneni LM
Garden project	Nungwini, Mahehe, Lumbi, Ncanyini	Mthonjaneni LM
Borehole	Candolo	King Cetshwayo Municipality

Renovation of poultry house	Sizanani	Mthonjaneni LM
Goats project	sizanani	Mthonjaneni LM & department of Agriculture
Transport for learners	sizanani	Department of Transport
<b>WARD 2</b>	<b>Area</b>	<b>Potential funder</b>
Street lights	R34, R68	Mthonjaneni LM
Renovation of swimming pool	Melmoth town	Mthonjaneni LM
Renovation of tennis court	Thubalethu	Mthonjaneni LM
Tar	Osborn road	Mthonjaneni LM
Community hall	High street	Mthonjaneni LM
High School	High street	Department of Education
Hospital	High street	Department of Health
Hotel	Golf street	Business sector
Rehabilitation of urban roads	Melmoth town	Mthonjaneni LM
Bulk access roads for the extension housing project	Thubalethu	Mthonjaneni LM
Industrial Park	Thubalethu	Mthonjaneni LM
Crèche	Thubalethu	Department of social Development
Electrification for the extension housing project	Thubalethu	Mthonjaneni LM
Renovation of ground 1 and 2	Thubalethu	Mthonjaneni LM
Jojo and water pump	Thubalethu	King Cetshwayo Municipality
Old Age home	Thubalethu	Department of Social Development /*
Library	Thubalethu	Department of Art and Culture
<b>WARD 3</b>	<b>Area</b>	<b>Potential funder</b>
Bridge	Fankomo, Soqiwu, Ndamukane and Nqobansizwa	Department of Transport
Market stalls	Oom Wessel	Mthonjaneni LM
Refuse skip	Melmoth town	Mthonjaneni LM
Rehabilitation of urban roads	Melmoth town	Mthonjaneni LM
Learner transport	Mayeni to Stheku	Department of Transport
Infiles	Whole ward	Department of energy
Crèche	Gcongco	Department of Social Development
Lightning conductors	Whole ward	Mthonjaneni LM
<b>WARD 4</b>	<b>Area</b>	<b>Potential funder</b>
Housing	Whole ward	Department of Human Settlement
Crèche	Kataza, KwaMagwaza, Mfule Mission	Department of Social Development
Soccer and Netball poles and nets	Whole ward	Department of Sports and Recreation
Gravel road	Kataza and Mfule	Mthonjaneni LM
Electricity	Kataza, Bomvini	Department of Energy
LED Projects	KwaMagwaza	Mthonjaneni LM
Sports Field	Thengele, KwaMagwaza, Kataza, Bomvini	Mthonjaneni LM
Soccer kits	Whole ward	Department of Sports and Recreation

Poultry house	Mfule, Kataza and Bomvini	Mthonjaneni LM
Skills Centre	KwaMagwaza	Mthonjaneni LM
Gymnasium	KwaMagwaza	Mthonjaneni LM
Grazing camp	Thunzini, Mfule and KwaMagwaza	Department of Agriculture
Garden project	Kataza, Thengele and Bomvini	Mthonjaneni LM
Livestock farming project	KwaMagwaza, Thunzini and Mfule	Department of Agriculture
Water tanks	Thengele, Bomvini	King Cetshwayo Municipality
Container	Bomvini	Mthonjaneni LM
Electricity	Bomvini, Thunzini, Thengele	Department of Energy
School	Thunzini, Kataza	Department of education
Hall	Kataza	Mthonjaneni LM
<b>WARD 5</b>	<b>Area</b>	<b>Potential funder</b>
Housing	Whole ward	Department of Housing
Electrification Infiles	Whole ward	Department of Energy
Maintenance of gravel road	D550	Department of Transport
Jojo tanks	Ntondweni, Amazule, Mgabhi, Sogawu, Manzawayo, Ezimbube	
Maintenance of access roads	Whole ward	Mthonjaneni LM
Crèche	Langwe, Nkosana, Othini	Department of asocial Development
Network tower	Mgabhi	Network companies
Provision of water	Othini	King Cetshwayo municipality
Primary School	Mazule	Department of Education
Poultry Project	Langwe, Mazule	Mthonjaneni LM
Mgabhi Rural Road	Mgabhi to Mhlathuze	Mthonjaneni LM
Goats Project	Whole ward	Mthonjaneni LM and Department of Agriculture
Bakery Project	Manzawayo	Mthonjaneni LM
Lightning conductors	Whole ward	Mthonjaneni LM
<b>WARD 6</b>	<b>Area</b>	<b>Potential funder</b>
Poultry house	Dubeni, Ekuthuleni, Nogajuka	Mthonjaneni LM
Community hall	Ekuthuleni, Mehlamasha, Matshansundu, Nsengeni, Nogajuka	Mthonjaneni LM
Crèche	Ekuthuleni, Mehlamasha, Matshansundu	Department of Social Development
Bridge	Ekuthuleni	Department of Transport
Gravel road	Dloziyane to Spencer	Department of Transport, Mthonjaneni LM
Livestock dipping tank	Mashobeni, Mehlamasha, Nsengeni, Tshelensimbi, Nogajuka	Department of Agriculture
Grazing camp	Ekuthuleni, Tselensimbi, Matsansundu	Department of Agriculture
Borehole	Ekuthuleni & Nogajuka	King Cetshwayo Municipality
Mobile Police Station	Ntembeni	South African Police Services

Street lights	Ntembeni	Mthonjaneni LM/ Department of Energy
Gravel road	Mehlamasha	Department of Transport
Access roads	Nogajuka, Matshansundu, Nsengeni	Mthonjaneni LM
Sports field	Matshansundu, Ekuthuleni, Tshelensimbi	Mthonjaneni LM
Bus Stop Shelters	Whole ward	Department of Transport
Housing	Whole ward	Department of Housing
Electricity	Whole ward	Department of Energy
Access road	Nsengeni	Mthonjaneni LM
Dam	Tshelensimbi	King Cetshwayo Municipality
<b>WARD 7</b>	<b>Area</b>	<b>Potential funder</b>
Housing	Whole ward	Human settlement
Multi purpose sport facility	Ohawule	Department of Arts and Culture
Poultry Housing project	Whole ward	Mthonjaneni LM
Sports field	Ndabazensangu, Makhasaneni	Department of Sports and Recreation & Mthonjaneni LM
Grazing camp	Hlabathini, Ohawule, Nkwenkwe	Department of Agriculture
Dip tank	Hlabathini	Department of Agriculture
Bridge	Hlabathini	Department of Transport
Toilets	Whole ward	King Cetshwayo Municipality
Chickens and Goats Project	Whole ward	Department of Agriculture
Renovation of crèche	Ohawule	Department of Social Development & Mthonjaneni LM
New gravel road	Bedlana, Nkwenkwe, Hlabathini, Makhasaneni	Department of Transport
Fencing and irrigations of garden projects	Whole ward	Department of Agriculture
Library	Ndabazensangu	Department of Education
Skills Development Centre	Ohawule	Department of Arts & Culture
High School	Hlabathini	Department of Education
Primary Schools	Ohawule, Ndabazensangu	Department of Education
Halls	Whole ward	Mthonjaneni LM
Access road	Ehlabithini	MIG Grant
Crèche	Gcongco and Makhasaneni	Mthonjaneni LM
Lightning conductors	Whole ward	Mthonjaneni LM
<b>WARD 8</b>	<b>Area</b>	<b>Potential funder</b>
Gravelling of access road	Whole ward	Mthonjaneni LM
Provision of water	Nkisa, Ndundulu	King Cetshwayo Municipality
Crèche	Nkisa, Oshini	Department of Social Development
Bus Stop Shelters	Whole ward	Department of Transport
Community hall	Bedlana	Mthonjaneni LM
Electrification infils	Whole ward	Department of Energy
<b>WARD 9</b>	<b>Area</b>	<b>Potential funder</b>
Clinic	emkhwakhwini	Department of Health
Primary school	Emkhwakhwini	Department of Education
High school	Mpemu	Department of Education

Community hall	Mpevu	Mthonjaneni LM
Poultry house	Mkhwakhwini and Nkwenkwe	Mthonjaneni LM
Water tank	Whole ward	King Cetshwayo Municipality
Infills	Whole ward	Department of Energy and Mthonjaneni LM
<b>WARD 10</b>	<b>Area</b>	<b>Potential funder</b>
Housing	Qomintaba, Ncemane, Sivanande, Mabhensa, Gamu	Department of human settlement
Infills	Qomintaba, Noziphiva	Mthonjaneni LM and Eskom
Water	Mabhensa, Qomintaba, Dlomodlomo, Ncemane, Phumosizini	King Cetshwayo Municipality
Market stalls	Whole ward	Mthonjaneni LM
Bridge	Ndulinde	Department of Transport
Causeway	Ndulinde	Mthonjaneni LM
Water tank	Whole ward	King Cetshwayo Municipality
Water dams	Whole ward	King Cetshwayo Municipality
Community gardens	Whole ward	Department of Agriculture
Crèche	Siyethemba, Phumosizini	Department of Social Development
Hall	Dlomodlomo, Phumosizini, Qomintaba, Nqunqu	Mthonjaneni LM
Poultry house	Whole ward	Mthonjaneni LM
Gravel road	Phumosizini, Dlomodlomo, Noziphiva, Qomintaba	Department of Transport
Vodacom aerial	Whole ward	Network company
Access roads	Whole ward	Mthonjaneni LM
Clinic	Phumosizini	Department of Health
Course way	Siyethemba	Mthonjaneni LM
<b>WARD 11</b>	<b>Area</b>	<b>Potential funder</b>
Dams	Whole ward	King Cetshwayo Municipality
Community halls	Sisingeni, Gobihlahla, Folishini, Upper Nseleni, Mabhula, Mbiza	Mthonjaneni LM
Satellite Police station	Upper Nseleni	South African Police Service
Gravel road	Whole ward	Department of transport
Sports field	Upper Nseleni, Sdakeni, Gobihlahla, Mabhula	Mthonjaneni LM
Community gardens	Whole ward	Mthonjaneni LM and Department of Agriculture
Crèche	Sdakeni, Mgodlane, Gobihlahla, Upper Nseleni, Mbiza	Mthonjaneni LM
Sewing machines	Whole ward	Mthonjaneni LM
Petrol filling station	Hawai	Private sector
Poultry house	Whole ward	Mthonjaneni LM
Market stalls	Whole ward	Mthonjaneni LM
Infills	Whole ward	Mthonjaneni LM
Boreholes	Whole ward	King Cetshwayo Municipality and Mthonjaneni LM

Bridges	Nselenyane and Nseleni rivers	Department of transport
Fire fighter station	Upper Nseleni	Mthonjaneni LM
Vodacom and MTN aerial	Gobihlahla and Sqhomaneni	Network companies
Access roads	Whole ward	Mthonjaneni LM
Gravel road	Mashoba, Sqhomaneni	Department of Transport
Houses	Whole ward	Department of human settlement
<b>WARD 12</b>	<b>Area</b>	<b>Potential funder</b>
Poultry house	Whole ward	Mthonjaneni LM
Community gardens	Mawanda	Mthonjaneni LM and Department of Agriculture
Building blocks project	Ntombokazi	Mthonjaneni LM
Access roads	Whole ward	Mthonjaneni LM
Community hall	Ntombokazi	Mthonjaneni LM
Crèche	Keteza, Nkosithandile	Department of Social Development
Vodacom & MTN Aerial	Mawanda	Network companies
Mobile Police Station	Mawanda	South African Police Services
Provision water	Oviceni	King Cetshwayo Municipality
Jojo tanks	Mzini	King Cetshwayo Municipality
Clinic	Mawanda	Department of Health
Electricity infills	Whole ward	Department of Energy
Dipping tank	Ntombokazi, Maphukanqola	Department of Agriculture
<b>WARD 13</b>	<b>Area</b>	<b>Potential funder</b>
Sports fields	Sangoyana	Mthonjaneni LM
Clinic	Debe	Department of Health
Crèche	Sangoyana, Debe	Mthonjaneni LM
Housing	Whole ward	Department of human settlement
Boreholes	Whole ward	King Cetshwayo Municipality
Dam	Maduma	King Cetshwayo Municipality
Access road	Whole ward	Mthonjaneni LM
Gravel road	Sangoyana to Maduma	Department of Transport
Electricity	Whole ward	Department of Energy
Provision of water	Whole ward	King Cetshwayo Municipality
Electricity Infils	Whole ward	Department of Energy
Bridge	Manzamnyama	Department of Transport
Jojo tanks	Nungwini	King Cetshwayo Municipality
Library and skill center	Yanguye	Department of arts and Culture

## 8.8 Tourism

The LED plan notes that interest in northern KZN has been increasing particularly from overseas visitors. New identified markets include bird watching, cruise tourism, and educational tourism. It is noted that all these areas can increase tourism development in the region as a whole.



It is noted that the local municipalities in the King Cetshwayo DM have all identified the need for greater tourism support and coordination from the DM in aiding the development of tourism related SMME's and new tourism opportunities.

The LED plan notes that tourism opportunities exist in the following areas, namely:

- Nature photography;
- Bird watching;
- Botanical studies;
- Hiking; and
- Fly-fishing at Phobana lake.

Further tourism opportunities also exist in the areas of mountain biking and quad biking.

### **Tourism Sites**

Mthonjaneni municipality has amongst others the following key tourism areas:

- Phobane lake in ward 6
- The home to Queen Nandi family in ward 5
- Mthonjaneni cultural museum in ward 4

## **8.9 Economic growth**

During the period 2016 to 2017, the Mthonjaneni economy grew at an average rate of 2.53% per annum which is below the KCDM average for the same period of 3.2% and the provincial average of 3.28%.

### **(a). DOMINANT SECTORS**

The figures indicate that the agricultural (33.5%) sector dominates the economy of the municipality, followed by the community services (20.9%), the manufacturing (14%), and the finance sectors (10.9%).

### **(b) MANUFACTURING**

Limited levels of manufacturing are practiced in the municipality and are largely focussed on agro-processing. Further agro-processing potential was identified in the municipality's LED plan in the following areas:

- Deciduous berry and citrus fruit processing;
- Large-scale production of vegetables;
- Poultry processing; and
- Production of bio-fuels; and essential oil processing.

## **OCCUPATIONAL PROFILE**

The majority of respondents in the Community Survey (STATSSA, 2011/2016) indicated that they participated in Undetermined or unspecified categories of work. One can deduce that these people are largely involved in the informal sectors.

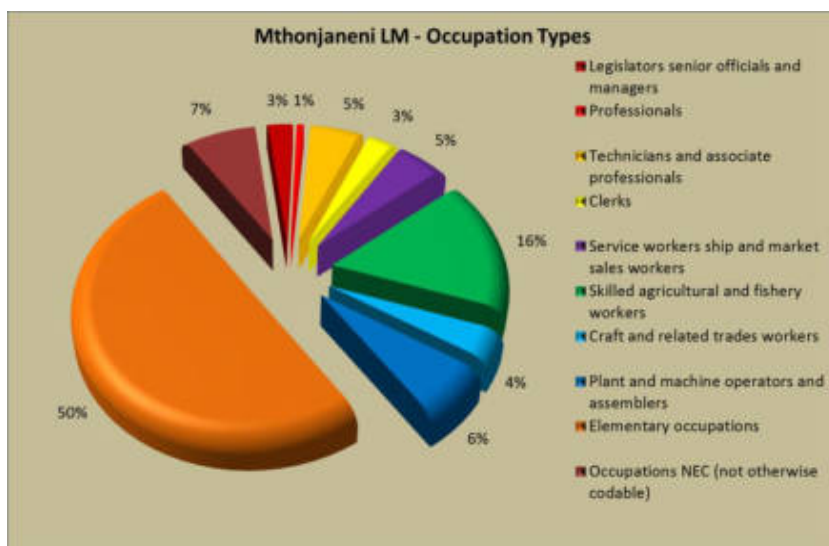


Figure 47: Occupational Profile

## EMPLOYMENT PER SECTOR

The following sectors employ residents within the municipality, namely:

Table 70: Employment per Sector (Source: STATSSA, 2011)

SECTOR	PERCENTAGE
Farming	8.7
Mining	0.6
Manufacturing	1.2
Utilities	0.1
Construction	1.0
Trade	1.6
Transport	0.6
Financial	1.7
Social	3.8
Other and not adequately defined	1.3
Unspecified	2.9
Not applicable	74.7
Institution	1.6

As can be seen from these statistics, the majority of residents (74.7%) indicated that they were employed in sectors not specified in the survey. This would indicate the majority of residents are employed in the informal sector.

## POVERTY DATA

### Unemployment

The levels of Unemployment in Mthonjaneni LM are very high and ranges between 20% in Ward 2 to 46% in ward 4. The rate of unemployment in Wards 7 and 8, in which Ndundulu is situated, is less than 25%. This high rate of unemployment indicates that there is a high need for social facilities and services to be provided in these wards.

Table 71: Levels of Unemployment per Ward (Source: StatSA census 2011/2016)

	Employed	Unemployed	Discouraged work-seeker	Other not economically active	Not applicable	Total
Ward 1	370	574	477	2470	4032	7923
Ward 2	2227	715	260	1464	2196	6861
Ward 3	1968	268	203	1488	2385	6312
Ward 4	1995	204	266	1239	2067	5770
Ward 5	288	247	324	2381	2902	6142
Ward 6	225	644	299	2129	3095	6392
Ward 7	432	153	378	2982	3577	7522
Ward 8	290	400	185	1038	1660	3573
Ward 9	495	180	251	2782	3295	7003
Ward 10	534	296	698	2949	4032	8509
Ward 11	277	425	113	2015	2323	5152
Ward 12	291	370	604	2873	3708	7846
Ward 13	247	295	307	1502	2206	4558

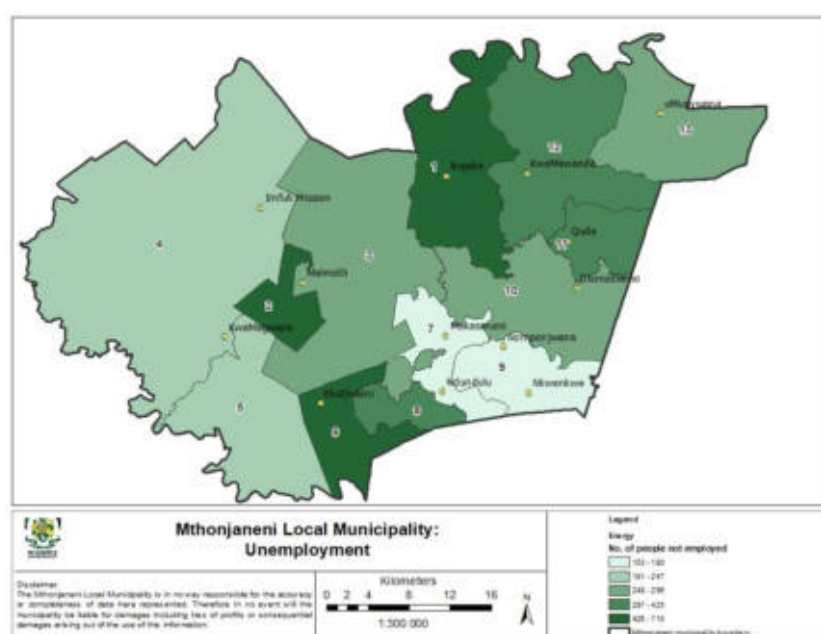


Figure 48: Unemployment Rate within Mthonjaneni Municipality (GIS Mthonjaneni: 2021)

### 8.10 Sport and recreation

Various Recreational events and programmes are hosted by the Sport and Recreation Section including the following:

- Indigenous Games
- Work and Play
- Fun Days
- Senior Citizens Golden Games
- Healthy Lifestyle Programs
- Municipal health Awareness day

Sport Development programs annually hosted by the Municipality include:

- Ward Elimination Games

- Mayoral Sport Day
- SALGA Games
- Capacity building workshops for Sport Administrators and Technical Officials

Sports facilities are continually being upgraded in all wards and provision of sport facilities to be upgraded is made in the municipal budget.

### **8.11 Youth programmes**

Municipality in its budget for 2018/2019 has set aside budget for youth that focuses more on education and skills development. From the Mayoral Bursary Scheme which has assisted more than 300 youth which has seen a massive impact to the youth by giving them access to higher education. The Mayoral Drivers Licence was initiated to assist the youth with drivers licence hence almost all Job advertisement has a standard requirement of a drivers licence. More than 300 youth have benefited from these programmes since 2017 and some have received job opportunities through this intervention.

The municipality in 2018 adopted Youth Development Policy and its Programme of Action. This will see the municipality driving issues of youth development being championed in consultation with the youth of Mthonjaneni.

### **8.12 Arts and culture**

The Department of Arts and Culture make provision of the study material in the library of the municipality. Public libraries are considered fundamental to the development and upliftment of communities. Access to libraries creates and sustains a reading culture. The value of libraries in terms of support of literacy, education, and the principle of lifelong learning forms an integral part of the modern democracy.

The municipality also ensure that the only library which is located in Melmoth town is fully functional and is accessible to all the community members

### **8.13 Social welfare (OOS)**

Operation Sukuma Sakhe is a call for the people of KwaZulu-Natal to be determined to overcome the issues that have destroyed the communities such as poverty, unemployment, crime, substance abuse, HIV/AIDS and TB. Operation Sukuma Sakhe has a “whole of Government approach” as its philosophical basis. It spells out every initiative and how it links to initiatives being implemented by the different sector departments and the spheres of government. Therefore delivery of services is required through partnership with the community, stakeholders and government.

### **OSS Structures**

The following structures starting from Districts to Wards have different responsibilities to discharge in relation to Operation Sukuma Sakhe and they have been established and functional.

1. King Cetshwayo Task Team
2. King Cetshwayo AIDS Council
3. Mthonjaneni Local Task Team (LTT)
4. Mthonjaneni Local AIDS Council
5. War Rooms
6. Ward AIDS Council

### **OSS-Mthonjaneni Local Task Team (LTT)**

For Operation Sukuma Sakhe to operate it needs the existence of the following core group of stakeholders and Mthonjaneni LTT comprise of the following stakeholders:

- Business Sector
- Traditional Leadership Sector
- NGO Sector
- Religious Sector
- Sporting Fraternity
- Women
- Children
- Youth
- People with disability
- Senior Citizens

Some of the critical success factors to ensure the effective functioning of OSS in the Mthonjaneni Municipality are noted hereunder:

- Inclusion of community structures that include civil society, business and development partners and other key stakeholders.
- Institutional arrangement linkages and integrated development planning.
- Integrating Operational Plans with Governmental Department plans.
- Establishing of a permanent “War Room.”
- Allocating cadres to conduct Household Profiling to identify needs.
- Ensuring that different Departments sit in the LTT.
- Constantly building capacity of Managers through presentations on OSS reporting.
- Managers assisting war rooms in building capacity.

### **Benefits of OSS to Civil Society**

- Networking and partnerships with Government Departments
- “One stop shop” approach at ward level
- Pooling of resources to maximize outputs
- Shared information gauge performance
- Joint reporting to the communities
- Coordinated approach for identifying and resolving issues

- Employment and Skills development opportunities through participation in task teams

#### **8.14 Health HIV/AIDS**

Prevalence of HIV/ AIDS is still very high in KwaZulu-Natal. Mthonjaneni Municipality has a big number of orphans and children made vulnerable by HIV/AIDS. The Municipality has been able to establish Local AIDS Council but emphasis is needed for ward based establishments.

The main purpose for the establishment of this structure is to assist the Municipality to establish, understand and accommodate the needs HIV/AIDS infected as well as the affected people and ensure that they benefit from development initiatives.

#### **8.15 Special programmes**

The mandate of the Special Programmes Unit is to promote, facilitate, coordinate and monitor the realization of the rights of youth, children senior citizens (older persons), people with disabilities, people with HIV/ AIDS, women and men.

#### **8.16 Safety and security**

Revived crime awareness campaigns through the community policy forums with cooperation of the SAPS are being undertaken. The Municipality is currently in the process of developing of a safety plan. The plan will be approved during the 2020/2021 financial year.

#### **8.17 LED and Social Development: SWOT Analyses**

##### **Strengths**

- Good access to trial courts
- Schools and crèches well distributed throughout municipal area
- There are a number of housing projects which are currently underway that will provide housing for approximately 5000 households.
- The increase in number of health facilities after the construction of the clinic around Ndundulu area.

##### **Weakness**

- No FET college available within the municipal area.
- Disability forum not functioning as it supposed to.
- Some areas within the municipal area do not have access to community halls.

##### **Opportunity**

- Land availability in rural areas for rural service centres.
- A hospital

### Threats

- HIV and AIDS pandemics are reaching an alarming stage.
- Poor land management in Traditional authority might result in developments that are not environmentally friendly.
- Natural hazards compromise the standard of living.
- School dropouts and high illiterate rate

## 9. Municipal financial viability and management analyses

### 9.1 Capacity of the Municipality to execute Capital Projects

Mthonjaneni Municipality has filled the post of the CFO and the Director technical. These are critical posts which have an impact on capital projects being completed in time.

#### A. Capital funding and expenditure to address service delivery

The municipality allocates some of the funds received from grants and other sources to the capital projects/ infrastructure. It must be noted that these funds can be regarded as the direct investment to the service delivery, i.e. individuals and households in the jurisdiction the municipality. Such investments together with the sources are summarised below:

i) Table 72: Summary of Capital Financial Plan

2021/2022		2022/2023		2023/2024	
REVENUE					
SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT
MIG	18 832 000	MIG	20 039 000	MIG	20 761 000
INEP	20 805 000	INEP	14 000 000	INEP	15 000 000
OWN FUNDS	4 140 000	OWN FUNDS	7 280 000	OWN FUNDS	1 470 000
TOTAL	43 777 000	TOTAL	41 319 000	TOTAL	37 231 000
CAPITAL EXPENDITURE					
2021/2022		2022/2023		2023/2024	
SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT
MIG	18 832 000	MIG	20 039 000	MIG	20 761 000
INEP	20 805 000	INEP	14 000 000	INEP	15 000 000
OWN FUNDS	4 140 000	OWN FUNDS	7 280 000	OWN FUNDS	1 470 000
TOTAL	43 777 000	TOTAL	41 734 955	TOTAL	37 231 000
UNSPENT	0.00		0.00		0.00
VARIANCE	0.00		0.00		0.00

Table 73: Synopsis for the previous and upcoming years

CAPITAL EXPENDITURE		
VOTE DESCRIPTION	Adjusted Budget 2018-19	Adjusted budget 2019-20
<b><u>Municipal Manager</u></b>		
Computer Equipment	20 000.00	10 000.00
Furniture and Office Equip	20 000.00	-
	<b>40 000.00</b>	<b>10 000.00</b>
<b><u>Mayoral and Council</u></b>		
Computer Equipment	20 000.00	10 000.00
Furniture and Office Equip	20 000.00	
Transport Assets	-	
	<b>40 000.00</b>	<b>10 000.00</b>
<b><u>Executive and council</u></b>	<b>80 000.00</b>	<b>20 000.00</b>
<b><u>Administrative and Corporate Support</u></b>		
Computer Equipment Acqu	30 000.00	15 000.00
Furniture and Office Equipment (Multi media	-	
	<b>30 000.00</b>	<b>15 000.00</b>
<b><u>Budget and Treasury Office</u></b>		
Machinery and Equipment	35 000.00	10 000.00
Computer Equipment Acqu	30 000.00	80 378.00
Furniture and Office Equip	41 364.80	3 582.00
Intangible Assets		
	<b>206 364.80</b>	<b>93 960.00</b>
<b><u>Finance and administrati</u></b>	<b>236 364.80</b>	<b>108 960.00</b>



<b>Community Services</b>			
Computer Equipment	30 000.00	12 371.35	25 000.00
Furniture and Office Equip	140 000.00	-	10 000.00
Car Wash structure		-	200 000.00
		50 000.00	-
	<b>5 330 000.00</b>	<b>62 371.35</b>	<b>235 000.00</b>
<b>Libraries</b>			
Furniture and Office Equip	25 000.00	6 694.00	10 000.00
Computer Equipment:Acqu	15 000.00	10 000.00	10 000.00
	<b>40 000.00</b>	<b>16 694.00</b>	<b>20 000.00</b>
<b>Community and social se</b>	<b>5 370 000.00</b>	<b>79 065.35</b>	<b>255 000.00</b>
<b>Electricity Services</b>			
<b>Infrastructure Assets</b>	-		
Electrical Infrastructure: H	100 000.00	160 000.00	200 000.00
Electrical Infrastructure:Ac	175 000.00	70 000.00	100 000.00
Electrical Infrastructure:Fu	150 000.00	15 000 000.00	
Nqekwane Area-Ward 1		-	1 500 000.00
Thubalethu Extension- Ward 2		-	9 000 000.00
Ofankomo/Njomelwane Electrification Project- Ward 3		-	500 000.00
Kataza Area- Ward 4		-	1 000 000.00
Umhlathuze Area- Ward 5		-	500 000.00
Dubeni Area-Ward 6		-	500 000.00
Inkisa Area-Ward 8		-	500 000.00
Ntombokazi Area- Ward 12		-	1 000 000.00
Sangoyane Area- Ward 13		-	500 000.00
Njomelwane-Ward 3			
INEP Projects	10 000 000.00		
Machinery and Equipment:Acquisitions (Metering)		100 000.00	150 000.00
Transformer housings		-	150 000.00
Airconditioning capital ( offices and Library)		-	100 000.00
Lightning earthing of municipal buildings			
	<b>10 425 000.00</b>	<b>15 330 000.00</b>	<b>15 700 000.00</b>

<b>Roads</b>			
<b>Infrastructure Assets</b>	-		
Urban Roads Upgrade & R	12 589 000.00	7 038 064.24	-
Nungwini Gravel Road	-	2 425 905.47	-
Mfule Gravel Road	-	1 825 573.95	
Manzawayo Gravel Road	-	3 028 293.59	
Hawai Gravel Road	-	171 037.23	
Mkhakhwini, Sangoyane G	70 000.00	177 200.33	
Noziphiva Gravel Road	-	2 784 908.78	-
Mbiza Gravel Road-Ward 1	30 000.00		5 512 387.00
Mabhungu Gravel Road- Ward 8			4 326 613.00
Ndundulu Gravel Road-Ward 8			
Makhubalo Gravel Road-Ward 9			
Ntlingwane Gravel Road-Ward 12			
MIG Projects	11 509 635.20		
	<b>24 198 635.20</b>	<b>17 450 983.59</b>	<b>9 839 000.00</b>
<b>Community Assets</b>			
Gobihlahla Creche		538 882.59	
Mpevu Community Hall		418 186.40	
Ntombokazi Community Hall		-	
Mehlamasha Community Hall		2 480 225.56	
Sangoyane Sportsfield-Ward 13		944 651.40	5 600 000.00
Kataza Creche			2 500 000.00
Mahehe Creche-Ward 1			
Njomelwane Community Hall- Ward 3			
New Cemetery			
		<b>4 381 945.95</b>	<b>8 100 000.00</b>
<b>Other Assets</b>			
Computer Equipment		15 000.00	30 000.00
Furniture and Office Equipment:Acquisitions ( Add Ch		20 000.00	70 000.00
Transport Assets		957 055.35	1 150 000.00
Upgrading of Landfill Site Access Road		-	350 000.00
Buildings - Municipal Carports, Municipal Gates, Staff		250 000.00	700 000.00
Machinery and Equipment			540 000.00
Drain Mainhole Concrete Covers			150 000.00
Rehabilitation of land fill site			400 000.00
		<b>1 242 055.35</b>	<b>3 390 000.00</b>
		<b>23 074 984.89</b>	<b>21 329 000.00</b>
<b>Fire Fighting</b>			
Furniture and Office Equip	30 000.00	8 000.00	50 000.00
Machinery and Equipment	100 000.00	10 000.00	100 000.00
Transport Assets - 2x Vans	1 000 000.00	-	1 200 000.00
	<b>1 130 000.00</b>	<b>18 000.00</b>	<b>1 350 000.00</b>
<b>Licensing and Protection Services</b>			
Computer Equipment:Acqu	25 000.00		10 000.00
Furniture and Office Equip	20 000.00		10 000.00
	<b>45 000.00</b>		<b>20 000.00</b>
<b>Public safety</b>	<b>1 175 000.00</b>		<b>38 000.00</b>
<b>Solid Waste Removal</b>			
Solid Waste Infrastructure	80 000.00		
	<b>80 000.00</b>		
	<b>41 565 000.00</b>		<b>39 017 750.88</b>

CAPITAL EXPENDITURE					
VOTE DESCRIPTION	Special Adjustments Budget 2020/21	Draft Budget 2021-22	Final Budget 2021-22	BUDGET 2022-23	BUDGET 2023-24
<b>Municipal Manager</b>					
Computer Equipment	20 000.00	20 000.00	20 000.00	30 000.00	40 000.00
Furniture and Office Equipment Acquisitions	10 000.00	10 000.00	10 000.00	20 000.00	30 000.00
	<b>30 000.00</b>	<b>30 000.00</b>	<b>30 000.00</b>	<b>50 000.00</b>	<b>70 000.00</b>
<b>Mayoral and Council</b>					
Computer Equipment	GOVERNANCE AND	10 000.00	10 000.00	20 000.00	40 000.00
Furniture and Office Equipment Acquisitions	13 750.00	10 000.00	10 000.00	20 000.00	50 000.00
Transport Assets	GOVERNANCE AND ADMINISTRATION		2 250 000.00		
	<b>13 750.00</b>	<b>20 000.00</b>	<b>2 270 000.00</b>	<b>40 000.00</b>	<b>90 000.00</b>
<b>Executive and council</b>	<b>43 750.00</b>	<b>50 000.00</b>	<b>2 300 000.00</b>	<b>90 000.00</b>	<b>160 000.00</b>
<b>Administrative and Corporate Support</b>					
Computer Equipment Acquisitions / Filing Management System	300 000.00	-	500 000.00	200 000.00	-
Furniture and Office Equipment (Multi media screen) Acquisitions	50 000.00	100 000.00	100 000.00	50 000.00	40 000.00
	<b>350 000.00</b>	<b>100 000.00</b>	<b>600 000.00</b>	<b>250 000.00</b>	<b>40 000.00</b>
<b>Budget and Treasury Office</b>					
Machinery and Equipment Acquisitions	25 846.45	50 000.00	50 000.00	60 000.00	70 000.00
Computer Equipment Acquisitions	55 000.00	30 000.00	100 000.00	300 000.00	100 000.00
Furniture and Office Equipment	10 000.00	20 000.00	100 000.00	30 000.00	40 000.00
Intangible Assets	200 000.00	200 000.00	200 000.00	200 000.00	300 000.00
	<b>290 846.45</b>	<b>300 000.00</b>	<b>450 000.00</b>	<b>590 000.00</b>	<b>510 000.00</b>
<b>Finance and administration</b>	<b>640 846.45</b>	<b>400 000.00</b>	<b>1 050 000.00</b>	<b>840 000.00</b>	<b>550 000.00</b>
<b>Community Services</b>					
Computer Equipment	10 000.00	20 000.00	20 000.00	30 000.00	30 000.00
Furniture and Office Equipment	10 000.00	10 000.00	10 000.00	20 000.00	30 000.00
Car Wash structure	200 000.00	-	-	-	-
	<b>220 000.00</b>	<b>30 000.00</b>	<b>30 000.00</b>	<b>50 000.00</b>	<b>60 000.00</b>
<b>Libraries</b>					
Furniture and Office Equipment Acquisition	10 000.00	50 000.00	50 000.00	20 000.00	30 000.00
Computer Equipment Acquisitions	COMMUNITY AND SOCIAL SERVICES	50 000.00	50 000.00		
	<b>10 000.00</b>	<b>100 000.00</b>	<b>100 000.00</b>	<b>20 000.00</b>	<b>30 000.00</b>
<b>Community and social services</b>	<b>230 000.00</b>	<b>130 000.00</b>	<b>130 000.00</b>	<b>70 000.00</b>	<b>90 000.00</b>
<b>Electricity Services</b>					
<b>Infrastructure Assets</b>	ECONOMIC AND ENVIRONMENTAL SERVICES				
Electrical Infrastructure: HV and LV Networks Cost Acquisition	500 000.00	400 000.00	400 000.00	800 000.00	200 000.00
Electrical Infrastructure Acquisitions (Street Lights)	-	100 000.00	100 000.00	100 000.00	100 000.00
Electrical Infrastructure: Future Use Power Plants Cost Acquisition	-	10 000 000.00	10 000 000.00	6 000 000.00	
Nqekwane Area-Ward 1	1 500 000.00	875 000.00	875 000.00		
Thubalethu Extension- Ward 2	5 159 000.00			8 000 000.00	10 000 000.00
Ofankomo/Njomelwane Electrification Project- Ward 3	500 000.00		1 250 000.00		
Kataza Area- Ward 4	1 000 000.00	1 525 000.00	1 525 000.00		
Umhlatheze Area- Ward 5	500 000.00	2 500 000.00	2 500 000.00		
Dubeni Area-Ward 6	500 000.00	625 000.00	625 000.00		
Inkisa Area-Ward 8	500 000.00	2 125 000.00	2 125 000.00		
Ntombokazi Area- Ward 12	1 000 000.00	105 000.00	105 000.00		
Sangoyane Area- Ward 13	500 000.00	1 800 000.00	1 800 000.00		
Njomelwane-Ward 3		1 250 000.00			
INEP Projects					5 000 000.00
Machinery and Equipment Acquisitions (Metering)	100 000.00	100 000.00	100 000.00	100 000.00	100 000.00
Transformer housings	100 000.00	300 000.00	300 000.00	250 000.00	
Airconditioning capital ( offices and Library)	50 000.00	100 000.00	100 000.00	100 000.00	100 000.00
Lightning earthing of municipal buildings		200 000.00	200 000.00	600 000.00	
	<b>11 909 000.00</b>	<b>22 095 000.00</b>	<b>22 095 000.00</b>	<b>15 950 000.00</b>	<b>15 500 000.00</b>



<b>Roads</b>					
<b>Infrastructure Assets</b>					
Urban Roads Upgrade & Rehabilitation: Phase 5 - Town	456 959.11		-		-
Nungwini Gravel Road	1 380 411.26		-		-
Mfula Gravel Road	-		-		-
Manzawayo Gravel Road	-		-		-
Hawai Gravel Road	-		-		-
Mkhalkhuni, Sangoyane Gravel Road	-		-		-
Noziphiya Gravel Road	1 065 186.06		-		-
Mbiza Gravel Road-Ward 11	5 909 982.61		-		-
Mabhungu Gravel Road- Ward 8	5 191 368.88		-		-
Ndundulu Gravel Road-Ward 8	719 737.66	2 573 695.14	4 663 669.66	1 747 056.13	
Makhubalo Gravel Road-Ward 9	-	3 472 028.14	3 122 028.14	350 000.00	
Ntlingwane Gravel Road-Ward 12	-	3 030 551.86	3 963 505.20	1 560 000.00	
MIG Projects	-		-	15 361 944.00	20 761 000.00
	<b>14 723 645.58</b>	<b>9 076 275.14</b>	<b>11 749 203.00</b>	<b>19 019 000.13</b>	<b>20 761 000.00</b>
<b>Community Assets</b>					
Gobihlahla Creche	263 915.06		-	-	-
Mpevu Community Hall	-		-	-	-
Ntombokazi Community Hall	-		-	-	-
Mehlmashe Community Hall	105 231.68		-		-
Sangoyane Sportsfield-Ward 13	9 915 941.16	3 035 106.86	1 382 178.86		-
Katala Creche	2 701 969.69				
Mahehe Creche-Ward 1	-	2 874 537.30	2 544 537.30	330 000.00	
Njomelwane Community Hall- Ward 3	-	3 846 080.70	3 156 080.70	690 000.00	
New Cemetery	-	800 000.00	500 000.00	2 200 000.00	
	<b>12 987 057.59</b>	<b>10 555 724.86</b>	<b>7 582 796.86</b>	<b>3 220 000.00</b>	<b>-</b>
<b>Other Assets</b>					
Computer Equipment	30 000.00	20 000.00	20 000.00	30 000.00	40 000.00
Furniture and Office Equipment Acquisitions ( Add Chairs	30 000.00	20 000.00	20 000.00	30 000.00	30 000.00
Transport Assets	850 141.37	400 000.00	400 000.00		
Upgrading of Landfill Site Access Road	250 000.00	200 000.00	200 000.00	600 000.00	
Buildings - Municipal Carports, Municipal Gates, Staff Loc	3 350 000.00	500 000.00	500 000.00	1 000 000.00	10 000.00
Machinery and Equipment	240 000.00	600 000.00	600 000.00	500 000.00	10 000.00
Drain Mainhole Concrete Covers	100 000.00	100 000.00	100 000.00	200 000.00	10 000.00
Rehabilitation of land fill site		200 000.00	200 000.00	800 000.00	-
	<b>4 850 141.37</b>	<b>2 040 000.00</b>	<b>2 040 000.00</b>	<b>3 160 000.00</b>	<b>100 000.00</b>
	<b>32 560 844.54</b>	<b>21 672 000.00</b>	<b>21 371 999.86</b>	<b>25 399 000.13</b>	<b>20 861 000.00</b>
<b>Fire Fighting</b>					
Furniture and Office Equipment Acquisitions	30 000.00	20 000.00	20 000.00	30 000.00	40 000.00
Machinery and Equipment Acquisitions	50 000.00	50 000.00	50 000.00	70 000.00	10 000.00
Transport Assets - 2x Vans	1 153 930.44		-		
	<b>1 233 930.44</b>	<b>70 000.00</b>	<b>70 000.00</b>	<b>100 000.00</b>	<b>50 000.00</b>
<b>Licensing and Protection Services</b>					
Computer Equipment Acquisitions	30 000.00	30 000.00	30 000.00	40 000.00	10 000.00
Furniture and Office Equipment Acquisitions	15 000.00	20 000.00	20 000.00	30 000.00	10 000.00
	<b>45 000.00</b>	<b>50 000.00</b>	<b>50 000.00</b>	<b>70 000.00</b>	<b>20 000.00</b>
<b>Public safety</b>	<b>1 278 930.44</b>	<b>120 000.00</b>	<b>120 000.00</b>	<b>170 000.00</b>	<b>70 000.00</b>
<b>Solid Waste Removal</b>					
Solid Waste Infrastructure Acquisitions ( Refuse Bins/Skip	-	100 000.00	100 000.00	500 000.00	
	<b>-</b>	<b>100 000.00</b>	<b>100 000.00</b>	<b>500 000.00</b>	<b>-</b>
	<b>46 663 371.43</b>	<b>44 477 000.00</b>	<b>47 076 999.86</b>	<b>43 019 000.13</b>	<b>37 231 000.00</b>

## ii) Investments

The municipality has a register of all investments with the legitimate registered banks as per the banks act. The accounts include three call deposits (one with Investec and two with FNB) as well as one fixed deposit with FNB.

Table 74: Summary of municipal investments

<b>BANKING INSTITUTION</b>	<b>DEPOSIT TYPE</b>	<b>ACCOUNT NUMBER</b>	<b>INTEREST RATE</b>	<b>AMOUNT INVESTED</b>	<b>SOURCE</b>
Investec	Call Deposit	1100435097501	6.6	47 238	Spare account used to relieve a primary account
FNB	Call Deposit	62532053204	6.0	1 176	M.I.G
FNB	Call Deposit	62051262146	6.0	106	Electricity (INEP)
FNB	Fixed Deposit	71245040078	6.45	1 540 000	Surety held with Eskom for bulk electricity
FNB	Call Deposit	62771806092	6.0	2 517	Call Deposit
FNB	Call Deposit	62771807016	6.0	2 881	Call Deposit

#### **INVESTMENT REGISTER ATTACHED**

##### **9.1.2. Indigent Support (including Free Basic Services)**

The Municipality has the indigent register where all individuals not affording to pay for basic services has gone through the application process and those who were found to earn little/ dependent on government grants has their applications successful. The Indigent register and Indigent Policy were reviewed and adopted during the 2018/2019 financial year strategic planning.

The municipality has an indigent policy that is used as a guide in terms of the indigent support to our needy community. The policy pronounces the other tools such as the indigent register where all the indigent households are registered. All the households with a joint gross income of R 3800 are regarded as indigent and are listed in the register for support from the municipality as per the policy. There are a number of households listed on the municipal indigent register updated yearly. There has not been a sizable increase in the households listed in the register since 2016. Currently there are 2 981 registered indigents on the indigent register.

The municipality allocates an amount of R 1 104 000 payable to Eskom per annum for free basic electricity. There has been a steady increase in indigent support of an average of 5 % per annum over the last three years.

The services offered to the indigent including the rebates are as follows:

- Refuse Removal - exempted

- Electricity – Free basic service of 50Kw per month
- Rates - exempted

The indigent policy is also accommodating pauper burial which will provide the grocery voucher, the coffin and transport. A burial pit will also be provided for the rate payers and Thubalethu residents who are in the indigent register.

Going forward it will be our priority to reduce the number of households on the indigent register through job creation and programs such as EPWP, ensuring that those that are hired are equipped with certain skills by the end of the program, for future employment.

### **COPY OF INDIGENT POLICY ATTACHED**

## **9.2 Revenue**

The Mthonjaneni Municipality adopted its revenue enhancement strategy in June 2015. The Revenue strategy has been revised in March 2020 and was tabled for council approval in May 2020. The main objective of the strategy is to improve the current payment levels and to recover arrear debt. One of the revenue enhancement strategies that a municipality has introduced is to link the rates account with electricity accounts. This assisted in revenue collection as the people who have not paid their rates could not buy the electricity unless 50% of the debt has been paid. The enhancement strategy includes or is based on the following aspects amongst others:

- 1.1 Registration of Indigents:
- 1.2 Meter Reading and Billing System:
- 1.3 Debt Collection Strategy & Customer Care:
- 1.4 Consumer Database Management:
- 1.5 Minimise loss in distribution of electricity
- 1.6 Improvement of Revenue Generation:
- 1.7 Staff Training and Mentoring:
- 1.8 Revision of credit control policies

Table 75: Three year outstanding debt per category

<b>Category</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Consumer Debtors - Rates	18 794 842	21 563 779	21 028 734
Electricity	5 160 783	5 470 779	5 271 150
Refuse	1 208 111	1 901 228	2 908 324
Property Rental	160 915	288 450	146 926
<b>Total</b>	<b>25 324 651</b>	<b>29 224 236</b>	<b>29 355 134</b>

The municipality has developed a revenue enhancement strategy in order to address the issue of low collection rate, implementation of policies and improvement in debt management.

### **Revenue enhancement Strategy Attached**

## Debtors AGE Analysis Report as at April 2021 Attached

### **A) Financial management**

The municipality has a supply chain management (SCM) unit within the finance department. This unit is responsible for the implementation of Chapter 11 of the Municipal Finance Management Act. The unit has the following as part of the institutional arrangements:

### **B) Personnel/ Staff**

As part of the organogram for finance department, there are four posts in the supply chain management (SCM) unit with different roles and responsibilities. They include SCM Manager, SCM Practitioner and two SCM clerks.

The municipality has fully functional bid committees that assist in the process of competitive bids from the specification until the adjudication committee that recommends to the accounting officer for appointment.

### **C) Policy Documents**

There is a supply chain management policy that guides the unit in implementation of the legislation, i.e. Municipal Finance Management Act. The policy that has just been reviewed by the council is divided into three parts. These are

- I. **Part A** is the **Supply Chain Management Policy**, adopted in terms of section 111 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 and the Municipal Supply Chain Management Regulations, Notice 868 of 30 May 2005;
- II. **Part B** is the **Preferential Procurement Policy**, adopted in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 and the Preferential Procurement Regulations, 2017.
- III. **Part C** is the **Model Policy for Infrastructure Management**, adopted in terms of section 168 of the Municipal Finance Management Act, No. 56 of 2003 in support of Regulation 3(2) of the MFMA Supply Chain Management Regulations.

### **D) Municipal Procurement Plan**

The organisation has adopted the Municipal Procurement Plan that is in line with the service delivery and budget implementation plan (SDBIP) as required by MFMA Circular 62. This assists the SCM unit together with the departments to ensure that the procurement is made as planned and directly contribute to the service delivery. Since the procurement plan is in line with the SDBIP, it has also assisted in the determination of implementation timeframes of all the municipal projects and programmes.

## Procurement Plan Attached

### **E) Targeted Procurement**

The municipality is using the preferential procurement pieces of legislation (PPPFA and Preferential Procurement Regulations) to implement targeted

procurement. Therefore, the following groups are targeted and directly benefit in the procurement of goods and services:

- (i) Local Businesses
- (ii) Women
- (iii) Youth
- (iv) Disabled

#### **F) Municipal assets, repairs and infrastructure**

The Municipality has put aside R39.6 Million for municipal infrastructure assets. This will assist the municipality in providing the electricity in more citizens. The maintenance of the assets is also budgeted at 4.9 million. This will assist to maintain the existing assets so that they are always on a good working condition.

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2020/21 budget provides for in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality.

The following table lists the total anticipated cost for repairs and maintenance on infrastructure and assets for the next three years (2021 – 2023). It must be noted that the municipality has identified all the shortcomings associated with neglecting capital assets such as infrastructure thus the increased provision for repairing and maintenance of capital assets.

Table 76: Supporting detail to budgeted financial performance

KZN285 Mthonjaneni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2
Total Repairs and Maintenance Expenditure	9	6 822	-	-	3 050	3 468	3 468	-	2 906	3 080	3 290

The budgeted R & M is below the norm of 8%. The municipality is in the process of revising the repairs and maintenance infrastructure plan. The R & M budget will then gradually improve.

#### **G) Financial viability/sustainability**

Table 77: Ratio description

<b>Ratio Description</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
a. Cost Coverage Ratio	2.1	3.1	1
b. Current Ratio (Current assets to current liabilities)	3	3.2	1.2
c. Capital expenditure to total expenditure	24%	39 %	18 %



d. Debt to revenue	51.2%	19.2%	56.8%
e. Collection Rate	86.0%	79.2	103%
f. Remuneration (Employee and Councillors) to total expenditure	35.2%	38.7%	38%
g. Distribution losses: Electricity	11.75%	12.82%	9.0%

## **H) Loans / borrowings and grant dependency**

The municipality does not have any loans, i.e. short, medium or long term. It operates using own funds, however, most of the funds used to fund operations and capital projects come from government grants. There has not been a need to borrow funds for any of the municipal programmes. The municipality is financial sound, i.e. should there be a need to borrow funds, the municipality can be easily financed and repay such advance with ease. The municipality is largely grant dependent. According to latest audited AFS 2019/20 about 72.7% (R119 157 000/R163 899 000) of the municipal revenue comes from National and Provincial Government grants.

## **I) Auditor-General's opinion**

Mthonjaneni Municipality's annual financial statements (AFS) for the ended 30 June 2020 have been audited by the Auditor General as required by the legislation. The audit was finalized towards on the 26<sup>th</sup> February, 2020 as the due date for submission of AFS was extended as per Government Gazette No. 43582.

### **Opinion**

Table 78: Summary of Audit Opinion for the past three years

<b>YEAR</b>	2017/2018	2018/2019	2019/2020
<b>AUDIT OPINION</b>	Unqualified	Unqualified	Unqualified

## **II. Audit Improvement Plan**

The municipality through its internal audit unit prepared the annual audit plan for the year 2019/2020. As part of the plan, the internal auditors make follow up on the responses given on the audit outcome of the Auditor General to ensure improvement.

**A copy of the annual internal audit plan is attached to the IDP as one of the annexures.**

## J) FINANCIAL PLAN

A financial plan has been prepared to give a picture of funding allocated to both operations and capital projects.

**Table 79: funding for Operational & Capital Projects**

**KZN285 Mthonjaneni - Table A1 Budget Summary**

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	11 431	13 453	15 558	31 382	31 382	31 382	31 382	32 606	33 976	35 471
Service charges	21 985	22 284	23 198	34 702	34 702	34 702	34 702	36 063	37 578	39 231
Investment revenue	1 367	696	1 318	900	1 100	1 100	1 100	1 200	1 272	1 361
Transfers recognised - operational	79 370	76 672	86 124	90 660	103 302	103 302	103 302	92 528	94 360	91 633
Other own revenue	13 129	3 766	4 669	10 675	12 675	12 675	12 675	10 053	10 656	11 402
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>127 282</b>	<b>116 871</b>	<b>130 859</b>	<b>168 319</b>	<b>183 161</b>	<b>183 161</b>	<b>183 161</b>	<b>172 450</b>	<b>177 841</b>	<b>179 098</b>
Employee costs	42 913	51 214	56 102	57 216	57 251	57 251	57 251	57 824	61 293	65 569
Remuneration of councillors	7 637	8 350	9 317	9 256	9 256	9 256	9 256	9 633	10 211	10 925
Depreciation & asset impairment	15 245	17 489	19 912	13 834	17 234	17 234	17 234	18 507	19 285	19 285
Finance charges	-	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	21 541	22 303	19 560	27 710	28 063	28 063	28 063	29 545	25 929	26 261
Transfers and grants	-	-	-	-	447	-	447	-	-	-
Other expenditure	56 237	54 615	53 625	52 083	59 714	59 714	59 714	48 893	50 633	53 823
<b>Total Expenditure</b>	<b>143 573</b>	<b>153 971</b>	<b>158 516</b>	<b>160 099</b>	<b>171 965</b>	<b>171 965</b>	<b>171 965</b>	<b>164 402</b>	<b>167 352</b>	<b>175 863</b>
<b>Surplus/(Deficit)</b>	<b>(16 291)</b>	<b>(37 100)</b>	<b>(27 656)</b>	<b>8 221</b>	<b>11 197</b>	<b>11 197</b>	<b>11 197</b>	<b>8 048</b>	<b>10 490</b>	<b>3 235</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	32 278	36 749	33 033	32 939	35 598	35 598	35 598	39 637	34 039	35 761
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>15 987</b>	<b>(351)</b>	<b>-</b>	<b>41 160</b>	<b>46 795</b>	<b>46 795</b>	<b>46 795</b>	<b>47 685</b>	<b>44 529</b>	<b>38 996</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>15 987</b>	<b>(351)</b>	<b>-</b>	<b>41 160</b>	<b>46 795</b>	<b>46 795</b>	<b>46 795</b>	<b>47 685</b>	<b>44 529</b>	<b>38 996</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>-</b>	<b>-</b>	<b>35 282</b>	<b>39 694</b>	<b>46 663</b>	<b>46 663</b>	<b>46 663</b>	<b>47 377</b>	<b>43 019</b>	<b>37 231</b>
Transfers recognised - capital	-	-	33 033	32 939	35 598	35 598	35 598	39 637	34 039	35 761
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	2 252	6 755	11 065	11 065	11 065	7 740	8 980	1 470
<b>Total sources of capital funds</b>	<b>-</b>	<b>-</b>	<b>35 285</b>	<b>39 694</b>	<b>46 663</b>	<b>46 663</b>	<b>46 663</b>	<b>47 377</b>	<b>43 019</b>	<b>37 231</b>
<b>Financial position</b>										
Total current assets	48 563	51 054	43 940	54 581	43 940	43 940	43 940	44 931	28 303	20 034
Total non current assets	353 620	371 772	384 517	386 909	414 749	414 749	414 749	442 367	466 045	483 911
<b>Total current liabilities</b>	<b>17 191</b>	<b>31 316</b>	<b>35 596</b>	<b>17 144</b>	<b>24 454</b>	<b>24 454</b>	<b>24 454</b>	<b>35 212</b>	<b>19 129</b>	<b>16 107</b>
Total non current liabilities	7 888	9 324	5 785	12 890	5 785	5 785	5 785	6 075	6 439	6 890
Community wealth/Equity	377 158	378 928	384 702	420 120	431 497	431 497	431 497	479 182	523 710	562 706
<b>Cash flows</b>										
Net cash from/(used) operating	25 133	34 001	34 591	42 046	46 426	46 426	46 426	49 570	47 510	42 323
Net cash from/(used) investing	(41 735)	(34 987)	(32 470)	(32 794)	(32 163)	(32 163)	(32 163)	(38 777)	(33 581)	(26 622)
Net cash from/(used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>3 688</b>	<b>2 694</b>	<b>4 814</b>	<b>11 945</b>	<b>19 077</b>	<b>19 077</b>	<b>19 077</b>	<b>15 607</b>	<b>29 536</b>	<b>45 237</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	1 529	6 402	4 814	6 073	4 814	4 814	4 814	4 814	-	-
Application of cash and investments	(23 582)	(18 116)	(719)	(17 139)	4 136	4 136	4 136	(4 008)	(8 055)	(5 944)
<b>Balance - surplus (shortfall)</b>	<b>25 031</b>	<b>24 518</b>	<b>5 533</b>	<b>23 212</b>	<b>678</b>	<b>678</b>	<b>678</b>	<b>8 822</b>	<b>8 055</b>	<b>5 944</b>
<b>Asset management</b>										
Asset register summary (WDV)	351 354	368 870	35 282	39 694	46 663	46 663	46 663	47 377	43 019	37 231
Depreciation	52 756	70 223	-	-	17 234	17 234	17 234	18 507	19 285	19 285
Renewal and Upgrading of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	4 209	3 336	8 301	8 301	8 301	6 405	7 071	7 486
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	0	0	0	0	0	0	0	0	0	0
Refuse:	13	13	13	13	13	13	13	13	13	13

Table 80: Reconciliation of IDP strategic objectives and budget (Revenue)

KZN285 Mthonjaneni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Supporting Table 2:1: Accommodation of the Strategic Objectives and Budget (Revenue)												
Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand												
To provide electricity/energy within Mthonjaneni	Providing a safe and secure environment			22 851	30 267	31 088	32 642	32 642	32 642	33 916	33 340	36 895
To provide waste management within Mthonjaneni				1 164	1 782	1 963	2 061	2 061	2 061	2 117	2 244	2 401
To reduce infrastructure backlogs				3 305	4 865	6 280	4 833	8 333	8 333	5 009	3 305	3 536
To maintain Council immovable property/assets	Providing service excellence											
To create a viable and sustainable work environment												
To be financially viable by increasing revenue and reducing debt	Good governance			79 475	105 496	106 632	121 344	135 450	135 450	125 774	131 618	131 586
To improve the use of library services				810	1 035	1 110	1 150	1 150	1 150	1 197	1 256	1 258
To provide sound external and internal communication												
To ensure accountability and transparency	Ensure community safety and security											
To implement Traffic Management services				24 093	591	6 054	5 524	3 524	3 524	3 133	3 321	3 554
To ensure LED in the municipality and create economic opportunities	Providing opportunities for all to aspire to a better future											
Supporting the informal sector												
To ensure that Council is striving towards its vision and mission												
Sports and recreation	Encouraging community participation in service delivery											
To facilitate the social development of marginalised groups	Encouraging community participation in sports											
To reduce incidents of HIV/AIDS infections	Supporting the poor and vulnerable groups											
To reduce poverty by addressing socio - economic challenges	Ensure community safety and security					745	745	-	-			
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)			1	131 697	144 036	153 872	168 300	183 161	183 161	171 146	175 084	179 229

Table 81: Operating expenditure

KZN285 Mthonjaneni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
R thousand													
To provide electricity/energy within Mthonjaneni	Providing a high level of affordable essential services			26 691	29 535	26 412	27 247	27 338	27 338	34 052	30 933	31 255	
To provide waste management within Mthonjaneni				1 826	2 186	2 115	3 382	4 132	4 132	3 086	3 271	3 467	
To reduce infrastructure backlogs				34 469	22 997	24 258	21 676	25 046	25 046	29 510	30 584	31 912	
To maintain Council immovable property/assets													
To create a viable and sustainable work environment	Providing a safe and secure environment												
To be financially viable by increasing revenue and reducing debt	Providing service excellence			24 109	36 766	32 014	38 432	43 818	43 818	22 107	22 954	24 001	
To ensure that transparency is attained													
To provide sound external and internal communication	Good governance			527	2 494	2 276	2 395	2 795	2 795	2 038	2 160	2 312	
To ensure accountability and transparency				6 607	8 562	6 764	4 294	5 228	5 228	5 336	5 656	6 052	
To ensure access to information				746	1 043	836	1 106	2 595	2 595	2 234	2 368	2 533	
To ensure LED in the municipality and create economic opportunities	Providing opportunities for all to aspire to a better future			511	975	1 822	2 357	2 157	2 157	2 194	2 326	2 489	
Supporting the informal sector	Building safe communities												
To ensure that Council is striving towards its vision and mission	Encouraging community participation in service delivery			12 770	13 558	12 503	12 300	12 020	12 020	12 194	12 926	13 829	
Sports and recreation	Encouraging community participation in sports												
To facilitate the social development of marginalised groups	Supporting the poor and vulnerable groups			26 036	27 258	26 849							
To reduce incidents of HIV/AIDS infections													
To implement Traffic Management services	Ensure community safety and security			8 562	8 160	10 505	11 058	11 026	11 026	11 148	11 817	12 644	
To implement Disaster management serviced				718	437	829	864	864	864	895	948	1 015	
To implement Disaster management serviced													
Total Expenditure				1	143 572	153 971	147 183	125 110	137 018	137 018	124 794	125 942	131 508

Table 82: Capital Expenditure

KZN285 Mthonjaneni - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

KZN265 Mthonjaneni - Supporting Table SAs Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand												
To provide electricity/energy within Mthonjaneni	Providing a high level of affordable essential services	A					15 700	12 509	12 509	22 005	15 450	15 500
To provide waste management within Mthonjaneni		B					300	100	100	100		
To reduce infrastructure backlogs		C					21 329	25 141	25 141	21 672	24 199	20 861
To maintain Council immovable property/assets		D										
To create a viable and sustainable work environment	Providing a safe and secure environment	E										
To be financially viable by increasing revenue and reducing debt	Providing service excellence	F					645	841	841	400	640	550
To ensure that transparency is attained		G										
To provide sound external and internal communication	Good governance	H										
To ensure accountability and transparency		I					30	30	30	30	50	70
To ensure access to information		J										
To ensure LED in the municipality and create economic opportunities	Providing opportunities for all to aspire to a better future	K										
Supporting the informal sector		L										
To ensure that Council is striving towards its vision and mission	Encouraging community participation in service delivery	M					20	14	14	20	40	90
Sports and recreation	Encouraging community participation in sports	N										
To facilitate the social development of marginalised groups	Supporting the poor and vulnerable groups	O					235	230	230	130	70	90
To reduce incidents of HIV/AIDS infections		P										
Allocations to other priorities				3								
Total Capital Expenditure				1	-	-	38 259	38 864	38 864	44 357	40 449	37 161

### 9.3 Expenditure

There is an overall decrease in total expenditure of 3.1% will be realised in 2021/2022 financial year as compared to 2020/2021 financial year. The Municipality is still implementing the Municipal Financial Recovery Plan 2019/20 and Municipal Cost Containment Regulations, 2019 that were adopted by the Municipal Council with effect from 01 July 2019. The municipality proposed a range of expenditure reductions measures to restore the Mthonjaneni Municipality's finances to a sustainable position, some of which are likely to be painful. We owe it

to future generations to ensure that we are good stewards of our municipal's resources and that they do not have to pay for faults in our decision-making. The municipality has no projects with committed funding, which are not on the Municipal Budget, from other Sector Departments/Funding agents aligned to DORA

### The financial recovery Plan is attached

Table 83: Operating expenditure over a period of three (3) years

Financial Year	2021-22	2022-23	2023-24
Amount	R157.4million	R 160.2million	R 168.3million

- **Employees and councillors related costs.** This is attributable to a combination of the salary increases year on year and the filling of vacancies during the financial year. This type of expenditure contributes 38% to the current total operating expenditure. An employees and councillors remuneration cost have increased by 6.25% during the 2020/21 financial year and also is expected to increase by 4.9% by 2021/22 financial year.
- **Contracted services costs.** Contracted services has been widened in terms of the mSCOA classification and includes amongst others the costs of, security services, catering services, contracted repairs and maintenance services, leased vehicles, event coordinators . As part of the compilation of the 2021/22 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. This expenditure costs contribute 11% to the current total operating expenditure.
- **Bulk purchases costs.** The purchase of bulk electricity contributes 16% to the current total operating expenditure, which is 2% increase from prior financial year.

### **Spending of capital grants**

The capital budget is committed largely on new infrastructure projects and the renewal of existing capital assets. The Council have estimated a capital budget of R43.8 million in 2021/22 and had approved capital budget of R39.9million in 2020/21 and R39.9 million in 2019/20. The municipality had spent all capital grants funding (100% spent) in 2019/20 financial year and expected to also to spend 100% in both 2020/21 and 2021/22 financial years.

### **Fruitless and wasteful expenditure**

The municipality had incurred fruitless and wasteful expenditure over the years. This type of expenditure is resultant from penalties and interest charged accounts due to late payment of a particular invoice or statements. Major portion of this expenditure is from interest charged by Eskom on accounts that were paid after due dates as per their statements.

Table 84: Fruitless and wasteful expenditure incurred over the period of three years

Financial Year	2019-20	2018-19	2017-18
Amount	R 990 712	R 341 816	R 0

## 9.4 Supply Chain Management

Mthonjaneni Municipality has a fully functional Supply Chain Management Unit that is responsible for Demand and Acquisition. The SCM is also responsible for management of contracts and management of inventory as kept in the municipal stores. The unit is housed within the budget and treasury with a manager responsible as per the approved organogram. The unit operates in line with the relevant pieces of legislation and other policy documents including the Supply Chain Management Policy as amended and adopted on 29 May 2019.

The unit reports to the management committee, finance portfolio committee, executive committee and full council through the chief financial officer. There are functional bid committee members appointed by the accounting officer on yearly basis. The current bid committees are as follows:

### 9.4.1 Bid Specification Committee

The committee sits as per section 26 (1) (a) of the Supply Chain Management Policy. It has the following members:

- Mr NW Zikhali (Manager Technical Services) – Chairperson
- Mr D Thomson
- Mr BCX Dladla
- Ms S.P. Ntuli
- Mrs N.B. Mathe
- Mr S. Mthimkhulu
- Mr NM Biyela – Secretariat

### 9.4.2 Bid Evaluation Committee

The committee is appointed by the Accounting Officer and sit in line with section 26 1 b of the Supply Chain Management Policy. It has the following members:

- Mr BD Mlondo ( SCM Manager) – Chairperson
- Mr WB Dube
- Mr SK Madlopha
- Mr AK Shandu
- Mr M.Z. Kunene
- Ms NPN Ngcobo - Secretariat

### 9.4.3 Bid Adjudication Committee

The committee is appointed by the Accounting Officer and sit in line with section 26 1 c of the Supply Chain Management Policy. It has the following members:

- Mr NM Myeni – CFO –Chairperson



- Mr S. Ntombela – CFO Nkandla
- Mr ZS Mthethwa – Director Corporate & Community Services
- Mrs SF Mchunu – Director Technical Services
- Mr NMP Nhleko – Manager Revenue
- Ms S Ntuli – SCM Practitioner
- Ms SG Hlophe – Secretariat

#### **9.4.4 Contract Management**

The SCM unit keeps and maintain the electronic contract register for all the municipal contracts. This is made in line with the provisions of the Municipal Finance Management Act, KZN Finance circulars and the municipal contract management policy. The register has 64 contracts including the expired contracts that are still there to for a five year term to lapse

There are challenges with contract management; however, an action plan has been developed to address challenges. A report from Provincial Treasury recommended that an action plan be developed to address these challenges. The action to be taken and pronounced in the action plan includes the following:

- a) SCM Manager to become the Champion
- b) Visit other neighbouring municipality to observe their processes
- c) Update contract register regularly with all contracts and payments made
- d) CMC to collect payments schedule from expenditure on 15<sup>th</sup> and month-end
- e) Issue single purchase orders for appointments with total amount
- f) Monitor payments & record service providers that have been paid in excess of R 200 000

#### **9.4.5 Stores & Inventory**

The municipality has stand-alone stores in the other building where all stores items/ inventory is kept. There two employees of the municipality being the stores controller and stores assist who are responsible for day to day inventory management. This is in line with the municipal inventory policy and relevant accounting policies.

#### **9.4.6 Cost containment measures**

The Municipality has developed a Cost Containment policy in order to regulate spending and to implement cost containment measures and regulations at Mthonjaneni Local Municipality.

The objectives of this policy are to ensure that the resources of the municipality are used effectively, efficiently and economically;

#### **9.5 Assets**

The Municipality has put aside R39.6 Million for municipal infrastructure assets. This will assist the municipality in providing the electricity in more citizens. The maintenance of the assets is also budgeted at 4.9 million. This will assist to maintain the existing assets so that they are always on a good working condition.



Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2021/22 budget provides for in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality.

**Table 85: Repairs and maintenance expenditure y asset class**

**KZN285 Mthonjaneni - Supporting Table SA34c Repairs and maintenance expenditure by asset class**

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>	<b>1</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	1 699	1 150	5 650	5 650	4 400	4 664	4 874
Roads Infrastructure		-	-	959	750	5 150	5 150	4 100	4 346	4 537
Roads				959	750	5 150	5 150	4 100	4 346	4 537
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	740	400	500	500	300	318	337
<b>Community Assets</b>		-	-	-	400	200	200	-	-	-
Community Facilities		-	-	-	400	200	200	-	-	-
<b>Other assets</b>		-	-	1 130	800	1 150	1 150	1 100	1 166	1 248
Operational Buildings		-	-	1 130	800	1 150	1 150	1 100	1 166	1 248
<b>Computer Equipment</b>		-	-	5	30	30	30	-	-	-
Computer Equipment				5	30	30	30			
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
<b>Machinery and Equipment</b>		-	-	310	256	271	271	505	535	571
Machinery and Equipment				310	256	271	271	505	535	571
<b>Transport Assets</b>		-	-	1 065	700	1 000	1 000	400	706	793
Transport Assets				1 065	700	1 000	1 000	400	706	793
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land										
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	-	-	4 209	3 336	8 301	8 301	6 405	7 071	7 486

## 9.7 Summary of Auditor General's report on 2019/2020 Financial Statements

[Audit Report 2019/20 Attached](#)

## MTHONJANENI LOCAL MUNICIPALITY – AUDIT ACTION PLAN 2019/20 FINANCIAL YEAR

Type of Opinion Current Year (2019/20) : **Unqualified**

Type of Opinion Previous Year (2018/19) : **Unqualified**

### INTRODUCTION

For an action plan to properly produce the desired results, the transactions need to be divided into the two main classes:

(a) Financial Matters – which can be addressed in retrospect

(b) Non-financial Matters – This may not be adjusted in retrospect. For example if a deadline was not met, nothing can be done in retrospect but measures must be in place to avoid that in future.

Addressing (a) leads to a financially unqualified report whilst addressing both (a) and (b) leads to a clean audit report. Having a disclaimer may entail prioritizing (a) so as to improve the audit opinion.

Nature Of Audit Query	Audit Query					Audit Response (Quarter 1)	Audit Response Progress (30 April 2021)	Audit Response Progress (31 May 2021)
1. Irregular expenditure/Fruitless and wasteful expenditure incurred in the prior year was not prevented from recurring in the current year	Section 62(1)(d) of the MFMA requires that, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that unauthorized irregular or fruitless and wasteful expenditure and other losses are prevented.					<b><u>ACTION TO BE TAKEN</u></b> The municipality appointed the senior manager from Nkandla Municipality as per the amendment to serve on our bid adjudication committee in June 2020 and the BAC committee is now well constituted. Interest on overdue accounts to be closely monitored.  <b><u>Responsible Official</u></b> SCM MANAGER , DB Mlondo ,MEFR, A	The senior manager has been appointed, as the appointment letter has been submitted for review. However we did not receive the other POE requested (Minutes).  Interest on overdue account being monitored.	
	a) Irregular expenditure due to the bid adjudication committee not being composed appropriately was incurred in the 2018/19 year as well as the 2019/20 year as per the table below:							
		2018/19		2019/20				
	Transgression	Rand Value	Number of Instances	Rand Value of new instances	Number of new instances			

	<div>Regulation 29(2) non-compliance – BAC Composition</div> <div>22 377 430</div> <div>15</div> <div>2 424 355</div> <div>6</div>		<div>Shandu, CFO, NM Myeni</div> <div>Target Date 30 April 2021</div>																
<div>Similar non-compliance was reported in the previous year</div> <div>b) Fruitless and wasteful expenditure due to interest from overdue accounts was incurred as follows in the 2018/19 and 2019/20 financial years:</div> <table><tr><td></td><td colspan="2">2018/19</td><td colspan="2">2019/20</td></tr><tr><td>Transgression</td><td>Rand Value</td><td>Number of Instances</td><td>Rand Value</td><td>Number of instances</td></tr><tr><td>Interest on overdue accounts</td><td>341 816</td><td>34</td><td>990 712</td><td>28</td></tr></table> <div>The expenditure manager did not implement a control to track invoices upon receipt to confirm that invoices are paid timeously to avoid the incurring of interest.</div>						2018/19		2019/20		Transgression	Rand Value	Number of Instances	Rand Value	Number of instances	Interest on overdue accounts	341 816	34	990 712	28
	2018/19		2019/20																
Transgression	Rand Value	Number of Instances	Rand Value	Number of instances															
Interest on overdue accounts	341 816	34	990 712	28															

<b>2. Irregular expenditure/fruitless and wasteful expenditure incurred in the prior year was not investigated or recovered from liable persons</b>	In accordance with section 32(2) b of the MFMA, the municipality must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure, In the case of irregular or fruitless and wasteful, is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council.		<b><u>ACTION TO BE TAKEN</u></b> In the last MPAC meeting held on 9 December 2020, the Municipal Manager was mandated to initiate investigation into Unauthorized, Irregular, and Fruitless & Wasteful Expenditure. Therefore, the process of investigation is still work in progress. <b><u>Responsible Officials</u></b> MM, MR SIBIYA  <b><u>Target Date</u></b> 30 May 2021								
	a)	Irregular expenditure incurred in years before the 2018/19 year was not investigated to determine if any persons were liable and if any monies were to be recovered from liable persons. The details are as follows:									
	<table><tr><td><i>Opening balance of irregular expenditure from prior years</i></td><td><i>87 923 008</i></td></tr><tr><td><i>Amount written off as irrecoverable (relating to 2018/19 year irregular expenditure)</i></td><td><i>28 696 843</i></td></tr><tr><td><i>Balance of irregular expenditure incurred before 2018/19 year not investigated or where audit evidence for investigation has not been supplied</i></td><td><i>59 26 165</i></td></tr></table>					<i>Opening balance of irregular expenditure from prior years</i>	<i>87 923 008</i>	<i>Amount written off as irrecoverable (relating to 2018/19 year irregular expenditure)</i>	<i>28 696 843</i>	<i>Balance of irregular expenditure incurred before 2018/19 year not investigated or where audit evidence for investigation has not been supplied</i>	<i>59 26 165</i>
	<i>Opening balance of irregular expenditure from prior years</i>	<i>87 923 008</i>									
	<i>Amount written off as irrecoverable (relating to 2018/19 year irregular expenditure)</i>	<i>28 696 843</i>									
<i>Balance of irregular expenditure incurred before 2018/19 year not investigated or where audit evidence for investigation has not been supplied</i>	<i>59 26 165</i>										
b)	Fruitless and wasteful expenditure incurred in the prior year was not investigated to determine if any persons are liable. The details are as follows:										
c)	<table><tr><td><i>Opening balance of fruitless expenditure from prior years</i></td><td><i>56 504</i></td></tr><tr><td><i>Fruitless and wasteful expenditure relating to 2018/19 year</i></td><td><i>341 816</i></td></tr><tr><td><i>Total prior years' fruitless and wasteful expenditure</i></td><td><i>398 320</i></td></tr></table>	<i>Opening balance of fruitless expenditure from prior years</i>	<i>56 504</i>	<i>Fruitless and wasteful expenditure relating to 2018/19 year</i>	<i>341 816</i>	<i>Total prior years' fruitless and wasteful expenditure</i>	<i>398 320</i>				
<i>Opening balance of fruitless expenditure from prior years</i>	<i>56 504</i>										
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<i>Total prior years' fruitless and wasteful expenditure</i>	<i>398 320</i>										

	<p>d) Unauthorised expenditure incurred I prior years has not been investigated. The details are as follows:</p> <table><tr><td>Opening balance as previously reported</td><td>33 129 821</td></tr><tr><td>Closing balance</td><td>33 129 82 1</td></tr><tr><td>Movement</td><td>0</td></tr></table> <p>Council and MPAC did not perform this legislated duties to investigate irregular and fruitless and wasteful expenditure tabled by management to determine the recovery thereof or if any persons are liable, in compliance with the MFMA</p>	Opening balance as previously reported	33 129 821	Closing balance	33 129 82 1	Movement	0			
Opening balance as previously reported	33 129 821									
Closing balance	33 129 82 1									
Movement	0									
<p><b>3. Consistency – Reporting for indicators is not based on planned targets</b></p>	<p>In accordance with the municipal systems act 41(1)(a) A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed:</p> <p>a) set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan.</p> <p>In addition, it is also required in terms of the Municipal Financial Management Act circular 13 and FMPPi that the key performance indicators and annual targets in the Service Delivery and Budget Implementation Plan and Annual Performance Report of the municipality should be consistent</p> <p>The table below set out discrepancies identified in the annual performance report which deviate from the requirements described above, and as an effect the annual performance report is not achieving consistency with the SDBIP.</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Agree- we will ensure that APR is reviewed adequately so as to ensure that it agrees with the SDBIP and the relevant adjustments should be made to the APR.</p> <p><b><u>Responsible Official</u></b> <b>SMP, MR KUNENE</b></p> <p><b><u>Target Date</u></b> 30 June 2021</p>								

	<b>Indicator per SDBIP</b>	<b>Target per SDBIP</b>	<b>Reported performance</b>	<b>Auditors Comments</b>			
	Ensure the gravelling of 5.3km -Nungwini rural Gravel Road in Ward 1 by 31 December 2019	Gravelling of 5.3km - Nungwini rural Gravel Road in Ward 1 by 31 December 2019	extension was granted to contractor	<ul style="list-style-type: none"> <li>- The reported performance is a reason for non – performance</li> <li>- The Kilometres completed by 31 December 2019 have not been reported on</li> </ul>			
	Ensure the gravelling of 5.5km - Manzawayo Gravel Road in Ward 5 by 31 December 2019	Gravelling of 5.5km - Manzawayo Gravel Road in Ward 5 by 31 December 2019	extension was granted to contractor	<ul style="list-style-type: none"> <li>- The reported performance is a reason for non – performance</li> <li>- The Kilometres completed by 31 December 2019 have not been reported</li> </ul>			
	Ensure the gravelling of 1.7km - Mfule Gravel Road in Ward 4 by 31 December 2019	Gravelling of 1.7km - Mfule Gravel Road in Ward 4 by 31 December 2019	Practical complete was issued	- The Kilometres completed by 31 December 2019 have not been reported			
	Ensure the rehabilitation of a total of 2.8km urban roads in wards 3 by 31 December 2019.	2,5 kilometres of urban road to be rehabilitated by 30 June 2020	Practical complete was issued	- The Kilometres completed by 31 December 2019 have not been reported			
	Ensure the eradication of electrification backlogs in Mthonjaneni by	500 connections completed by 30 June 2020	Pole planting has commenced do note that the connection will	- The connections completed by 30 June 2020 as per the target have not been reported			

	<i>providing 500 new connections to households in Thubalethu Township, for the first time by 30 June 2020 Multi-year project</i>		<i>commence one units are completed</i>																
<b>4. Unauthorized expenditure not disclosed</b>	<p>MFMA act define unauthorized expenditure in relation to a municipality, as expenditure incurred by a municipality otherwise than in accordance with section 15 or 11 (3), and includes—</p> <p>a) overspending of the total amount appropriated in the municipality’s approved budget;</p> <p>b) overspending of the total amount appropriated for a vote in the approved budget; expenditure from a vote unrelated to the department or functional area covered by the vote;</p> <p>Overspending has been identified in vote one, two, three, four and eight which totals to R 16 791 876 which has not been disclosed as unauthorised expenditure:</p> <table><tr><td></td><td><b>R</b></td></tr><tr><td>Vote 1 - Executive and Council</td><td>533 817,14</td></tr><tr><td>Vote 2 - Vote 2- Finance and administration</td><td>9 879 383,19</td></tr><tr><td>Vote 3 - Community and social services</td><td>4 018 903,59</td></tr><tr><td>Vote 4 - Public safety</td><td>1 246 331,23</td></tr><tr><td>Vote 8 - Waste management</td><td>1 113 441,35</td></tr></table>					<b>R</b>	Vote 1 - Executive and Council	533 817,14	Vote 2 - Vote 2- Finance and administration	9 879 383,19	Vote 3 - Community and social services	4 018 903,59	Vote 4 - Public safety	1 246 331,23	Vote 8 - Waste management	1 113 441,35	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Finding is noted as part of the audit plan to address this issue, overspending on votes will be prohibited directly from the system before the order is issued and monthly budget vs actual assessments will be performed going forward.</p> <p><b><u>Responsible Official</u></b></p> <p><b>MEFR, A SHANDU</b></p> <p><b>CFO, NM Myeni</b></p> <p><b><u>Target Date</u></b></p> <p>30 April 2021</p>	<p>Through observation we verified that, If there are limits on the votes that are reached then there is an override that needs to be authorized, the only person who can authorize is the CFO. Currently, the authority has been delegated to the Manager of reporting. Inspected the budget statements and noted that there is expenditure which exceed budget and thus need to be disclosed appropriately.</p>	
	<b>R</b>																		
Vote 1 - Executive and Council	533 817,14																		
Vote 2 - Vote 2- Finance and administration	9 879 383,19																		
Vote 3 - Community and social services	4 018 903,59																		
Vote 4 - Public safety	1 246 331,23																		
Vote 8 - Waste management	1 113 441,35																		

5. Indigent discrepancies identified	Section 64 of the MFMA requires that the accounting officer of a municipality is responsible for the management of the revenue of the municipality. The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure that the municipality has effective revenue collection systems consistent with section 95 of the Municipal Systems Act and the municipality's credit control and debt collection policy including having and maintaining a management, accounting and information system which-			<b><u>ACTION TO BE TAKEN</u></b> The register will be reviewed urgently and updated with all the queries that have been raised on these findings will be eliminated. Appointment of a service provider who will assist with vetting and application process of indigent register will be speed up. Indigent register and application process will be reviewed annually without fail. A check will be done to ensure if any beneficiaries that benefited from indigent rebates incorrectly will be calculated and reversed to increase revenue and receivables accordingly.  <b><u>Responsible Official</u></b> <b>CFO : N Myeni, RM: NHLEKO</b>  <b><u>Target Date:</u></b> 30 April 2021	No progress to date											
	(i) recognizes revenue when it is earned;															
	(ii) accounts for debtors; and															
	(iii) accounts for receipts of revenue;															
	and that the municipality has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed.															
	The indigent register was reviewed utilising computer aided auditing techniques (CAATS) which highlighted the following exceptions:															
	<table><tr><th>FINDING</th><th>CAATs reference</th><th>Number of debtors per the CAATS</th></tr><tr><td>1</td><td>Indigents listed as a deceased person on the NPR database.</td><td>91 Records</td></tr><tr><td>2</td><td>Indigents where the ID number could not be found on the NPR database.</td><td>139 Records</td></tr><tr><td>3</td><td>Indigents in the employment of one or another government department or organisation.</td><td>85 Records</td></tr></table>	FINDING	CAATs reference	Number of debtors per the CAATS	1	Indigents listed as a deceased person on the NPR database.	91 Records	2	Indigents where the ID number could not be found on the NPR database.	139 Records	3	Indigents in the employment of one or another government department or organisation.	85 Records			
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1	Indigents listed as a deceased person on the NPR database.	91 Records														
2	Indigents where the ID number could not be found on the NPR database.	139 Records														
3	Indigents in the employment of one or another government department or organisation.	85 Records														



	4	Indigents that has an interest in suppliers of government and/or municipalities.	1 Records				
	5	Indigents with an ID Number duplicated on the indigent register.	4 Records				
	6	Spouses of indigents that has an interest in suppliers of government and/or municipalities.	1 Records				
	Due to the possible invalid indigent status of debtors above, there is a possible material understatement of revenue and understatement of receivables to the municipality due to the invalid rebates granted to consumers. The municipality should determine the total of the rebates applied to invalid indigents and ensure that the appropriate remedy is instituted to recover lost monies.						
6. Maximum prices for COVID-19 procurement exceeded	As per MFMA circular number 102, the purpose of the circular was to:  1.2 Advise of emergency procurement procedures to deal with the Covid 19 pandemic, which was declared a national state of disaster (The Disaster) on 15 March 2020;  1.3 Avoid the abuse of the supply chain management (SCM) system to deal with the disaster;  1.4 advise of procurement procedures of Covid 19 PPE items and cloth masks for ease of supply by small, medium and micro enterprises and create an environment for stimulation of local supply and manufacturing; and  1.5 set the maximum prices to be paid by municipalities and municipal entities for selected			<b>ACTION TO BE TAKEN</b> The finding Noted, Currently we do not have a challenge of sourcing service providers and adhering to regulated prices for Covid19 PPE. The challenge was experienced in the first three months of the pandemic. Remedial action: AG Recommendation will be implemented.	Internal Audit is currently performing a comprehensive review of the Covid-19 expenditure.		

	<p>Covid 19 PPE items and cloth masks.</p> <p>Purchases were made which were related to COVID-19, that exceeded the maximum prices as set out in Annexure A of the MFMA circular number 102.</p> <p>Management did not ensure that goods and services were procured at reasonable prices</p>	<p><b>Responsible Official</b> <b>SCM Manager : D Mlondo</b> <b>CFO : N Myeni</b></p> <p><b>Target Date:</b> 30 April 2021</p>																														
<p><b>7. No evidence for advertisement of bids on the municipal website</b></p>	<p>SCM Regulation 22(1)(a) requires for an SCM policy to determine the procedure for the invitation of competitive bids which must stipulate that any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating local, the website of the municipality or municipal entity or any other appropriate ways (which may include advertisement in the Government Tender Bulletin)</p> <p>For the following competitive bids that were awarded by the municipality, advertisements on the municipality's website were not found by the auditor. Evidence for advertisement on the website was requested from the municipality and it was not received. Please see the table below:</p> <table><tr><th>Tender Number</th><th>Description</th><th>Service Provider</th><th>Award Value</th></tr><tr><td>M01</td><td>Supply &amp; Delivery of Technical Services Protective Clothing and Uniform</td><td>Bargain Uniforms</td><td>450 093,9</td></tr><tr><td>M02</td><td>Development of Roads Maintenance Plan and Policy</td><td>BI Infrastructure Cons.</td><td>664 930</td></tr><tr><td>M03</td><td>Supply, Delivery &amp; Offloading of Refuse bags</td><td>Snobho (Pvt) Ltd</td><td>Rates-based</td></tr><tr><td>M04</td><td>Supply &amp; Delivery of Cooperatives Material</td><td>Chico Man Trading</td><td>1 075 000</td></tr><tr><td>M05</td><td>Supply, Installation &amp; Maintenance of Traffic Cam.</td><td>TMT Services &amp; Sup.</td><td>Rates-based</td></tr><tr><td>M18</td><td>Transportation of waste from Melmoth transfer station</td><td>uHaqane MI</td><td>1 361 464</td></tr></table>	Tender Number	Description	Service Provider	Award Value	M01	Supply & Delivery of Technical Services Protective Clothing and Uniform	Bargain Uniforms	450 093,9	M02	Development of Roads Maintenance Plan and Policy	BI Infrastructure Cons.	664 930	M03	Supply, Delivery & Offloading of Refuse bags	Snobho (Pvt) Ltd	Rates-based	M04	Supply & Delivery of Cooperatives Material	Chico Man Trading	1 075 000	M05	Supply, Installation & Maintenance of Traffic Cam.	TMT Services & Sup.	Rates-based	M18	Transportation of waste from Melmoth transfer station	uHaqane MI	1 361 464	<p><b>ACTION TO BE TAKEN</b> Municipal website is outsourced, advertisement of bids will be monitored</p> <p><b>Responsible Official</b> <b>MR : D Mlondo</b> <b>CFO : N Myeni</b></p> <p><b>Target Date:</b> 30 April 2021</p>	<p>Through engagements with Management, we learned, notification is sent to the webhost to upload advert and also that the CFO has requested that brand partner allow the municipality to have the back end access so that they can place adverts on the website themselves, no progress with regards to the request.</p> <p>Internal Audit is currently performing a review of Supply Chain Management.</p>	
Tender Number	Description	Service Provider	Award Value																													
M01	Supply & Delivery of Technical Services Protective Clothing and Uniform	Bargain Uniforms	450 093,9																													
M02	Development of Roads Maintenance Plan and Policy	BI Infrastructure Cons.	664 930																													
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M18	Transportation of waste from Melmoth transfer station	uHaqane MI	1 361 464																													

	The SCM manager did not ensure that adverts for bids made on the website, where these were made, are kept on the website or that evidence existed for posting of adverts on the municipality's website			
<b>8. Disaster Recovery Plan not tested</b>	<p>A Disaster Recovery Plan (DRP) was in place; however, it had not been tested by the municipality to assess its effectiveness in recovering critical IT resources in the event of a disaster. Furthermore, the DRP requires updating as the server rooms have been merged into a single room and the DRP needs to be reflective of that.</p> <p>Without testing the DRP, the municipality may not be aware of any shortcomings in the plan and will not be able to assess its effectiveness in an objective and quantifiable manner. If the DRP is not reflective of the current IT environment at the municipality it may not be an adequate reference to effectively to restore IT systems. The risk has however not materialized during the 2019-20 year as there were Disaster no disruptions during the year that required the DRP to be invoked.</p>	<p><b><u>ACTION TO BE TAKEN</u></b>  DRP Implementation and testing will be outsourced because of lack of internal capacity.</p> <p>DRP to be updated</p> <p><b><u>Responsible Official</u></b>  IT Manager: S Mthimkhulu  CFO : N Myeni</p> <p><b><u>Target Date:</u></b>  30 May 2021</p>		

## 9.7 Financial Viability and Management SWOT Analyses

Table 86: Financial Viability & Management: SWOT Analysis

STRENGTHS	WEAKENESS
<ul style="list-style-type: none"> <li>▪ Municipality has a cash backed reserves</li> <li>▪ Reviewed indigent Policy.</li> <li>▪ Fully functional Supply chain unit.</li> <li>▪ The municipality does not have any borrowings.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Low rates base.</li> <li>▪ Limited staff in the financial department.</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>▪ Decrease its spending to generate more cash backed reserves.</li> <li>▪ Clean audit opinion.</li> <li>▪ Increase rate base by facilitating local economic development projects.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The financial viability of municipality.</li> </ul>

## 10. Good governance and public participation analyses

### 10.1 Provincial Programmes/ Priorities rolled-out at Municipal level

#### Operation Sukuma Sakhe

Mthonjaneni Municipality, under the leadership of its Municipal Political Champion, His Worship the Former Mayor, Councillor SBK Biyela launched the Operation Sukuma Sakhe, with the aim of changing the lives of the citizens of this municipality for the better.

The initiative is part of the provincial government Flagship Program known as Sukuma Sakhe aimed at integrating all departments to focus on solving community problems on the ground, starting with areas of abject poverty and making a difference by partnering with the communities.

Outcomes with regard to Operation Sukuma Sakhe functioning in Mthonjaneni Municipality:

- Local Task Teams (LTT) have been established
- War rooms in all thirteen wards have been established and are functional
- Training by the Office of the Premier was conducted to all LTT Members.
- Ward Aids Committees has been established

- Cases from war rooms are brought into the attention of the relevant sector departments for their intervention, through the LTT.
- All thirteen wards have been profiled by Community Development Workers.
- Administrative management members of the municipality have been allocated as coordinators of war rooms in all the thirteen wards.

### **Challenges**

- Minutes, Reports and Yearly plans are not submitted timeously by war room champions.
- Some representatives from sector departments do not attend war room and LTT meetings.

### **Batho –Pele Principles**

Batho Pele principles are a Government's initiative to improve the delivery of public services. Batho Pele means people first and the name was chosen specifically to emphasize that it is the foremost duty of those in the Public Service to serve all citizens of South Africa.

Mthonjaneni Municipality has appointed a designated Batho Pele Coordinator who will be ensuring that the implementation of BP principles is reflected in organisational strategic, operational, budgetary and Service delivery improvement plans. The Coordinator also ensures that regular monitoring and evaluation of progress with regards to all BP initiatives through regular reporting is achieved.

The municipality aspires to always uphold and implement the principles of Batho Pele and ensure the following:-

- a) Service Standards: To inform the communities within Mthonjaneni about the level and quality of services they will receive hence creating awareness of what is to be expected.
- b) Access: to ensure all Mthonjaneni citizens have equal access to services in a fair and just manner.
- c) Courtesy: To treat residents as number one customers.
- d) Information: To always publicise relevant information about our municipal programmes and services.
- e) Openness: To inform the people of Mthonjaneni about the operations of the municipality.
- f) Transparency: To be transparent and honest about what our municipality is able to deliver.
- g) Redress: To attend to backlogs which causes unsatisfactory to the people of our municipality based on ineffective service delivery.

### **Service Delivery Improvement Plan**

The following are top ten services that Mthonjaneni Municipality has identified for improvement. These services were identified during the IDP consultative meetings with the community.

**Table 87: Service delivery Improvement Plan**

<b>No</b>	<b>Service Identified</b>	<b>Intervention</b>

## **10.2 Public Participation Analyses**

### **IDP, LED, Budget, Disaster Road shows**

The purpose of these road shows was to seek input from communities in terms of their needs in areas including LED, Social Development, Basic Service Infrastructure. The purpose was also to review war room structures in all wards. These events are also utilised in order to promote and identify small businesses and co-operatives within the municipality via the Local Economic Development Programme.

### **10.3 Communication and customer satisfaction**

The Mthonjaneni Communication strategy was last reviewed during the 2018/2019 financial year and is being implemented. Participatory mechanisms identified in the communication strategy take place throughout the IDP process help the project to ensure that the process, plans, goals, and implementation of the planned intervention is inclusive, and importantly address the needs of marginalized groups and minorities to ensure non-discrimination and equality. Participation has built up ownership and partnerships which have made the projects that have been implemented within the community more sustainable.

During the IDP process, participation is implemented during the assessment and planning phase to help gather relevant data to define development challenges and to identify vulnerable groups, map out root causes, and set priorities.

The integrated development planning process provides a forum for identifying, discussing and resolving the issues specifically aimed at uplifting and improvement of conditions in the under-developed parts of the municipality area. In order to ensure certain minimum quality standards of the IDP, and a proper coordination between and within spheres of government, the preparation of the Process Plan has been regulated in the Municipal Systems Act (2000). Municipal Departments participate throughout the process by contributing relevant aspects of their sections.

The objective of the IDP process is to facilitate deliberations resulting in decisions being made on the strategic development direction of the municipality and includes issues such as municipal budgets, land management, promotion of local economic development and institutional transformation in a consultative, systematic and strategic manner. The IDP, however, will not only inform municipal management; it is intended to guide the activities of any agency from other spheres of

government, corporate service providers, NGOs and the private sector within King Cetshwayo district.

#### **10.4 Internal audit**

The Internal Audit selects key performance area to be assessed. Portfolio of Evidence is then collected from HOD's which reflects the work done in a specific term or year. For purposes of completeness, the process which is typically followed when a specific area is selected for audit is as follows:

- A pre-scoping meeting is held with the HOD and other senior officials of the relevant department in which the audit objectives and outcomes are discussed;
- A scoping document is then prepared which is approved by the relevant HOD;
- Fieldwork commences. During this process regular interaction with relevant officials takes place;
- 

After completion of the fieldwork a draft report is prepared for discussion with the HOD and senior officials. The purpose of this discussion is to iron out any errors or differences of opinion and to obtain managements' comments and implementation commitments;

These reports are collated on a quarterly basis and presented to the Municipal Manager and other senior officials for discussion and final approval;

These approved reports are then tabled at the next Audit Committee meeting for discussion.

#### **10.5 Audit committee**

An Audit Committee has been established and is currently operational. The municipality has also appointed the Internal Audit Manager who ensures that the function of the Audit committee is effective and the findings and remedial actions are communicated with all relevant structures and also reports to the Council. The Audit committee also comprises of three external members.

Audit of performance of all departments within the municipality is also done on quarterly basis and reported to all Council committees.

#### **10.6 Risk management**

Risk management, a Corporate Governance imperative, is one of Management's core responsibilities in terms of Section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of the Municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of the Municipality. It also focuses on reducing materialized risks to acceptable levels, as well as maximizing opportunities available to the organisation. When properly executed, risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

In order to enhance risk management processes to ensure a truly integrated and enterprise-wide approach, the City has approved and is annually reviewing its Enterprise Risk Management Policy and Strategy, which when applied, will ensure:

- more sustainable and reliable delivery of services;
- informed decisions underpinned by appropriate rigour and analysis;
- innovation;
- reduced waste;
- prevention of fraud and corruption;
- better value for money through more efficient use of resources;
- better outputs and outcomes through improved project and programme management;
- aligning risk tolerance and strategy;
- pursuing institutional objectives through transparent identification and management of acceptable risk;
- providing an opportunity to prioritise the risk management activity;
- enhancing risk response decisions;
- reducing operational surprises and losses;
- identifying and managing multiple and cross-enterprise risks;
- seizing opportunities; and
- increasing the probability of achieving objectives.

Enterprise Risk Management involves:

- Objective setting;
- Risk Identification;
- Risk Assessment;
- Risk Response;
- Communication and reporting; and
- Monitoring and review

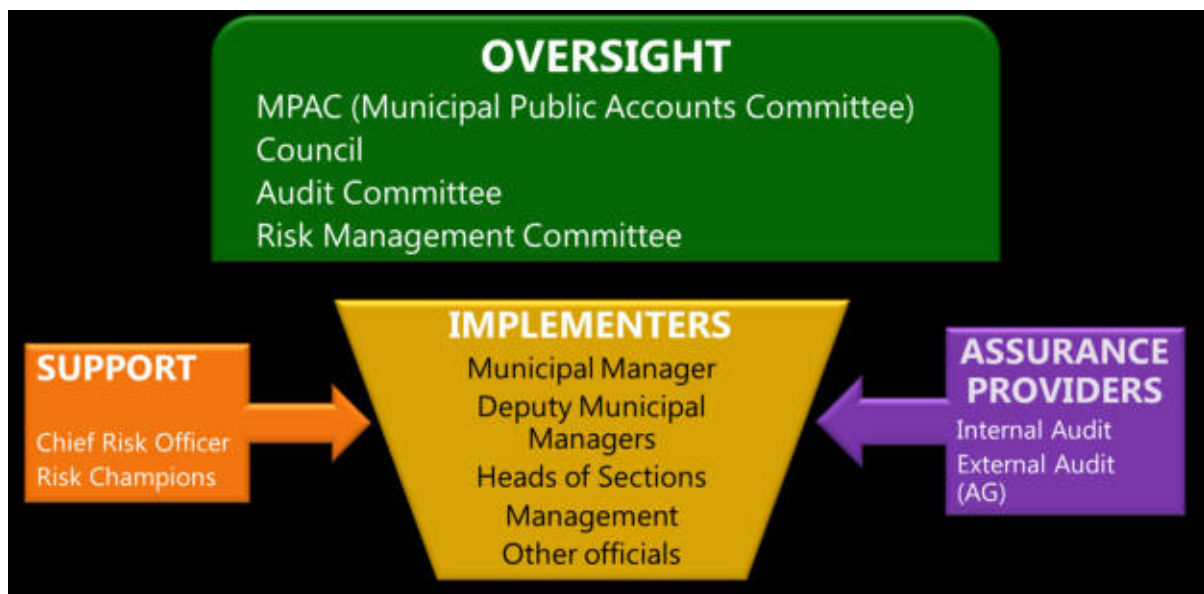
The functional key performance areas of the Enterprise Risk Management unit include:

- Enterprise Risk Management;
- Project Risk Management;
- Fraud Risk Management;
- Business Continuity Management; and
- Legal Compliance Risk Management

The municipality has in place an Enterprise Risk Management Committee reporting to the Audit Committee, Council and the Municipal Public Accounts Committee (MPAC) as oversight. The Chief Risk Officer co-ordinates activities and is in the process of setting up a fully functional Enterprise Risk Management Unit. Risk Champions in each department report to Management on risk management



matters and co-ordinate risk management activities in their respective business units. Continuous training and awareness is an important part of the process, affected to ensure that risk management is understood, embraced and integrated into the organizational culture- filtering from Top Management to all levels of staff. Risk Assessments are conducted, reviewed and updated annually and on a continuous basis- and are carried out on both a strategic and operational level to ensure a thorough approach. The Municipal Manager is the ultimate Chief Risk Officer and is responsible for championing risk management and ensuring that its activities are monitored through performance management throughout the organization.



### 10.7 Integrated Development Planning

Mthonjaneni Municipality has an established IDP Steering committee which is functional. This committee consisting of senior managers representing each municipal department has a huge role in ensuring that the IDP process is adhered to. They serve as a technical team responsible for various functions including but not limited to the following:

- The development and implementation of IDP process plan
- Planning of IDP road shows
- Coordinate the development review of Sector Plans
- Ensure credibility of reports/plans in the integrated development plan
- Attend to MEC comments on the IDP
- Ensuring alignment between the IDP and Budget
- Proofreading the document before submission to other committees

The Senior Manager Planning of the Municipality chairs the meeting and monitors its performance; the following are members of the IDP Steering Committee, which seats on a monthly basis: the following are members of the IDP Steering Committee, which seats on a monthly basis:

Table 88: IDP Steering Committee

<b>Name</b>	<b>Designation</b>	<b>Department</b>
Mr M.Z. Kunene	Senior Manager Planning	Technical & Planning Services
Mr Z.S. Mthethwa	Head of Department	Community & Corporate Services
Mrs S.F. Mchunu	Head of Department	Technical & Planning Services
Mr N.M. Myeni	Chief Financial Officer	Financial Services
Mr W.B. Dube	IDP/PMS Manager	Technical & Planning Services
Mr N. Biyela	Senior IDP/PMS Officer	Technical & Planning Services

### 10.8 Performance Management

Performance management is a strategic management approach that equips the Mayor, Municipal Manager, Heads of Departments, employees and stakeholders with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review the performance of the institution against indicators and targets for efficiency, effectiveness and impact. The PMS entail a framework that describes and represent how the municipality's cycle and processes of performance planning, monitoring, measurements, review, reporting and improvement will be conducted, organised and managed.

The core elements of the system are:

- Organizational PMS;
- Section 57 Performance contracts;
- Employee Performance Appraisal System
- IT System;
- Performance Audit Committee;
- Annual Report;
- Quarterly Reports
- Public Participation and internal and external communication mechanisms
- Performance scorecards at departmental levels for further development of departmental service delivery and budget implementation plans;
- Conducting PMS information session for general staff
- Linking the organizational and individual PMS

The Performance Management Framework has been developed and the PMS policy is in place. The Municipal Manager and Managers directly reporting to the Municipal Manager are required to sign Performance Agreements on annual basis.

Section 41(1)(a) and (b) of the Municipal Systems Act, requires a Municipality to (a) set appropriate key performance indicators as a yardstick for measuring performance including outcomes and impact of its development priorities and objectives.

(b) set measurable performance targets with regard to those development priorities and objectives.

Section 26(i) of the Municipal Systems Act requires that the Councils IDP reflects the key performance indicators and performance targets as determined in terms of Section 41 of the Act.

## **PERFORMANCE MANAGEMENT FRAMEWORK & PMS POLICY**

Both the Performance Management Framework and Policy outlined the objectives and principles of Mthonjaneni Municipality PMS.

The **objectives** of the Mthonjaneni PMS are as follows:

- Facilitate increased accountability among the citizens, political and administrative components of the municipality,
- Facilitate learning and improvement through enabling the municipality to employ the best approaches for desired impact and improve service delivery.
- Provide early warning signals in case of a risk against implementation of the IDP and ensuring that the system itself makes provision for Council to be timeously informed of risks for facilitation and intervention.
- Facilitate decision-making through an appropriate information management mechanism enhancing efficient, effective and informed decision making, especially in allocation of resources.

The performance management system is guided by the following principles:

### **Simplicity**

The system will need to be kept as simple as possible to ensure that the municipality can develop, implement, manage and review the system without placing an unnecessary great burden on the existing capacity of the municipality.

### **Politically acceptable and administratively managed**

The system must be acceptable to political role players on all levels. It must also be flexible enough to be accepted by the municipal council and to enjoy buy-in across political differences. The process will involve both Councillors and officials but the day-to-day management of the process will be managed administratively with regular report back on progress to the political level.

### **Implementable**

Considering the resource framework of the municipality, the PMS should be implementable with these resources, which will include time, institutional, financial, and technical resources.

### **Transparency and accountability**

The development and implementation of a PMS should be inclusive, transparent and open. The general public should, through the system, be made aware of how the operations of the municipality are being administered, how the public resources are being spent and who certain responsibilities belong to.

### **Efficient and sustainable**

The PMS should, like other services within the municipality, be cost effective and should be professionally administered, and needs to happen in a sustainable manner.

### **Public participation**

The constituency of the municipality should be granted their legal rights, in terms of the Constitution and the MSA, through encouragement of public participation by the municipality during the development and implementation of a PMS.

### **Integration**

The PMS should be developed and implemented in such a manner that it will be integrated with the integrated development process of the municipality and its employee performance management.

### **Objectivity**

The PMS to be developed and implemented must be developed on a sound value system with the management of the system and the information it is based upon being objective and credible.

### **Reliability**

The PMS should provide reliable information on the progress made by the municipality in achieving the objectives as set out in its IDP.

## **PERFORMANCE AND AUDIT COMMITTEE**

The Mthonjaneni Municipality has the Audit committee in place to audit performance measures. It consists of 10 members and meets quarterly.

## **ANNUAL REPORT**

The Annual Report for the 2018/2019 financial year has been prepared by the municipality using the guidelines from the National Treasury. The legislated process for preparing of the annual was followed. The action plan in response to the AG comments has been developed.

### **9.9 Back to basics**

The Inter-Ministerial Committee on Information and Publicity, former Cooperative Governance and Traditional Affairs Minister Pravin Gordhan said local government needs to go “back to basics” to improve on service delivery to South Africans.

The back to basics program is expected to focus municipalities on getting small things right such as fixing street lights, leaking taps and collecting refuse. It appears to be an attempt at breathing new life into municipalities after the failure of "operation clean audit", introduced in 2009.

The table below reflects a summary of the Mthonjaneni Municipal quarterly progress on back to basics indicators.

Table 89: Back to basics

	<b>5 PILLARS OF BACK TO BASICS</b>	<b>MTHONJANENI MUNICIPAL OBJECTIVE</b>
<b>1</b>	<b>PUTTING PEOPLE FIRST</b>	<b>Objective13.</b> To ensure that public participation structures are in place.  <b>Objective 11.</b> To provide sound external and internal communication.
<b>2</b>	<b>SERVICE DELIVERY</b>	<b>Objective 3.</b> To ensure the provision and maintenance of roads in rural and urban roads.
<b>3</b>	<b>GOOD GOVERNANCE</b>	<b>Objective 10.</b> To ensure that the Council is striving towards it vision and mission.
<b>4</b>	<b>SOUND FINANCIAL MANAGEMENT</b>	<b>Objective 9.</b> To be financially viable by increasing revenue and reducing debts
<b>5</b>	<b>BUILDING CAPABLE LOCAL GOVERNMENT INSTITUTIONS</b>	<b>Objective 7.</b> To create a viable and sustainable work environment

#### 10.10 Batho Pele

BATHO PELE is a concept which was officially pronounced by Government in 1997. It is an initiative to get public servants to be service oriented or customer focused, to strive for excellence in service delivery and to commit to continuous service delivery improvement.

BATHO PELE was designed as a transparent mechanism to allow customers to hold public servants/ officials accountable for the type of services they deliver. The White Paper on Transforming Public Service Delivery (1997) provides direction on how services should be rendered informed and guided by the eight principles (linked to the 8 transformation priorities of this government).

MTHONJANENI Municipality has appointed a designated Batho Pele Coordinator who will be ensuring that the implementation of BP principles is reflected in organisational strategic, operational, budgetary and Service Delivery Improvement Plans. The Coordinator also ensures that regular monitoring and evaluation of progress with regards to all BP initiatives through regular reporting is achieved.

The municipality aspires to always uphold and implement the principles of Batho Pele and ensure the following:-

- a) Service Standards: To inform the communities within Mthonjaneni about the level and quality of services they will receive hence creating awareness of what is to be expected.
- b) Access: to ensure all Mthonjaneni citizens have equal access to services in a fair and just manner.
- c) Courtesy: To treat residents as number one customers.
- d) Information: To always publicise relevant information about our municipal programmes and services.
- e) Openness: To inform the people of Mthonjaneni about the operations of the municipality.
- f) Transparency: To be transparent and honest about what our municipality is able to deliver.
- g) Redress: To attend to backlogs which causes unsatisfactory to the people of our municipality based on ineffective service delivery.

#### **10.11 IGR**

##### **King Cetshwayo IGR structures**

In terms of the Intergovernmental RELATIONS framework Act (no 13 of 2005) all municipalities must establish “intergovernmental forum” to promote and facilitate intergovernmental relations between the municipality and local municipalities in the district. The legislation further indicates that the role of the forum is to serve as a consultative forum for the locals within to discuss and consult each other on matters of mutual interest. Mthonjaneni Municipality participates in the various structures established by King Cetshwayo Municipality namely:-

- GIS Forum
- Sports Forum
- Mayors Forum
- IDP Forum
- Disaster Management Forum
- CFO Forum
- Technical Committee
- Communication forum

##### **Provincial IGR structures**

The municipality also participates in the following provincial IGR structures

- MUNIMEC
- PREMIER COORDINATING FORUM

#### **10.12 WARD COMMITTEES**

The Municipal Ward Committees were established between October and December 2016, just after the inauguration of the Councillors that were elected during the 2016 local government elections. This was done in order to ensure good

governance and effective community participation. The Ward Committees also underwent training in February 2017 in order to ensure capacitation and that participation is attained in Mthonjaneni, the Ward committees are operational.

Ward committees report regularly on monthly basis on their functionality. These reports are monitored and filed by the municipal public participation unit. There is also an ongoing monthly joint ward committee meeting that sits on the first week of each month.

### **10.13 Good Governance and Public Participation: SWOT Analyses**

#### **Strengths**

- Approved policies and procedures
- All section 89 and 80 committees in place
- Relationship with traditional authority
- Corruption free administration

#### **Weakness**

- Public participation mechanisms not effective
- Poor Intergovernmental relations
- Youth Policy not in place
- Poor sector involvement

#### **Opportunity**

- New Councillors bringing fresh thinking / insight
- Better working relationships between the Council and Management
- The establishment of the Mayors protocol will improve the IGR in the municipality

#### **Threats**

- Lack of capacity to enforce bylaws
- Risks pertaining to corruption, solvency, profitability and liquidity.

## **11. Cross Cutting (Spatial, Environment and Disaster Management)**

### **11.1 Town Planning**

Mthonjaneni municipality had appointed a Senior Town planner. Planner is responsible for spatial developments, planning development with have the sub section such as Geographic Information System GIS, Building inspectorate, Performance Management System and Integrated Development Plan.

### **11.2 Geographical Information system**

Mthonjaneni municipality does not have a GIS unit. This function is shared with the KCDM. However we do have a GIS Intern, on a two year contract with the Department of Cooperative Governance and Traditional Affairs. She assists with all

the related GIS related matters (Mapping, data collection, capture, maintenance and manipulation).

### **11.3 Building Inspectorate**

Mthonjaneni municipality have the responsibility to inspect all development within the municipality .The building plans for the developments should be submitted to the municipality ,inspection should be done and occupancy certificates to be issued as per the National Building Regulations and standard act 103 of 1977.

### **11.4 Fire and Disaster Management**

The fire and disaster management policy is attached as annexure

### **11.5 Environmental health**

The municipality does not have the health inspectorate but this is a shared service with KCDM. Currently there is a Youth Environmental Coordinator that is appointed by the department of environmental affairs to assist the municipality with environmental and waste matters. She is under a three year contract under a Youth Community Outreach Programme, the environmental coordinator focuses on the illegal dumps/hotspots within the Mthonjaneni area, she is also doing education and awareness in schools and community.

### **11.6 Cross Cutting: SWOT analyses**

<b>Strengths</b> <ul style="list-style-type: none"><li>• Political stability</li><li>• Community participation</li></ul>	<b>Weaknesses</b> <ul style="list-style-type: none"><li>• Illiteracy</li><li>• LED &amp; Tourism</li></ul>
<b>Opportunities</b> <ul style="list-style-type: none"><li>• Capital projects</li><li>• Financial management</li></ul>	<b>Threats</b> <ul style="list-style-type: none"><li>• Water &amp; sanitation</li><li>• Unemployment</li><li>• Job opportunities</li></ul>

## **CHAPTER E – Implementation Plan**

### **12. Financial Plan**

#### **12.1 Budget Summary**



Table 90: Budget summary

KZN285 Mthonjaneni - Table A1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	9 789	11 431	13 453	19 931	19 931	19 931	-	31 383	38 199	40 873
Service charges	20 935	21 985	22 284	32 038	32 038	32 038	-	34 703	35 784	36 389
Investment revenue	2 176	1 347	6 900	750	750	750	-	900	954	1 021
Transfers recognised - operational	71 384	79 370	76 672	85 379	85 379	85 379	-	89 815	92 940	97 172
Other own revenue	37 751	13 129	3 789	5 859	13 907	13 907	-	14 828	15 503	16 559
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>142 035</b>	<b>127 262</b>	<b>110 871</b>	<b>144 977</b>	<b>153 127</b>	<b>153 127</b>	<b>-</b>	<b>171 429</b>	<b>184 380</b>	<b>195 214</b>
Employee costs	33 195	42 913	51 214	53 418	53 168	53 168	-	57 210	60 040	64 878
Remuneration of councillors	6 441	7 637	8 350	9 209	9 209	9 209	-	9 259	9 811	10 498
Depreciation & asset impairment	14 437	15 245	17 439	10 145	10 145	10 145	-	10 449	11 076	11 552
Finance charges	-	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	20 223	21 541	22 303	28 932	28 610	28 610	-	27 997	29 577	31 494
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	30 635	55 237	54 615	39 939	45 147	45 147	-	48 756	51 534	55 116
<b>Total Expenditure</b>	<b>154 930</b>	<b>143 573</b>	<b>153 971</b>	<b>141 702</b>	<b>144 399</b>	<b>144 399</b>	<b>-</b>	<b>153 662</b>	<b>162 797</b>	<b>173 536</b>
<b>Surplus/(Deficit)</b>	<b>(12 895)</b>	<b>(16 311)</b>	<b>(37 100)</b>	<b>3 275</b>	<b>8 728</b>	<b>8 728</b>	<b>-</b>	<b>17 767</b>	<b>21 583</b>	<b>21 677</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	37 309	32 278	35 749	33 033	33 033	33 033	-	32 939	31 150	33 040
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	54 721	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>79 225</b>	<b>15 987</b>	<b>(3 351)</b>	<b>36 308</b>	<b>41 791</b>	<b>41 791</b>	<b>-</b>	<b>50 928</b>	<b>52 748</b>	<b>54 217</b>
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>79 225</b>	<b>15 987</b>	<b>(3 351)</b>	<b>36 308</b>	<b>41 791</b>	<b>41 791</b>	<b>-</b>	<b>50 928</b>	<b>52 748</b>	<b>54 217</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	34 242	-	-	35 153	35 154	35 154	-	39 434	51 472	54 499
Transfers recognised - capital	34 242	-	-	33 033	33 033	33 033	-	32 939	31 150	33 040
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	3 125	2 131	2 131	-	6 496	20 320	21 459
<b>Total sources of capital funds</b>	<b>34 242</b>	<b>-</b>	<b>-</b>	<b>38 186</b>	<b>38 186</b>	<b>38 186</b>	<b>-</b>	<b>39 434</b>	<b>51 472</b>	<b>54 499</b>
<b>Financial position</b>										
Total current assets	87 602	49 107	47 792	50 613	59 080	59 080	-	-	-	-
Total non-current assets	186 468	353 020	371 772	415 373	415 622	415 622	-	-	-	-
Total current liabilities	26 848	17 101	31 316	17 101	17 400	17 400	-	-	-	-
Total non-current liabilities	2 748	7 868	9 324	7 868	8 882	8 882	-	-	-	-
Community wealth/Equity	284 800	377 158	378 924	441 017	452 360	452 360	-	-	-	-
<b>Cash flows</b>										
Net cash from (used) operating	27 424	25 133	34 001	45 055	43 627	43 627	-	55 121	52 516	(19 219)
Net cash from (used) investing	(84 242)	(41 735)	(34 987)	-	(14 171)	(14 171)	-	6 219	(30 177)	(32 936)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/loan equivalents at the year end	36 662	3 630	2 694	45 055	30 934	30 934	-	23 102	45 441	(5 714)
<b>Cash/loan equivalents surplus reconciliation</b>										
Cash and investments available	30 000	1 529	2 694	7 951	25 122	25 122	-	-	-	-
Application of cash and investments	(38 110)	(23 502)	(18 116)	(20 933)	(14 837)	(14 837)	-	-	-	-
<b>Balance - surplus (shortfall)</b>	<b>68 110</b>	<b>25 031</b>	<b>20 810</b>	<b>34 014</b>	<b>40 059</b>	<b>40 059</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Asset management</b>										
Asset registers summary (WOW)	222 282	-	-	35 153	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Renewal and Upgrading of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level	-	-	-	-	-	-	-	-	-	-
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	0	0	0	0	0	0	0	0	0	0
Refuse:	13	13	13	13	13	13	13	13	13	13

## 13. Capital Budget Summary

### 13.1 Capital Expenditure

**Table 91: Capital Expenditure**

KZN285 Mthonjaneni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
<b>Revenue - Functional</b>										
Governance and administration		140 046	79 475	81 331	103 524	106 622	106 622	121 554	133 597	140 654
Executive and council		6 315	-	-	-	-	-	-	-	-
Finance and administration		133 731	79 475	81 331	103 524	106 622	106 622	121 554	133 597	140 654
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		3 280	24 902	1 626	5 673	7 173	7 173	10 386	11 007	11 760
Community and social services		3 280	810	1 035	1 119	1 119	1 119	1 180	1 248	1 315
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	24 093	591	4 554	6 054	6 054	9 207	9 759	10 442
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		62 440	23 167	23 614	20 813	24 313	24 313	22 720	22 152	23 250
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		62 440	23 167	23 614	20 813	24 313	24 313	22 720	22 152	23 250
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		28 390	32 045	47 049	48 000	48 051	48 051	49 704	48 786	52 361
Energy sources		28 972	30 651	45 257	46 066	46 066	46 066	47 542	46 601	50 023
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 418	1 154	1 782	1 912	1 953	1 953	2 061	2 185	2 338
Other	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	234 155	159 560	153 620	173 010	176 160	176 160	204 365	215 542	226 054
<b>Expenditure - Functional</b>										
Governance and administration		76 783	56 769	74 247	63 671	66 439	66 439	66 820	70 723	75 617
Executive and council		21 051	19 377	22 120	19 542	19 371	19 371	17 063	15 087	19 353
Finance and administration		57 732	36 665	49 634	42 951	44 792	44 792	47 351	50 097	53 547
Internal audit		-	527	2 494	2 178	2 276	2 276	2 395	2 539	2 717
Community and public safety		37 538	23 307	24 030	24 266	23 723	23 723	27 093	26 719	30 729
Community and social services		34 560	11 936	12 108	10 503	9 495	9 495	11 967	12 706	13 596
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 976	11 369	11 922	13 753	14 226	14 226	15 106	15 013	17 133
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		11 945	34 980	23 973	22 374	26 731	26 731	29 330	31 090	33 266
Planning and development		-	1 231	2 165	4 303	4 675	4 675	7 064	7 486	8 012
Road transport		11 945	33 749	21 787	16 071	20 656	20 656	22 256	23 602	25 254
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		26 664	28 517	31 721	31 401	28 475	28 475	30 439	32 255	34 225
Energy sources		24 907	26 691	29 535	29 042	26 110	26 110	27 367	29 009	30 774
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 757	1 626	2 186	2 356	2 366	2 366	3 072	3 266	3 451
Other	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	154 930	143 573	153 971	144 792	144 368	144 368	153 682	162 797	173 836
<b>Sum/Deficit for the year</b>		79 225	15 987	(36 10)	28 218	31 792	31 792	50 683	52 745	52 218

## 14. Operational Budget Summary

### 14.1 Operating Revenue Framework

Mthonjaneni Local Municipality to continue improving the quality of service provided to its citizens it needs to generate the required revenue. In these tough times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceeds available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditure against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy
- Effective revenue management

- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 Of 2004) (MPRA)

**Table 92: Budgetd Financial Performance (Revenue and Expenditure)**

KZN265 Mthonjaneni - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Revenue By Source</b>											
Property rates	2	9 789	11 431	13 453	19 981	19 981	19 981	-	31 382	38 199	40 873
Service charges - electricity revenue	2	19 890	19 978	20 502	31 038	31 038	31 038	-	32 040	34 001	37 023
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	1 048	2 008	1 782	1 910	1 992	1 992	-	2 050	2 183	2 338
Rental of facilities and equipment		229	227	202	181	181	181	-	196	207	221
Interest earned - external investments		2 170	1 387	595	750	750	750	-	900	954	1 021
Interest earned - outstanding debtors		-	-	-	-	750	750	-	1 000	1 080	1 134
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		31 818	10 185	427	1 500	3 000	3 000	-	6 000	6 380	6 805
Licences and permits		1 023	1 672	1 544	3 054	3 054	3 054	-	3 207	3 399	3 637
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		71 384	79 370	76 872	85 379	85 379	85 379	-	89 815	92 949	97 172
Other revenue	2	3 374	1 055	1 534	1 134	4 634	4 634	-	3 226	3 418	3 657
<b>Gains</b>		608	-	-	-	2 348	2 348	-	1 000	1 000	1 134
<b>Total Revenue (excluding capital transfers and contributions)</b>		142 008	127 282	118 871	144 877	163 127	163 127	-	171 428	184 589	196 014
<b>Expenditure By Type</b>											
Employee related costs	2	33 195	42 913	51 214	53 418	53 168	53 168	-	57 216	60 549	64 878
Remuneration of councillors		6 441	7 637	8 350	9 299	9 299	9 299	-	9 299	9 811	10 498
Dep't impairment	3	-	-	-	3 900	3 900	3 900	-	3 900	4 134	4 423
Depreciation & asset impairment	2	14 437	15 245	17 489	10 145	10 145	10 145	-	10 446	11 076	11 852
Finance charges		-	-	-	-	-	-	-	-	-	-
Bulk purchases	2	20 223	21 541	22 303	26 705	23 258	23 258	-	24 421	25 586	27 439
Other materials	8	-	-	-	2 227	3 352	3 352	-	3 579	3 791	4 094
Contracted services		3 231	5 788	7 540	17 907	24 950	24 950	-	27 906	29 580	31 630
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4,5	77 404	50 449	45 975	18 042	16 296	16 296	-	16 958	17 870	19 052
<b>Losses</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		154 900	148 673	163 971	141 702	144 968	144 968	-	160 882	162 797	173 838
<b>Surplus/(Deficit)</b>		(12 896)	(18 291)	(37 100)	3 276	8 768	8 768	-	17 744	21 698	21 177
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		37 399	32 278	30 749	33 033	33 033	33 033	-	32 939	31 152	33 040
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		54 721	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		79 226	16 987	(861)	38 308	41 791	41 791	-	60 885	62 746	64 217
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		79 226	16 987	(861)	38 308	41 791	41 791	-	60 885	62 746	64 217
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		79 226	16 987	(861)	38 308	41 791	41 791	-	60 885	62 746	64 217
Share of surplus/(deficit) of associates	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		79 226	16 987	(861)	38 308	41 791	41 791	-	60 885	62 746	64 217

## Grants for Mthonjaneni Municipality

The table below shows the operating transfers and grants for Mthonjaneni Local Municipality as 2019 shown in the Division of Revenue Act and Provincial Gazette of transfers and of funds to municipalities. The municipality must ensure that it only budget for the transfers that are gazette.



Table 93: Transfers and grant receipts

KZN285 Mthonjaneni - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
National Government:		75 022	73 599	75 637	84 288	84 288	84 288	88 665	91 732	96 388
Local Government Equitable Share		63 837	67 317	70 979	79 412	79 412	79 412	83 914	88 932	92 888
Finance Management		2 738	2 850	2 850	2 850	2 850	2 850	2 800	2 800	3 000
EPWP Incentive		2 181	2 222	1 808	2 025	2 025	2 025	1 951	—	—
Demarcation Grant		7 286	6 210	—	—	—	—	—	—	—
Provincial Government:		738	771	1 035	1 081	1 091	1 091	1 150	1 207	1 284
Library Grant		738	771	1 035	1 081	1 091	1 091	1 150	1 207	1 284
District Municipality: [Insert description]		—	—	—	—	—	—	—	—	—
Other grant providers: [Insert description]		—	—	—	—	—	—	—	—	—
<b>Total Operating Transfers and Grants</b>	5	76 760	79 370	76 672	85 379	85 379	85 379	89 815	92 949	97 172
<b>Capital Transfers and Grants</b>										
National Government:		26 899	32 278	36 749	33 033	33 033	33 033	32 909	31 152	33 040
Municipal Infrastructure Grant (MIG)		18 899	24 278	21 749	18 033	18 033	18 033	17 909	19 152	20 040
Integrated Electrification Programme Grant		8 000	8 000	15 000	15 000	15 000	15 000	15 000	12 000	13 000
Provincial Government:		—	—	—	—	—	—	—	—	—
Other capital transfers/grants [Insert description]		—	—	—	—	—	—	—	—	—
District Municipality: [Insert description]		—	—	—	—	—	—	—	—	—
Other grant providers: [Insert description]		—	—	—	—	—	—	—	—	—
<b>Total Capital Transfers and Grants</b>	5	26 899	32 278	36 749	33 033	33 033	33 033	32 909	31 152	33 040
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		103 659	111 648	113 421	118 412	118 412	118 412	122 724	124 101	130 212

The diagram below shows the revenue by source through pie chart in terms of how much percentages does each revenue source contribute to total operating revenue of Mthonjaneni Local Municipality for 2020/2021 MTREF.

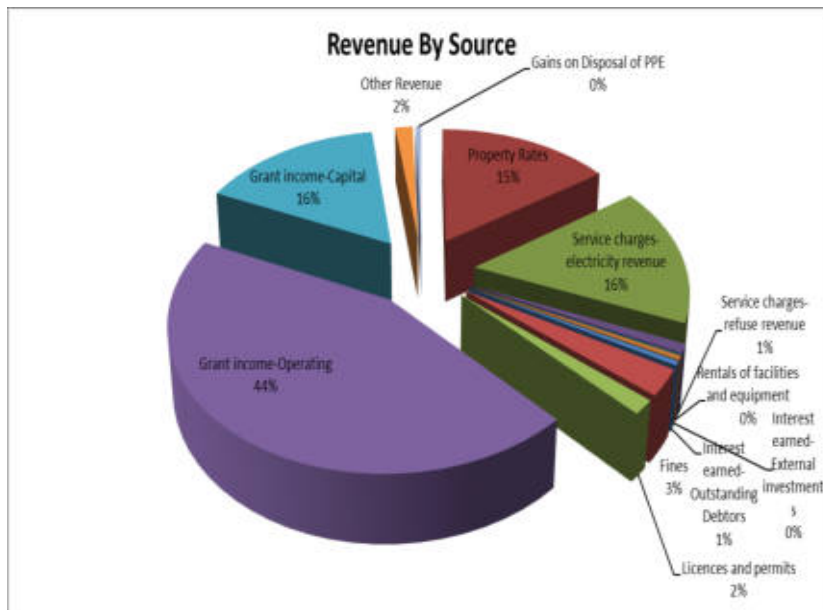


Figure 49: Revenue by source

## 15. Summary of Budget Policies

### 15.1 Review of Credit control and Debt collection Procedures/ Policy

The policy should set out ways in which the municipality intends to control and manage the recovery of outstanding debt due to council. This policy should be in place subjects to regular updates. The policy lays down the basis for distribution of accounts, collection procedures, interest and penalties to be charged in the event of non-payment, with strong focus on management reporting requirements pursuant of key legislative requirements and performance management.

### 15.2 Asset Management, Infrastructure Investment and funding Policy

This policy is deemed necessary in order to facilitate the effective management, control and maintenance of the assets. The policy is in place and is subject to regular review. The prime objectives of the policy are to ensure that the assets of Mthonjaneni Municipality are properly managed and accounted for by:

- Ensuring the accurate recording of asset information.
- The accurate recording of asset movement.
- Exercising strict control over all assets.
- Providing correct and meaningful management information.
- Compliance with Council's Insurance Policy and Payment Procedure.
- Effecting adequate insurance of all assets.
- Maintenance of Council's Asset.

### 15.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the City continues to deliver on its core mandate and

achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

#### **15.4 Supply Chain Management Policy**

The Reviewed Supply Chain Management Policy was adopted by Council on the 29<sup>th</sup> of May 2019. This was an annual review submitted to council as one of the budget related policies. The amendments had to incorporate continuous updates on the MFMA and related regulations. Areas such as Local Production and Content, Tax Matters and more were updated in line with the MFMA Circulars from National Treasury. The policy included other two parts being Preferential Procurement Policy and Code of Conduct for Supply Chain Management Practitioners and other Role Players.

#### **15.5 Virement Policy**

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Virement Policy was approved by Council and was amended during the 2018/2019 financial year to ensure compliance with mSCOA regulations.

There are a number of challenges which the Virement Policy brings about. It allows room for funds from very important Repairs and Maintenance projects to be moved around, simply because of no proper maintenance plans informing the very generous allocation of resources to this activity in the first instance. It generally allows the too liberal movement of funds from one project to another where there is no proper mandate/planning but emergency/ad hoc perceived needs/wants arise.

#### **15.6 Investment, Working capital and Capital replacement Reserves Policy**

The Mthonjaneni municipal Investment, Working Capital and Capital Replacement Reserves Policy was approved by Council during the 2016/17 financial year. The aim of the policy is to ensure that the City's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

#### **15.7 Tariff of Charges Policy**

The municipality's tariff policy provides a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy is amended and approved annually with the MTREF.

All the above policies are available on the municipal website, as well as the following budget related policies:

- Property Rates Policy;

- Trade Effluent Management Policy and
- Fraud Prevention policy.

## **16. Alignment of IDP with budget**

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the municipality, issues of national and provincial importance are reflected in the IDP for Mthonjaneni municipality. The municipality has a clear understanding of such intent, and is therefore consistently ensuring that strategically it complies with the key national and provincial priorities.

The IDP drives the strategic development of the Municipality. The Municipality's budget is fully influenced by the strategic objectives identified in the IDP. The service delivery budget implementation plan (SDBIP) ensures that the Municipality implements programmes and projects based on the IDP targets and associated budgets. The performance of the Municipality is tabled in its Annual report.

The 2017/2022 Fourth Generation IDP is a five year IDP for the term of office which is reviewed on an annual basis. Council is in a process of drafting the first review of the 2017/2022 which is 2020/21 IDP Review. Like the third generation IDP, the Fourth Generation is outcome based and built on the foundations of Government Priorities which includes National Development Plan, Provincial Development Plan, State of the Nation Address, State of the Province Address and other important government imperatives.

Through the IDP, Government priorities are translated in our strategic framework and escalated to Strategic Goals, Strategic Objectives, Strategies, Key Performance indicators, which are then further developed into programs and projects. This directly informs the municipal Service Delivery and Budget Implementation Plan. This fair alignment between IDP and Government priorities is confirmed through our budgeting, which takes into serious consideration the strategic objectives when budgeting.

The fourth generation IDP was developed with special consideration to the following aspects:

- Development of new council strategic agenda for long term aligned to NDP and PGDS;
- Development and review of IDP core sector plans;
- Implementation of the Economic Transformation Roadmap for uMhlathuze Municipality;
- Alignment with Government Priorities e.g. State of the Nation Address, KZN State of the Province Address, NDP, PGDP, DGDP, IUDF etc.;
- Community inputs received during the community outreach programs (IDP Road shows);
- MEC Letter with assessment comments on the Final IDP Review 2019/20;
- Self-Assessment;
- Different stakeholder comments and requirements; and
- Legislative compliance in terms of chapter, 4, 5 and 6 of MSA Act No 32 of 2000.

Council engaged with all relevant stakeholders to solicit views and inputs for the Mthonjaneni Fourth Generation IDP (2017/2022).

The IDP has been taken into a business and financial planning process leading up to the 2020/21 MTREF, based on the approved 2017/2022 MTREF, Mid-year Review and adjusted budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

The 2020/21 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 94: Reconciliation between the IDP strategic objectives and budgeted revenue**

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## **17. Funded Projects**

### **17.1 List of Major Municipal capital Projects for 2020/2021**



Table 95: 2019/2020 Projects currently under construction

WARD NUMBER	PROJECT	BUDGET
1	Nungwini gravel road	R8,6 million
2	Thubalethu extension housing project – 1120 houses	
3 & 7	Soqiwa/Makhasaneni electrification project phase 1 and phase 2	
4	Mfule gravel road	R4,3 million
5	Manzawayo gravel road	R5,9 million
3	Urban roads upgrade & Rehabilitation phase 5	R15,8 million
9	Mpevu community hall	R3,2 million
11	Gobihlahla creche	R2,5 million
12	Ntombokazi community hall	R2,8 million

Table 96: 2020/2021 Planned INEP Projects

Ward	Project Name	Planned connections	Budget
1	Nqekwane area	75	R1 500 000
2	Thubalethu Extension	608	R9 000 000
3	Ofankomo area	25	R500 000
4	Kataza area	50	R1 000 000
5	Umhlathuze area	25	R500 000
6	Dubeni area	25	R500 000
8	Inkisa area	25	R500 000
12	Ntombokazi area	50	R1 000 000
13	Sangoyana area	25	R500 00

## 17.2 Department of public works

Project Name	Client Department	Nature Of Investment	Ward	Area

## 17.3 Department of Education

Project Name	Ward	Programme Implementer	Nature of Investment	Total Project Cost

**17.4 Department of Social Development**

Project Name	Ward	Programme Implementer	Nature of Investment	Total Project Cost

**17.5 ESKOM Projects**

Project Name	Ward	Programme Implementer	Nature of Investment	Total Project Cost

**17.6 KZN Department of sports and Recreation**

Project Name	Ward	Programme Implementer	Nature of Investment	Total Project Cost

**17.7 Private Investment Projects**

Project Name	Ward	Programme Implementer	Nature of Investment	Total Project Cost

**SECTION E – ANNUAL OPERATIONAL PLAN – SDBIP**

The Departmental Scorecards are attached as annexure

**SECTION F – ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM****18. Annual Performance Report****18.1 Organisational Performance Management System**

## **Introduction and background**

Performance management is a strategic management approach that equips the Mayor, Municipal Manager, Heads of Departments, employees and stakeholders with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review the performance of the institution against indicators and targets for efficiency, effectiveness and impact. The PMS entail a framework that describes and represent how the municipality's cycle and processes of performance planning, monitoring, measurements, review, reporting and improvement will be conducted, organised and managed.

The core elements of the system are:

Organizational PMS;

- Section 57 Performance contracts;
- Employee Performance Appraisal System
- IT System;
- Performance Audit Committee;
- Annual Report;
- Quarterly Reports
- Public Participation and internal and external communication mechanisms
- Performance scorecards at departmental levels for further development of departmental service delivery and budget implementation plans;
- Conducting PMS information session for general staff
- Linking the organizational and individual PMS

The Performance Management Framework has been developed and the PMS policy is in place. The Municipal Manager and Managers directly reporting to the Municipal Manager are required to sign Performance Agreements on annual basis.

Section 41(1)(a) and (b) of the Municipal Systems Act, requires a Municipality to (a) set appropriate key performance indicators as a yardstick for measuring performance including outcomes and impact of its development priorities and objectives.

(b) Set measurable performance targets with regard to those development priorities and objectives.

Section 26(i) of the Municipal Systems Act requires that the Councils IDP reflects the key performance indicators and performance targets as determined in terms of Section 41 of the Act.

## **Performance Management Framework & PMS Policy**

Both the Performance Management Framework and Policy outlined the objectives and principles of Mthonjaneni Municipality PMS.

**The objectives of the Mthonjaneni PMS are as follows:**

- Facilitate increased accountability among the citizens, political and administrative components of the municipality,
- Facilitate learning and improvement through enabling the municipality to employ the best approaches for desired impact and improve service delivery.
- Provide early warning signals in case of a risk against implementation of the IDP and ensuring that the system itself makes provision for Council to be timeously informed of risks for facilitation and intervention.
- Facilitate decision-making through an appropriate information management mechanism enhancing efficient, effective and informed decision making, especially in allocation of resources.

The performance management system is guided by the following principles:

**Simplicity**

The system will need to be kept as simple as possible to ensure that the municipality can develop, implement, manage and review the system without placing an unnecessary great burden on the existing capacity of the municipality.

**Politically acceptable and administratively managed**

The system must be acceptable to political role players on all levels. It must also be flexible enough to be accepted by the municipal council and to enjoy buy-in across political differences. The process will involve both Councillors and officials but the day-to-day management of the process will be managed administratively with regular report back on progress to the political level.

**Implementable**

Considering the resource framework of the municipality, the PMS should be implementable with these resources, which will include time, institutional, financial, and technical resources.

**Transparency and accountability**

The development and implementation of a PMS should be inclusive, transparent and open. The general public should, through the system, be made aware of how the operations of the municipality are being administered, how the public resources are being spent and who certain responsibilities belong to.

**Efficient and sustainable**

The PMS should, like other services within the municipality, be cost effective and should be professionally administered, and needs to happen in a sustainable manner.

**Public participation**

The constituency of the municipality should be granted their legal rights, in terms of the Constitution and the MSA, through encouragement of public participation by the municipality during the development and implementation of a PMS.

### **Integration**

The PMS should be developed and implemented in such a manner that it will be integrated with the integrated development process of the municipality and its employee performance management.

### **Objectivity**

The PMS to be developed and implemented must be developed on a sound value system with the management of the system and the information it is based upon being objective and credible.

### **Reliability**

The PMS should provide reliable information on the progress made by the municipality in achieving the objectives as set out in its IDP.

### **Performance and Audit Committee**

The Mthonjaneni Municipality has the Audit committee in place to audit performance measures. It consists of 10 members and meets quarterly.

### **Annual Report**

The Annual Report for the 2018/2019 financial year has been prepared by the municipality using the guidelines from the National Treasury. The legislated process for preparing of the annual was followed. The AG comments and action plan in response to the AG comments are outlined in section F of this document.

### **Organisational PMS / Mthonjaneni 2020/2021 Draft Organisational Scorecard**

The objectives, key performance indicators and targets for 2020/2021 financial year for the Mthonjaneni Municipality are indicated on the Organisational scorecard. The Organisational Scorecard of the Municipality, as reflected below. The organisational scorecard reflects the following information relating PMS of the municipality:

- Line Ref: Indicate the line reference for each individual local key performance area OS means / refers to Organisational Scorecard.
- National KPA: Indicate the general National Key Performance Areas that are applicable to all local government sphere, they are also known as focus areas.
- Local KPA: Indicate Local Key Performance Areas that are applicable to the specific municipality, this area is also known as the focus area.
- Strategic Objective: Indicates the path for the desired outcome that the municipality will have an effect on.
- Measurable Objective: indicates the desired impact that the particular activity may have after implementation.

- Performance Indicator: Indicates the measurement that helps in assessing whether the desired outcome is either attained or not.
- Baseline: Refers to the current starting point i.e. Mthonjaneni baseline for the annual report will reflect the previous year, whether it's in place etc.
- Backlog: Refers to the outstanding task / challenge that the municipality is still facing currently.
- Target: Indicates the goal or milestone that must be achieved within a specified timeframe, it also known as the time bound measurement.
- Responsible Department: reflect the responsible departmental manager / Director within the Mthonjaneni Local Municipality.
- Financial Implication: reflects to cost related tasks, in this instance it indicates both the cost free and cost effective activities for the Mthonjaneni municipality.

The reason why the Mthonjaneni organisational scorecard is done as described above, is effected in order to ensure that the alignment between the IDP, PMS and Budget is attained and sustained, for the purposes of ensuring credible IDP for the municipality.

Below is the Mthonjaneni organization score card for the 2020/2021 financial year.

#### **19. Draft Organisational Scorecard (2020/2021)**

<b>Attached as an annexure</b>
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### **Section G: Status of Sector Plans and other Municipal Plans**

# **MTHONJANENI LOCAL MUNICIPALITY**



## **2021/22 TO 2023/24 FINAL MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS**

**Copies of this document can be viewed:**

- In the foyers of all municipal buildings
- At [www.mthonjaneni.org.za](http://www.mthonjaneni.org.za)

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## 1. DEFINITIONS

(1) In this Budget Report, unless the context indicates otherwise –

**“accounting officer”**

(a) in relation to a municipality, means the municipal official referred to in section 60 of the Municipal Finance Management Act, 2003; and include a person acting as the accounting officer;

**“allocation”**, in relation to a municipality, means -

(a) a municipality’s share of the local government’s equitable share referred to in section 214(1)(a) of the Constitution;

(b) an allocation of money to a municipality in terms of section 214(1)(c) of the Constitution;

(c) an allocation of money to a municipality in terms of a provincial budget; or

(d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

**“annual Division of Revenue Act”** means the Act of Parliament which must be enacted annually in terms of section 214 (1) of the Constitution;

**“approved budget”** means an annual budget -

(a) Approved by a municipal council; or

(b) Approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28;

**“basic municipal service”** means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

**“budget-related policy”** means a policy of a municipality affecting or affected by the annual budget of the municipality, including -

(a) The tariffs policy which the municipality must adopt in terms of section 74 of the Municipal Systems Act;

(b) The credit control and debt collection policy which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

**“budget year”** means the financial year for which an annual budget is to be approved in terms of section 16(1) of the Municipal Finance Management Act, 2003.;

**“chief financial officer”** means a person designated in terms of section 80(2)(a) of the Municipal Finance Management Act, 2003.

**“councillor”** means a member of a municipal council;

**“CPI”** means Consumer price Index.

**“current year”** means the financial year which has already commenced, but not yet ended;

**“debt”** means -

(a) a monetary liability or obligation created by a financing agreement, note, debenture, bond or overFinal, or by the issuance of municipal debt instruments; or

(b) a contingent liability such as that created by guaranteeing a monetary liability or obligation of another;

**“delegation”**, in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

**“district municipality”** means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality;

**“COGTA”** means Cooperative Governance and Traditional Affairs

**“EXCO”** means Executive Committee of the Council of the Municipality

**“GFS”** means General Financial Statistic.

**“financial year”** means a year ending on 30 June;

**“IDP”** means Integrated Development Plan

**“In year reports, in relation to-**

(a) a municipality means

- (i) a monthly budget statement of the municipality contemplated in section 71(1) of the MFMA
- (ii) a Quarterly report on the implementation of the budget and financial state of affairs of the municipality contemplated in section 52(d) of the act;
- (iii) a mid-year budget and performance assessment of the municipality contemplated in section 72 of the act.

**“investment”**, in relation to funds of a municipality, means -

- (a) The placing on deposit of funds of a municipality with a financial institution; or
- (b) The acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

**“lender”**, in relation to a municipality, means a person who provides debt finance to a municipality;

**“local community”** has the meaning assigned to it in section 1 of the Municipal Systems Act;

**“local municipality”** means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;

**“long-term debt”** means debt repayable over a period exceeding one year;

**“MANCO”** means management committee of the municipality

**“MFMA”** Municipal Finance Management Act, No. 56 of 2003

**“MFMA Regulations or (MBRR)”** means regulations relating to Municipal Budget and Reporting

**“MTEF”** means Medium Term Expenditure Framework

**“mayor”**, in relation to -

- (a) a municipality with an executive mayor, means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act; or
- (b) a municipality with an executive committee, means the councillor elected as the mayor of the municipality in terms of section 48 of that Act;

**“month”** means one of the 12 months of a calendar year;

**“municipality”** -

- (a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or (b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

**“municipal service”** has the meaning assigned to it in section 1 of the Municipal Systems Act;

**“Municipal Systems Act”** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

**“municipal tariff”** means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

**“municipal tax”** means property rates or other taxes, levies or duties that a municipality may impose;

**“National Treasury”** means the National Treasury established by section 5 of the Public Finance Management Act;

**“past financial year”** means the financial year preceding the current year;

**“NER”**, means the National Electricity Regulator;

**“Provincial Treasury”** means a treasury established in terms of section 17 of the Public Finance Management Act;

**“quarter”** means any of the following periods in a financial year:

- (a) 1 July to 30 September;
- (b) 1 October to 31 December;
- (c) 1 January to 31 March; or

(d) 1 April to 30 June;

**“Quality certificate”**, in relation to

(a) a municipality, means a certificate issued and signed by the municipal manager of the municipality confirming the accuracy and reliability of the contents of a document prepared or issued by the municipality

**“SDBIP”** means Service Delivery Budget Implementation Plan

**“standards of generally recognised accounting practice”** means an accounting practice complying with standards applicable to municipalities or municipal entities and issued in terms of Chapter 11 of the Public Finance Management Act;

**“vote”** means -

(a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and

(b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

# **1 Part 1 – Final Annual Budget**

## **1.1 Mayor's Report**

Honorable Speaker,

Thank you for giving me this opportunity to present the 2021/2022 MTREF Final budget and outer subsequence years for Mthonjaneni Municipality. Before I proceed Madam Speaker, allow me to greet Amakhosi aseNdlunkulu who are part of the meeting, Deputy Mayor Dlukula, Members of the Executive Committee, Councillors, Municipal Manager, Manyelela, Heads of Departments within our municipality, Officials and valuable members of our community and all other protocol observed.

We continue to urge Councillors, municipal staff and our community to be on high alert, resist covid19 fatigue, not be complacent and take health precautionary measures in order to curb the spread of this virus and avoid a third wave as we are approaching a winter season, observe and obey all Covid-19 protocols and regulations.

According to MFMA budget 2021/22 circulars 107 and 108 issued by National Treasury, the South African economy contracted by an estimated 7.2 per cent in 2020 compared with the 7.8 per cent contraction projected in the 2020 Medium Term Budget Policy Statement (MTBPS). The revised estimate results from easing lockdown restrictions in the third quarter and a faster-than-expected resumption of global growth, especially in China. The National Treasury projects real economic growth of 3.3 per cent in 2021, following an estimated contraction of 7.2 per cent in 2020. Real GDP growth is expected to moderate to 1.9 per cent in 2022 and 2023.

The outlook remains highly uncertain, and the economic effects of the pandemic are far-reaching. There were 1.7 million fewer jobs by the third quarter of 2020 compared to the same period in 2019. Rising unemployment and income losses have entrenched existing inequalities. GDP is only expected to recover to pre-pandemic levels in late 2023. High-frequency data for the third quarter, such as the volume of electricity distributed, mining and manufacturing output, business confidence and the ABSA Purchasing Managers' Index (PMI) shows evidence of a limited economic rebound.

The Municipality is still implementing the Municipal Financial Recovery Plan 2019/20 and Municipal Cost Containment Regulations, 2019 that were adopted by the Municipal Council with effect from 01 July 2019. The municipality proposed a range of expenditure reductions measures to restore the Mthonjaneni Municipality's finances to a sustainable position, some of which are likely to be painful. We owe it to future generations to ensure that we are good stewards of our municipal's resources and that they do not have to pay for faults in our decision-making.

Over the next three years, municipalities will have to adjust to significant changes in expenditure plans while improving accountability. The 2021 Budget protects transfers that focus on infrastructure, service delivery and COVID-19 spending while reducing those spent less effectively. The 2021 Budget includes funding for initiatives to improve municipal revenue collection and support financially distressed municipalities. The Municipality's core business is to enhance service delivery for our communities. Despite the limited resources at the disposal of the municipality this budget seeks to better service delivery to our community. We are aware of the challenges being faced by our people.

As we all know, the Municipality's infrastructure is aging, therefore, it becomes more critical that council is able to balance its finances in such a way that we are able to maintain the infrastructure and assets that we have. To this end the municipality is continuously seeking alternative sources of funding to renew this archaic infrastructure. Majority of our people lack basic necessities. It is therefore imperative that this Council puts the foot on the pedal for seeking partnership with other private sector and in pursuit of improving the lives of our people

as it is evident from the budget that we cannot do everything on our own with the limited financial resources we have.

We have managed in the past to spend accordingly and in full all the infrastructure grant monies allocated to us. Consequently, National Government decided in the last three years to give us a little bit more top up on Municipal Infrastructure grant from what was initially allocated to us. This was done because we respect and utilize tax payer's money accordingly. This is clear evidence that the leadership of this municipality is working tirelessly to improve the lives of the people of Mthonjaneni and is not condoning corruption and maladministration.

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. In March, NERSA approved a municipal tariff increase of 6.9 per cent effective 1 July 2020. The additional R10 billion that the courts have allowed Eskom to recover in the 2021/22 national financial year translates to a 15.6 per cent bulk increase over the national financial year. However, given that the increase only comes into effect in July for municipalities, NERSA typically allows a higher percentage increase so that Eskom can recover the additional allowable revenue from municipalities over 9 months before the national financial year ends. Therefore, the increase should be expected to be between 16 to 20 per cent. Municipalities can mitigate the negative impact of this increase by improving efficiencies on both the revenue collections and the spending side. The Eskom tariff increase pose a challenge to our community.

Mthonjaneni municipality implemented a new general valuation roll (GV 2020) with effect from 1 July 2020. This means all properties under the municipal jurisdiction were valued by the Municipality and entered in the new valuation roll which took effect on 1 July 2020. The GV 2020 Roll property values shall be valid for the period 1 July 2020 to 30 June 2025. All property owners were notified about GV 2020. However the top priority of this budget is to give relief and better service delivery to the people of Mthonjaneni Municipality, given the difficult economic conditions that still exist. The municipality therefore proposed 3.9% increase in property rates tariffs for 2021/22 financial year which is in line with the inflation projection for 2021/22.

Honorable members, the Auditor General Report for 2019/2020 proves without reasonable doubt that this municipality led by Inkatha Freedom Party is not corrupt and is working for the people of Mthonjaneni. People will also trust us on the 2021 local Government elections because they now know that their municipality is working for them and therefore they will vote for a party that develops them.

Despite the obstacles in front of us we are pleased to have put together a balanced, reliable, credible and funded budget under the circumstances. As the Council of Mthonjaneni Municipality we are committed to improving efficiency and implementation of sound financial management. In this regard the 2021/22 budget is being funded mainly from Government grants and a small portion from own revenue because our areas are largely rural and don't have much economic activity.

Summary of Final annual budget 2021/22 is as follows:

<b>Description</b>	<b>FINAL BUDGET 2021/2022</b>	<b>BUDGET 2022/2023</b>	<b>BUDGET 2023/2024</b>
Operational Revenue	R172.4 million	R177.8 million	R179.1 million
Capital Revenue	R39.7 million	R34.0 million	R35.8 million
<b>Total Revenue</b>	<b>R212.1 million</b>	<b>R211.9 million</b>	<b>R214.9 million</b>

Operational Expenditure	R164.7 million	R 167.6 million	R176.2 million
Capital Expenditure	R47.1 million	R 43.0 million	R37.2 million
<b>Total Expenditure</b>	<b>R211.8 million</b>	<b>R 210.5 million</b>	<b>R213.4 million</b>
<b>Surplus/(Deficit)</b>	<b>R307.9 thousand</b>	<b>R1.4 million</b>	<b>R1.4 million</b>

The planned projects for 2021/22 in terms of the Municipal Infrastructure and Electrification grants allocations are as follows:

No.	Project Description	Source of funding	Amount
1.	Sangoyane Sports Field- Ward 13	MIG	R1.38 million
2.	Ndundulu Gravel Road- Ward 8	MIG	R4.66 million
3.	Makhubalo Gravel Road-Ward 9	MIG	R3.12 million
4.	Ntlingwane Gravel Road-Ward 12	MIG	R3.96 million
5.	Mahehe Creche- Ward 1	MIG	R2.54 million
6.	Njomelwane Community Hall-Ward 3	MIG	R3.16 million
<b>TOTAL MIG ALLOCATION 2021/22</b>			<b>R18.83 million</b>
7.	Ngekwane Electrification Project-Ward 1 with 35 connections	INEP	R875 thousand
8.	Thubalethu 20MVA substation P-1, Ward 2	INEP	R10.0 million
9.	Ofankomo/Njomelwane Electrification Project-Ward 3 with 50 connections	INEP	R1.25 million
10.	Kataza Electrification Project-Ward 4 with 61 connections	INEP	R1.525 million
11.	Umhlathuze Electrification Project-Ward 5 with 100 connections	INEP	R2.5 million
12.	Edubeni Electrification Project-Ward 6 with 25 connections	INEP	R625 thousand
13.	Inkisa Electrification Project-Ward 8 with 85 connections	INEP	R2.125 million
14.	Ntombokazi Electrification Project-Ward 12 with 42 connections	INEP	R105 thousand
15.	Sangoyane Electrification-Ward 13 with 72 connections	INEP	R1.80 million
<b>TOTAL INEP ALLOCATION 2021/22</b>			<b>R20.805 million</b>

The above projects are expected to commence as from 1 July 2021.

The municipality will continue to provide free basic services such as 50 kilowatt of electricity to indigent households and to assist the indigent communities with burial assistance. We budgeted **R910 thousand** for this program. Each ward will have an allocation of **R70 thousand**.

We will continue with the program of assisting youth of Mthonjaneni with driver's licenses. Allow me to inform the meeting that to date, more than **300** beneficiaries have benefited from the program that the municipality undertook since 2017/18 financial year. This alone will change the lives of these young people and their families.

We will implement this program again where the municipality will take six (6) young people per ward. The budget for this project is **R352 thousand**. We will continue to sponsor first year students who are doing grade 12 for their higher education level, the council has put aside **R312 thousand** for these Bursaries. Among other things that we are planning to do is Mayoral Cup. We have put aside **R550 thousand** for the Mayoral Cup and for other sports development we budgeted **R310 thousand**.

We will host a youth summit and other youth activities during 2021/22 financial year, we have budgeted **R590 thousand** for it. We also budgeted **R 1.3 million** to host the Youth Festival/ Nyusi volume. We have put aside a budget of **R230 thousand** for Operation Sukuma Sakhe projects. We also have a budget of **R1.3 million** for Economic Development for our municipality. Young and emerging businesses will benefit on that project. We have put aside **R345 thousand** for uMkhosi woMhlanga should the COVID-19 restrictions be relaxed and gatherings be permitted. We have also budgeted **R353 thousand** for Senior Citizens. Also we budgeted **R700 thousand** for IDP/Budget Road Shows. As a norm, Early Child Development, HIV/AIDS, Disability, Zulu Dance, Heritage day, Tourism and various forums are allocated a budget of **R969 thousand** for their projects or activities.

The municipality budgeted **R1 million** for maintenance of Mthonjaneni urban roads & sidewalks and **R3 million** for plant hire to maintain all rural access roads. We have also budgeted **R200 thousand** for new cemetery feasibility study, **R500 thousand** for new cemetery construction and also budgeted **R300 thousand** for Integrated Waste Management Plan Review. The municipality budgeted **R2.2 million** for transport assets of the leadership and also budgeted **R500 thousand** to purchase a new registry filing management system.

In conclusion, I would like to thank all the Councillors for their invaluable contributions in this budget, the Municipal Manager, the Heads of Departments and all staff members who made the budget process a success. Honorable Councillors with those few words I have pleasure in tabling the 2021/2022 Final capital and operating budget for consideration and approval. It is now time to work smarter, harder and faster in delivering on our core mandate. Your continued support is a testimony and affirmation that we can do better in improving the quality of lives of our communities.

I thank you!. Siyathokoza!

**His Worship the Mayor**

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## 1.2 Council Resolutions

1. That in terms of section 16 of the Municipal Finance Management Act, 56 of 2003, the Final budget of the municipality for the financial year 2021/22; and indicative allocations for the two projected outer years 2022/23 and 2023/24; and the multi-year and single year capital appropriations be approved.
2. That in terms of section 24(2)(c)(i) of the Municipal Finance Management Act, 56 of 2003, and sections 74 and 75A of the Local Government Municipal Systems Act, 32 of 2000 as amended, that tariffs for electricity, Refuse removal, Property rates and other Services as set out in Annexure A be approved with effect from 1 July 2021.
3. That the Municipality's budget related policies remain unchanged.
4. That the Final budget 2021/22 in the prescribed format be submitted to National and Provincial Treasury after approval by Council.

## 1.3 Executive Summary

The application of sound financial management principles for the compilation of Municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

**MFMA Circular No. 107 & 108** States that the National Treasury projects real economic growth of 3.3 per cent in 2021, following an expected contraction of 7.8 per cent in 2020. Real GDP growth is expected to moderate to 1.7 per cent in 2022 and 1.5 per cent in 2023, averaging 2.1 per cent over the medium term. South Africa experienced its largest recorded decline in economic output in the second quarter of 2020 due to the strict COVID-19 lockdown. Real GDP fell by 17.1 per cent relative to the previous quarter (or 51 per cent on a seasonally adjusted and annualised basis), with all major sectors except agriculture declining. The second-quarter results were weaker than expected in the June 2020 special adjustments budget, which projected a contraction of 7.2 per cent in 2020.

**MFMA Circular No. 94** States that The GDP growth rate is forecasted at 1.5 per cent in 2019, 1.7 per cent in 2020 and 2.1 per cent in 2021. The revisions take into account weaker investment outcomes in 2018, a more fragile recovery in household income and slower export demand than expected due to moderating global growth. Consumer inflation has also been revised down due to lower oil prices and food inflation than previously assumed.

The main risks to the economic outlook are continued policy uncertainty and deterioration in the finances of state-owned entities. These factors, alongside continued high unemployment and slow growth will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is advised for municipal revenue projections. Municipalities affected by the drought should also consider its impact on revenue generation. In this context, municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.

**MFMA Circular No. 98** further states in addition to low growth, South Africa's biggest economic risk is Eskom. On-going problems with the utility's operations continue to disrupt the supply of electricity to households and businesses. Government has allocated significant resources to assist Eskom. With the immediate financial restraints lifted, the focus must be on operational



problems and restructuring Eskom into three separate entities. Doing so will mark the beginning of a transition to a competitive, transparent and financially viable electricity sector.

South Africa's public finances deteriorated over the past decade; a trend that accelerated in recent years as low growth led to large revenue shortfalls. For 10 years, the country has run large budget deficits. This has put us deeply in debt, to the point where interest payments have begun crowding out social and economic spending programmes. This cannot be sustained.

Government proposed a range of expenditure reductions to restore the public finances to a sustainable position, some of which are likely to be painful. We owe it to future generations to ensure that we are good stewards of our country's resources and that they do not have to pay for faults in our decision-making

National Treasury's MFMA Circulars no. 94 and no. 98 were used to guide the compilation of the 2020/21 MTREF.

The main challenges experienced during the compilation of the 2020/21 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Wage increases for municipal staff that continues to exceed consumer inflation.
- Ongoing problems with the utility's operations which continue to disrupt the supply of electricity to households and businesses.

## **1.4 Operating Revenue Framework**

For Mthonjaneni Local Municipality to continue improving the quality of service provided to its citizens, it needs to generate the required revenue. In these tough times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs, poverty and with the recent COVID 19 pandemic. The expenditure required to address these challenges will inevitably always exceeds available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditure against realistically anticipated revenues.

However the top priority of this budget is to give relief and better service delivery to the people of Mthonjaneni Municipality, given the difficult economic conditions that still exist. The municipality therefore proposed no increase in property rates tariffs for 2021/22 financial year to give relief to the community of Mthonjaneni as we are all still fighting with difficult economic conditions emanating from the COVID 19 pandemic

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy
- Effective revenue management
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 Of 2004) (MPRA) and,
- Municipal Revenue Enhancement Strategy.

The following table is a summary of the 2021/22 MTREF (classified by main revenue source):

**Table 1 Operating Revenue Framework**

KZN285 Mthonjaneni - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>	<b>1</b>										
<b>Revenue By Source</b>											
Property rates	2	11 431	13 453	19 981	31 382	31 382	31 382	31 382	32 606	33 976	35 471
Service charges - electricity revenue	2	19 976	20 502	31 088	32 642	32 642	32 642	32 642	33 916	35 340	36 895
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	2 008	1 782	1 962	2 060	2 060	2 060	2 060	2 147	2 238	2 336
Rental of facilities and equipment		227	262	181	147	437	437	437	450	477	510
Interest earned - external investments		1 367	696	750	900	1 100	1 100	1 100	1 200	1 272	1 361
Interest earned - outstanding debtors		-	-	750	1 000	1 500	1 500	1 500	1 900	2 014	2 155
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		10 165	427	3 000	3 600	1 603	1 603	1 603	1 003	1 064	1 138
Licences and permits		1 672	1 544	3 054	1 924	1 999	1 999	1 999	2 208	2 341	2 504
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		79 370	76 672	86 129	90 660	103 302	103 302	103 302	92 528	94 360	91 633
Other revenue	2	1 066	1 534	4 634	3 004	6 135	6 135	6 135	2 991	3 171	3 393
Gains		-	-	2 348	1 000	1 000	1 000	1 000	1 500	1 590	1 701
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>127 282</b>	<b>116 871</b>	<b>153 877</b>	<b>168 319</b>	<b>183 161</b>	<b>183 161</b>	<b>183 161</b>	<b>172 450</b>	<b>177 841</b>	<b>179 098</b>

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from operating statement, as inclusions of these revenue sources would distort the calculation of the operating surplus/deficit.

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. Property rates were increased by 3.9% which is the projected inflation rate for 2021/22 as the municipality implemented the new valuation roll in 1 July 2020 and also sold residential and commercial sites and the municipality anticipate an increase in property rate revenue base. Also service charges were increased by 3.9% for 2021/22 which is the projected inflation rate and also the municipality expect the increase in service charges revenue base due to the sale of sites.

Interest comprises of; interest on primary bank account, interest earned from call investment accounts and interest from outstanding debtors. The estimate increase was based on the current year to date actual.

Fines estimate was decreased as the municipality appointed the service provider who was suppose to assist with traffic fines management but couldn't proceed due to covid-19 and other unforeseen circumstances.

Other revenue includes other ad-hoc income that the municipality may receive during the year like insurance refunds, photocopy fees, rate clearance certificates, buildings plans fees and sale of property etc. The decrease from prior year was as result the municipality sold more properties in the current year as opposed to projected sale in 2021/22 financial year.

The Transfers recognized – operating and capital was informed by the government gazette no. 44173 dated 05 February 2021 that talks about Equitable share transfers to municipalities in terms of section 38 (2) of the Division of Revenue Act  
It should be also noted that the anticipated total revenue (excluding capital transfers and contributions) amounts to R 172.5 million to cover budgeted operating expenditure amounting to R 164.7 million.

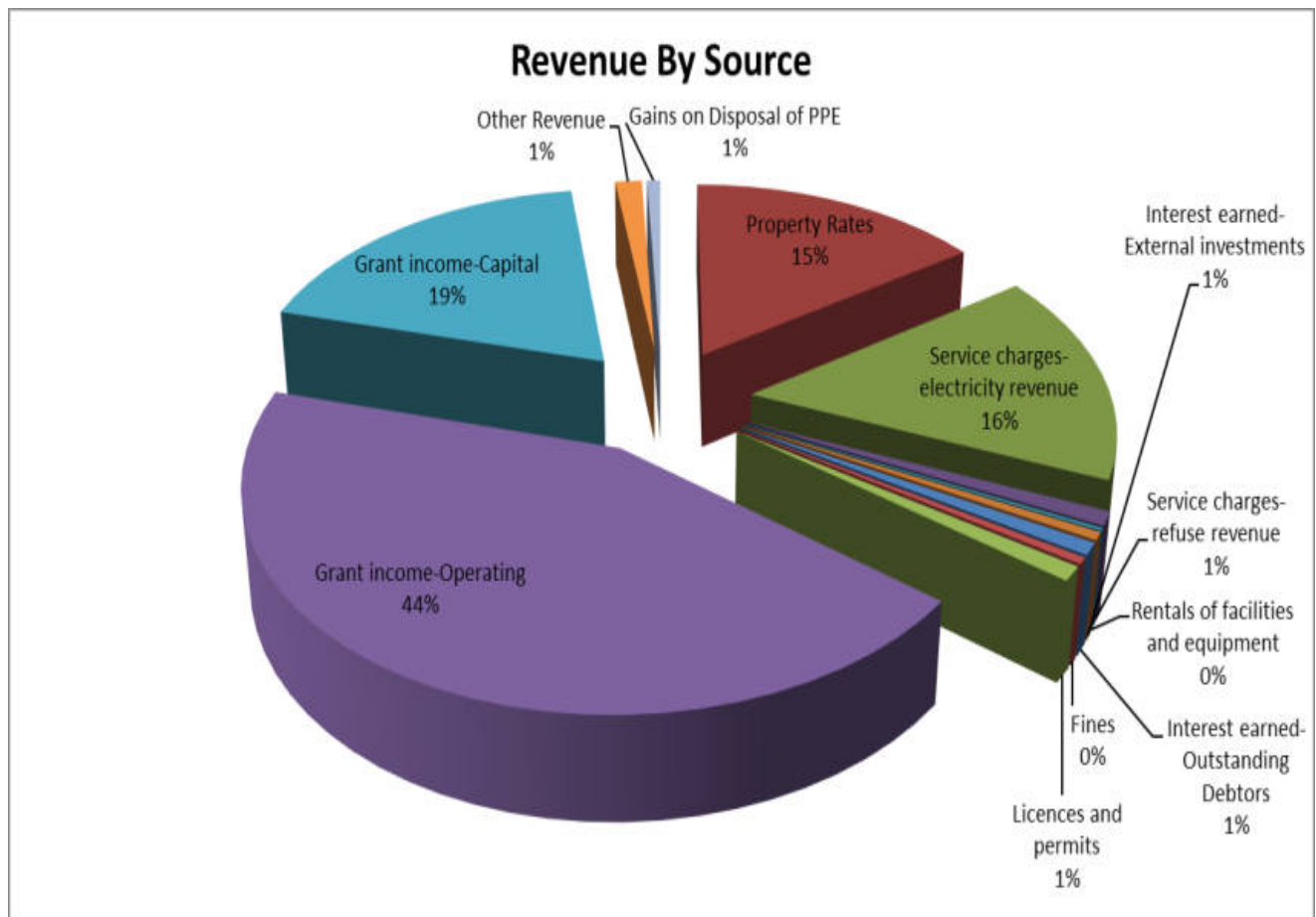
**Table 2 Operating Transfers and Grants Receipts**

KZN285 Mthonjaneni - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		78 599	75 637	84 288	88 665	102 071	102 071	91 351	93 125	90 398
Local Government Equitable Share		67 317	70 979	79 412	83 914	97 320	97 320	86 810	90 275	87 548
Finance Management		2 850	2 850	2 850	2 800	2 800	2 800	2 650	2 850	2 850
EPWP Incentive		2 222	1 808	2 026	1 951	1 951	1 951	1 891		
Demarcation Grant		6 210								
<b>Provincial Government:</b>		771	1 035	1 091	1 250	1 231	1 231	1 177	1 235	1 235
Provincialisation of Libraries				880	905	905	905	935	981	981
Community Library Services Grant				211	226	226	226	242	254	254
Title Deeds Restoration Grant					119	100	100			
Library Grant		771	1 035							
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Other grant providers:</b>		-	-	745	745	-	-	-	-	-
<i>Municipal Disaster Relief Grant</i>				745	745	-	-			
<b>Total Operating Transfers and Grants</b>	5	79 370	76 672	86 124	90 660	103 302	103 302	92 528	94 360	91 633
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		32 278	36 749	33 033	32 939	35 598	35 598	39 637	34 039	35 761
Municipal Infrastructure Grant (MIG)		24 278	21 749	18 033	17 939	24 439	24 439	18 832	20 039	20 761
Integrated Electrification Programme Grant		8 000	15 000	15 000	15 000	11 159	11 159	20 805	14 000	15 000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Other capital transfers/grants <i>[insert description]</i>										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<i>Municipal Disaster Rel</i>										
<b>Total Capital Transfers and Grants</b>	5	32 278	36 749	33 033	32 939	35 598	35 598	39 637	34 039	35 761
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		111 648	113 421	119 157	123 599	138 900	138 900	132 165	128 399	127 394

The above table shows the operating transfers and grants for Mthonjaneni Local Municipality 2021/22 as published in the Division of Revenue Act and Provincial Gazette of transfers and of funds to municipalities. The municipality has budgeted for only the transfers that are gazetted.

The diagram below shows the revenue by source through pie chart in terms of how much percentages does each revenue source contributes to total operating revenue of Mthonjaneni Local Municipality.



**Figure 1 Main operational revenue categories for 2021/22 Final budget.**

## 1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2021/22 budget and MTREF is informed by the following:

- Balanced budget constrains (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is high level summary of the 2021/22 budget and MTREF (classified per main type of operating expenditure)

**Table 3 Summary of operating expenditure by Expenditure by type**

KZN285 Mthonjaneni - Table A4 Budgeted Financial Performance (revenue and expenditure)

KZN285 Mtonjaneni - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Expenditure By Type</b>											
Employee related costs	2	42 913	51 214	53 152	57 216	57 251	57 251	57 251	57 824	61 293	65 569
Remuneration of councillors		7 637	8 350	9 299	9 256	9 256	9 256	9 256	9 633	10 211	10 925
Debt impairment	3			3 900	8 900	9 900	9 900	9 900	6 726	7 008	7 317
Depreciation & asset impairment	2	15 245	17 489	10 145	13 834	17 234	17 234	17 234	18 287	19 055	19 055
Finance charges											
Bulk purchases - electricity	2	21 541	22 303	23 258	24 421	24 313	24 313	24 313	26 469	22 170	22 740
Inventory consumed	8	–	–	3 152	3 290	3 750	3 750	3 750	3 546	3 759	4 021
Contracted services		5 788	7 640	21 867	25 813	28 297	28 297	28 297	23 218	23 943	25 172
Transfers and subsidies		–	–	–	–	447	447	447	–	–	–
Other expenditure	4, 5	50 449	46 975	22 410	17 369	21 618	21 618	21 618	18 999	20 033	21 399
Losses											
<b>Total Expenditure</b>		<b>143 573</b>	<b>153 971</b>	<b>147 183</b>	<b>160 099</b>	<b>172 065</b>	<b>172 065</b>	<b>172 065</b>	<b>164 702</b>	<b>167 473</b>	<b>176 199</b>

The budgeted allocation for employee related costs for 2020/21 financial year totals to R 57.8 million, which equals 35 per cent of the total operating expenditure. Employee related cost were increased by 4.9% which is the projected CPI + 1% for 2021 and a decrease from the overall budget to 2021/22 was caused by a reclassification of other line items to other expenditure types i.e VIP security was previously budgeted under employee related costs but for 2021/22 its under contracted services as the municipality decided to outsource such services going forward.

The cost associated with the remuneration of Councillors is determined by the minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the 2021/22 Municipality's budget.

Provision for depreciation has been informed by Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriation in this regard totals to R 18.3 million for 2021/22 financial year of which it translate to 11 per cent of the total operating expenditure.

Bulk purchases-electricity the municipality used the Eskom projections for 2021/22 which is a 17.79% increase from the current years consumption projection of R21.5 million.

Other material comprises amongst others the purchase of fuel and other consumables and materials and supplies relating to the daily operations of the municipality.

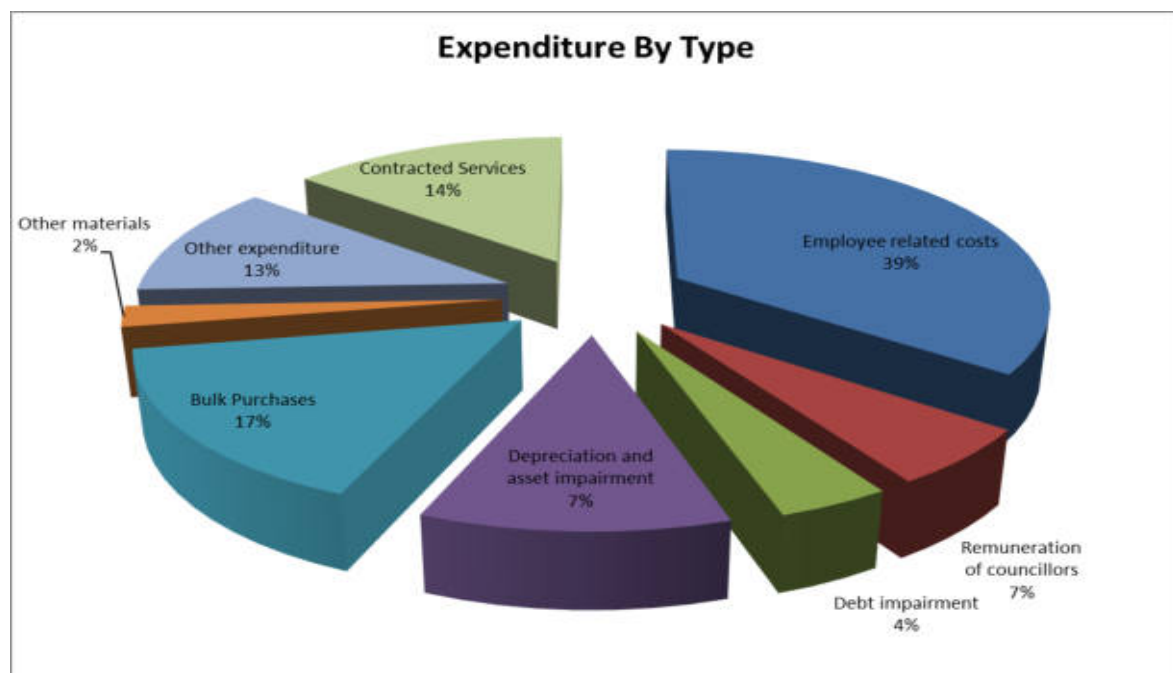
Contracted services has been widened in terms of the mSCOA classification and includes amongst others the costs of, security services, catering services, contracted repairs and maintenance services, leased vehicles, event coordinators . As part of the compilation of the 2021/22 MTREF this group of expenditure was critically evaluated and operational efficiencies

were enforced. This item is also based on the projects relevant to that particular year which may not be carried forward to other financial year if the project have been completed i.e road maintenance plan was completed in the current year therefore no need to budget for it in 2021/22 financial year. Also the municipality have reduced other line items that are linked to COVID-19 regulations such as social gatherings should the pandemic continues i.e mayoral cups and reed dance etc..

Transfers and Subsidies the municipality have reprotise funds from this item (food parcels) to other expenditure item as it do not plan to have this project in 2021/22 financial year.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The following table gives a breakdown of the main expenditure categories for the 2021/22 financial year.



**Figure 2 Main operational expenditure categories for the 2021/22 Final budget**

**Table 4 Operational repairs and maintenance**  
SA1

Repairs and Maintenance	8										
Employee related costs											
Inventory Consumed (Project Maintenance)											
Contracted Services			3 468	2 706	4 000	4 000	4 000	3 000	3 180	3 403	
Other Expenditure				3 000	8 135	8 135	8 135	3 505	3 715	3 970	
Total Repairs and Maintenance Expenditure	9	-	-	3 468	5 706	12 135	12 135	12 135	6 505	6 895	7 372

In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered as a direct expenditure driver but an outcome of certain other expenditure, such as remuneration, purchases of materials and contracted services. Mthonjaneni Local Municipality is aware of the Municipal Budget and Reporting Regulations which states that priority must be given to operational repairs and maintenance but because of its capacity and a

small number of assets that the municipality owns the budgeted amount is reflected on the table above is small.

### **1.5.1 Free Basic Services**

The free basic service assists households that are poor or face other circumstances that limit their ability to pay for services. To receive this service the households are required to register in terms of the Municipality's Indigent Policy. The qualification criterion in terms of the municipality's Indigent policy is that, the household joint gross income should not exceed two times the government old age pension grant.

## **1.6 Annual Budget Tables – Parent Municipality**

The following pages present the ten main budget tables as required in terms of section 9 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2021/22 budget and MTREF as recommended to be approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

### **Table 5 MBRR Table A1 – Budget Summary**

**KZN285 Mthonjaneni - Table A1 Budget Summary**

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	11 431	13 453	19 981	31 382	31 382	31 382	31 382	32 606	33 976	35 471
Service charges	21 985	22 284	33 050	34 702	34 702	34 702	34 702	36 063	37 578	39 231
Investment revenue	1 367	696	750	900	1 100	1 100	1 100	1 200	1 272	1 361
Transfers recognised - operational	79 370	76 672	86 129	90 660	103 302	103 302	103 302	92 528	94 360	91 633
Other own revenue	13 129	3 766	13 967	10 675	12 675	12 675	12 675	10 053	10 656	11 402
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>127 282</b>	<b>116 871</b>	<b>153 877</b>	<b>168 319</b>	<b>183 161</b>	<b>183 161</b>	<b>183 161</b>	<b>172 450</b>	<b>177 841</b>	<b>179 098</b>
Employee costs	42 913	51 214	53 152	57 216	57 251	57 251	57 251	57 824	61 293	65 569
Remuneration of councillors	7 637	8 350	9 299	9 256	9 256	9 256	9 256	9 633	10 211	10 925
Depreciation & asset impairment	15 245	17 489	10 145	13 834	17 234	17 234	17 234	18 287	19 055	19 055
Finance charges	-	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	21 541	22 303	26 410	27 710	28 063	28 063	28 063	30 015	25 929	26 761
Transfers and grants	-	-	-	-	447	447	447	-	-	-
Other expenditure	56 237	54 615	48 177	51 262	59 814	59 814	59 814	48 943	50 984	53 888
<b>Total Expenditure</b>	<b>143 573</b>	<b>153 971</b>	<b>147 183</b>	<b>159 278</b>	<b>172 065</b>	<b>172 065</b>	<b>172 065</b>	<b>164 702</b>	<b>167 473</b>	<b>176 199</b>
<b>Surplus/(Deficit)</b>	<b>(16 291)</b>	<b>(37 100)</b>	<b>6 694</b>	<b>9 042</b>	<b>11 097</b>	<b>11 097</b>	<b>11 097</b>	<b>7 748</b>	<b>10 369</b>	<b>2 899</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	32 278	36 749	33 033	32 939	35 598	35 598	35 598	39 637	34 039	35 761
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>15 987</b>	<b>(351)</b>	<b>39 727</b>	<b>41 981</b>	<b>46 695</b>	<b>46 695</b>	<b>46 695</b>	<b>47 385</b>	<b>44 408</b>	<b>38 660</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>15 987</b>	<b>(351)</b>	<b>39 727</b>	<b>41 981</b>	<b>46 695</b>	<b>46 695</b>	<b>46 695</b>	<b>47 385</b>	<b>44 408</b>	<b>38 660</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>-</b>	<b>-</b>	<b>39 918</b>	<b>39 694</b>	<b>46 663</b>	<b>46 663</b>	<b>46 663</b>	<b>47 077</b>	<b>43 019</b>	<b>37 231</b>
Transfers recognised - capital	-	-	33 033	32 939	35 598	35 598	35 598	39 637	34 039	35 761
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	6 885	6 755	11 065	11 065	11 065	7 440	8 980	1 470
<b>Total sources of capital funds</b>	<b>-</b>	<b>-</b>	<b>39 918</b>	<b>39 694</b>	<b>46 663</b>	<b>46 663</b>	<b>46 663</b>	<b>47 077</b>	<b>43 019</b>	<b>37 231</b>
<b>Financial position</b>										
Total current assets	49 107	47 792	59 373	54 581	43 940	43 940	43 940	44 931	28 303	20 034
Total non current assets	353 020	371 772	416 622	386 909	414 749	414 749	414 749	442 288	466 195	465 006
Total current liabilities	17 118	31 333	17 478	17 144	35 596	35 596	35 596	33 164	16 958	13 784
Total non current liabilities	7 868	9 324	5 882	12 890	5 785	5 785	5 785	6 075	6 439	6 890
Community wealth/Equity	377 158	378 924	452 360	420 120	431 397	431 397	431 397	478 782	523 190	561 850
<b>Cash flows</b>										
Net cash from (used) operating	25 133	34 001	42 636	45 420	60 763	60 763	60 763	55 570	54 510	50 323
Net cash from (used) investing	(41 735)	(34 987)	(14 171)	(32 794)	(41 163)	(41 163)	(41 163)	(44 777)	(40 581)	(34 622)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>3 680</b>	<b>2 694</b>	<b>29 944</b>	<b>15 319</b>	<b>24 414</b>	<b>24 414</b>	<b>24 414</b>	<b>15 607</b>	<b>29 536</b>	<b>45 237</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	1 529	2 694	26 122	6 073	4 814	4 814	4 814	4 814	-	-
Application of cash and investments	(23 485)	(18 099)	(14 820)	(19 266)	(2 991)	(2 991)	(2 991)	(7 067)	(10 449)	(7 773)
<b>Balance - surplus (shortfall)</b>	<b>25 014</b>	<b>20 793</b>	<b>40 942</b>	<b>25 339</b>	<b>7 805</b>	<b>7 805</b>	<b>7 805</b>	<b>11 881</b>	<b>10 449</b>	<b>7 773</b>
<b>Asset management</b>										
Asset register summary (WDV)	351 354	368 870	39 971	39 694	46 663	46 663	46 663	47 077	43 019	37 231
Depreciation	52 756	70 223	10 144	-	17 234	17 234	17 234	18 287	19 055	19 055
Renewal and Upgrading of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	5 253	3 336	12 135	12 135	12 135	6 505	6 895	7 372
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	0	0	0	0	0	0	0	0	0	0
Refuse:	13	13	13	13	13	13	13	13	13	13

## Explanatory notes to MBRR Table A1 – Budget Summary

- Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspective (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and



funding compliance, as well as the municipality's commitment to eliminating basic services delivery backlogs.

3. Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. the operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources.

**Table 6 MBRR Table A2 – Budgeted Financial Performance (revenue and expenditure by standard classification)**

**KZN285 Mthonjaneni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		79 475	81 331	106 632	121 344	135 450	135 450	126 998	132 329	131 463
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		79 475	81 331	106 632	121 344	135 450	135 450	126 998	132 329	131 463
Internal audit		—	—	—	—	—	—	—	—	—
<b>Community and public safety</b>		24 902	1 626	7 909	7 419	4 674	4 674	4 330	4 577	4 811
Community and social services		810	1 035	1 855	1 895	1 150	1 150	1 197	1 256	1 258
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		24 093	591	6 054	5 524	3 524	3 524	3 133	3 321	3 554
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		23 167	23 614	23 313	22 791	32 772	32 772	23 841	23 344	24 297
Planning and development		—	—	—	119	100	100	—	—	—
Road transport		23 167	23 614	23 313	22 672	32 672	32 672	23 841	23 344	24 297
Environmental protection		—	—	—	—	—	—	—	—	—
<b>Trading services</b>		32 015	47 049	49 051	49 704	45 863	45 863	56 918	51 631	54 288
Energy sources		30 851	45 267	47 363	47 642	43 801	43 801	54 721	49 340	51 895
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		1 164	1 782	1 688	2 061	2 061	2 061	2 197	2 291	2 393
<b>Other</b>	4	—	—	—	—	—	—	—	—	—
<b>Total Revenue - Functional</b>	2	159 560	153 620	186 905	201 258	218 759	218 759	212 087	211 880	214 859
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		56 769	74 247	68 405	74 930	81 851	81 851	62 043	65 483	69 624
Executive and council		19 377	22 120	19 447	16 593	17 398	17 398	17 530	18 582	19 881
Finance and administration		36 865	49 634	46 682	55 941	61 458	61 458	42 475	44 741	47 431
Internal audit		527	2 494	2 276	2 395	2 995	2 995	2 038	2 160	2 312
<b>Community and public safety</b>		23 307	24 030	24 279	26 514	25 404	25 404	26 704	27 998	29 909
Community and social services		11 938	12 108	10 051	11 431	9 860	9 860	11 423	11 832	12 661
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		11 369	11 922	14 228	15 083	15 544	15 544	15 281	16 166	17 248
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		34 980	23 973	26 081	27 990	33 441	33 441	37 268	38 966	40 603
Planning and development		1 231	2 186	4 576	6 314	6 574	6 574	6 158	6 303	6 530
Road transport		33 749	21 787	21 504	21 676	26 867	26 867	31 110	32 663	34 073
Environmental protection		—	—	—	—	—	—	—	—	—
<b>Trading services</b>		28 517	31 721	28 417	30 629	31 370	31 370	38 688	35 026	36 063
Energy sources		26 691	29 535	26 402	27 247	27 338	27 338	35 302	31 437	32 259
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		1 826	2 186	2 015	3 382	4 032	4 032	3 386	3 589	3 804
<b>Other</b>	4	—	—	—	—	—	—	—	—	—
<b>Total Expenditure - Functional</b>	3	143 573	153 971	147 183	160 063	172 065	172 065	164 702	167 473	176 199
<b>Surplus/(Deficit) for the year</b>		15 987	(351)	39 722	41 196	46 695	46 695	47 385	44 408	38 660

## Explanatory notes to Table A2 – Budget Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of these functional areas which enables the National Treasury to compile 'whole of government' reports.

2. Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.

**Table 7: MBRR Table A3 – Budgeted Financial performance (revenue and expenditure by municipal vote)**

KZN285 Mthonjaneni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
Revenue by Vote	1									
Vote 1 - [NAME OF VOTE 1]		–	–	–	–	–	–	–	–	–
Vote 2 - [NAME OF VOTE 2]		79 475	81 331	106 622	121 344	135 450	135 450	126 998	132 329	131 463
Vote 3 - [NAME OF VOTE 3]		24 902	1 626	7 918	7 419	4 674	4 674	4 330	4 577	4 811
Vote 4 - [NAME OF VOTE 4]		55 182	70 663	72 364	72 495	78 635	78 635	80 759	74 974	78 585
Vote 5 - [NAME OF VOTE 5]		–	–	–	–	–	–	–	–	–
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	159 560	153 620	186 904	201 258	218 759	218 759	212 087	211 880	214 859
Expenditure by Vote to be appropriated	1									
Vote 1 - [NAME OF VOTE 1]		19 904	24 613	21 723	18 989	20 393	20 393	19 568	20 742	22 193
Vote 2 - [NAME OF VOTE 2]		24 855	37 809	32 830	41 579	46 828	46 828	28 303	29 824	31 504
Vote 3 - [NAME OF VOTE 3]		35 828	36 830	39 954	43 233	42 190	42 190	43 070	45 241	48 325
Vote 4 - [NAME OF VOTE 4]		62 986	54 719	52 676	56 262	62 654	62 654	73 761	71 666	74 177
Vote 5 - [NAME OF VOTE 5]		–	–	–	–	–	–	–	–	–
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	143 573	153 971	147 183	160 063	172 065	172 065	164 702	167 473	176 199
Surplus/(Deficit) for the year	2	15 987	(351)	39 722	41 196	46 695	46 695	47 385	44 408	38 660

**Explanatory notes to MBRR Table A3 – Budgeted Financial Performance (revenue and expenditure per municipal vote)**

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

KZN285 Mthonjaneni - Table A4 Budgeted Financial Performance (revenue and expenditure)

KZN2023 Mitroingalen - Table A4 Budgeted Financial Performance (revenue and expenditure)									2021/22 Medium Term Revenue & Expenditure Framework		
Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				Budget Year	Budget Year	Budget Year
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	2021/22	+1 2022/23	+2 2023/24
Revenue By Source											
Property rates	2	11 431	13 453	19 981	31 382	31 382	31 382	31 382	32 606	33 976	35 471
Service charges - electricity revenue	2	19 976	20 502	31 088	32 642	32 642	32 642	32 642	33 916	35 340	36 895
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	2 008	1 782	1 962	2 060	2 060	2 060	2 060	2 147	2 238	2 336
Rental of facilities and equipment		227	262	181	147	437	437	437	450	477	510
Interest earned - external investments		1 367	696	750	900	1 100	1 100	1 100	1 200	1 272	1 361
Interest earned - outstanding debtors		-	-	750	1 000	1 500	1 500	1 500	1 900	2 014	2 155
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		10 165	427	3 000	3 600	1 603	1 603	1 603	1 003	1 064	1 138
Licences and permits		1 672	1 544	3 054	1 924	1 999	1 999	1 999	2 208	2 341	2 504
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		79 370	76 672	86 129	90 660	103 302	103 302	103 302	92 528	94 360	91 633
Other revenue	2	1 066	1 534	4 634	3 004	6 135	6 135	6 135	2 991	3 171	3 393
Gains		-	-	2 348	1 000	1 000	1 000	1 000	1 500	1 590	1 701
Total Revenue (excluding capital transfers and contributions)		127 282	116 871	153 877	168 319	183 161	183 161	183 161	172 450	177 841	179 098
Expenditure By Type											
Employee related costs	2	42 913	51 214	53 152	57 216	57 251	57 251	57 251	57 824	61 293	65 569
Remuneration of councillors		7 637	8 350	9 299	9 256	9 256	9 256	9 256	9 633	10 211	10 925
Debt impairment	3	-	-	3 900	8 900	9 900	9 900	9 900	6 726	7 008	7 317
Depreciation & asset impairment	2	15 245	17 489	10 145	13 834	17 234	17 234	17 234	18 287	19 055	19 055
Finance charges		-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	2	21 541	22 303	23 258	24 421	24 313	24 313	24 313	26 469	22 170	22 740
Inventory consumed	8	-	-	3 152	3 290	3 750	3 750	3 750	3 546	3 759	4 021
Contracted services		5 788	7 640	21 867	25 813	28 297	28 297	28 297	23 218	23 943	25 172
Transfers and subsidies		-	-	-	-	447	447	447	-	-	-
Other expenditure	4, 5	50 449	46 975	22 410	17 369	21 618	21 618	21 618	18 999	20 033	21 399
Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		143 573	153 971	147 183	160 099	172 065	172 065	172 065	164 702	167 473	176 199
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(16 291)	(37 100)	6 694	8 221	11 097	11 097	11 097	7 748	10 369	2 899
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	32 278	36 749	33 033	32 939	35 598	35 598	35 598	39 637	34 039	35 761
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		15 987	(351)	39 727	41 160	46 695	46 695	46 695	47 385	44 408	38 660
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		15 987	(351)	39 727	41 160	46 695	46 695	46 695	47 385	44 408	38 660
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		15 987	(351)	39 727	41 160	46 695	46 695	46 695	47 385	44 408	38 660
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		15 987	(351)	39 727	41 160	46 695	46 695	46 695	47 385	44 408	38 660

## Explanatory notes to Table A4 – Budgeted Financial Performance (revenue and expenditure)

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from operating statement, as inclusions of these revenue sources would distort the calculation of the operating surplus/deficit.

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. Interest comprises of; interest on primary bank account as well as interest earned from call investment accounts.

**Table 9: MBRR Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding sources**

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-	-
Vote 2 - [NAME OF VOTE 2]		-	-	-	-	-	-	-	-	-	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-	-
Vote 4 - [NAME OF VOTE 4]		-	-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - [NAME OF VOTE 1]		-	-	20	50	44	44	44	2 300	90	160
Vote 2 - [NAME OF VOTE 2]		-	-	94	135	291	291	291	450	590	510
Vote 3 - [NAME OF VOTE 3]		-	-	132	2 180	1 859	1 859	1 859	850	490	200
Vote 4 - [NAME OF VOTE 4]		-	-	39 672	37 329	44 470	44 470	44 470	43 477	41 849	36 361
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	39 918	39 694	46 663	46 663	46 663	47 077	43 019	37 231
<b>Total Capital Expenditure - Vote</b>		-	-	39 918	39 694	46 663	46 663	46 663	47 077	43 019	37 231
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		-	-	129	695	685	685	685	3 350	930	710
Executive and council				20	50	44	44	44	2 300	90	160
Finance and administration				109	645	641	641	641	1 050	840	550
Internal audit											
<b>Community and public safety</b>		-	-	117	1 670	1 509	1 509	1 509	250	240	160
Community and social services				79	255	230	230	230	130	70	90
Sport and recreation				-							
Public safety				38	1 415	1 279	1 279	1 279	120	170	70
Housing				-							
Health				-							
<b>Economic and environmental services</b>		-	-	24 342	21 329	32 561	32 561	32 561	21 372	25 399	20 861
Planning and development											
Road transport				24 342	21 329	32 561	32 561	32 561	21 372	25 399	20 861
Environmental protection											
<b>Trading services</b>		-	-	15 330	16 000	11 909	11 909	11 909	22 105	16 450	15 500
Energy sources				15 330	15 700	11 909	11 909	11 909	22 005	15 950	15 500
Water management											
Waste water management											
Waste management					300	-	-	-	100	500	
<b>Other</b>											
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	-	-	39 918	39 694	46 663	46 663	46 663	47 077	43 019	37 231
<b>Funded by:</b>											
National Government				33 033	32 939	35 598	35 598	35 598	39 637	34 039	35 761
Provincial Government											
District Municipality											
Transfers and subsidies - capital (monetary allocations) (National / Provincial)											
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)											
<b>Transfers recognised - capital</b>	<b>4</b>	-	-	33 033	32 939	35 598	35 598	35 598	39 637	34 039	35 761
<b>Borrowing</b>	<b>6</b>										
Internally generated funds				6 885	6 755	11 065	11 065	11 065	7 440	8 980	1 470
<b>Total Capital Funding</b>	<b>7</b>	-	-	39 918	39 694	46 663	46 663	46 663	47 077	43 019	37 231

## Explanatory notes to Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programs in relation to capital expenditure by municipal vote (multi – year and single – year appropriations); capital expenditure by standard classification; and funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. Mthonjaneni Municipality capital budget is set at R 44.5 million in order to address backlogs of electricity in some other wards that are within the jurisdiction of Mthonjaneni Local Municipality and also to address the infrastructure backlogs.
3. The capital programs of Mthonjaneni Municipality are funded mainly from national & provincial grants and subsidies and a small portion from internally generated funds.

**Table 10: MBRR Table A6 – Budgeted Financial Position**

KZN285 Mthonjaneni - Table A6 Budgeted Financial Position

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		1 529	2 694	26 122	6 073	4 814	4 814	4 814	4 814		
Call investment deposits											
Consumer debtors	1	5 573	6 402	5 573	47 770	35 461	35 461	35 461	39 378	27 565	19 295
Other debtors		41 461	38 250	26 940		2 926	2 926	2 926			
Current portion of long-term receivables											
Inventory	2	544	446	739	739	739	739	739	739	739	739
<b>Total current assets</b>		<b>49 107</b>	<b>47 792</b>	<b>59 373</b>	<b>54 581</b>	<b>43 940</b>	<b>43 940</b>	<b>43 940</b>	<b>44 931</b>	<b>28 303</b>	<b>20 034</b>
<b>Non current assets</b>											
Long-term receivables											
Investments											
Investment property		112	106	106	104	88	88	88	88	88	88
Investment in Associate											
Property, plant and equipment	3	351 367	368 870	413 719	384 019	413 248	413 248	413 248	441 838	465 602	464 193
Biological		1 506	2 762	2 762	2 762	1 211	1 211	1 211			
Intangible		35	33	33	23	201	201	201	361	505	724
Other non-current assets		1	1	1	1	1	1	1	1	1	1
<b>Total non current assets</b>		<b>353 020</b>	<b>371 772</b>	<b>416 622</b>	<b>386 909</b>	<b>414 749</b>	<b>414 749</b>	<b>414 749</b>	<b>442 288</b>	<b>466 195</b>	<b>465 006</b>
<b>TOTAL ASSETS</b>		<b>402 127</b>	<b>419 564</b>	<b>475 995</b>	<b>441 490</b>	<b>458 689</b>	<b>458 689</b>	<b>458 689</b>	<b>487 219</b>	<b>494 499</b>	<b>485 040</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4										
Consumer deposits		1 081	1 021	1 081		1 026	1 026	1 026	1 077	1 142	1 222
Trade and other payables	4	12 776	26 691	12 776	17 144	28 999	28 999	28 999	28 285	11 786	8 251
Provisions		3 261	3 621	3 621		5 571	5 571	5 571	3 802	4 030	4 312
<b>Total current liabilities</b>		<b>17 118</b>	<b>31 333</b>	<b>17 478</b>	<b>17 144</b>	<b>35 596</b>	<b>35 596</b>	<b>35 596</b>	<b>33 164</b>	<b>16 958</b>	<b>13 784</b>
<b>Non current liabilities</b>											
Borrowing											
Provisions		7 868	9 324	5 882	12 890	5 785	5 785	5 785	6 075	6 439	6 890
<b>Total non current liabilities</b>		<b>7 868</b>	<b>9 324</b>	<b>5 882</b>	<b>12 890</b>	<b>5 785</b>	<b>5 785</b>	<b>5 785</b>	<b>6 075</b>	<b>6 439</b>	<b>6 890</b>
<b>TOTAL LIABILITIES</b>		<b>24 986</b>	<b>40 657</b>	<b>23 360</b>	<b>30 034</b>	<b>41 381</b>	<b>41 381</b>	<b>41 381</b>	<b>39 239</b>	<b>23 397</b>	<b>20 674</b>
<b>NET ASSETS</b>	5	<b>377 141</b>	<b>378 907</b>	<b>452 636</b>	<b>411 456</b>	<b>417 307</b>	<b>417 307</b>	<b>417 307</b>	<b>447 980</b>	<b>471 102</b>	<b>464 366</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		377 158	378 924	452 360	420 120	431 397	431 397	431 397	478 782	523 190	561 850
Reserves	4										
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>377 158</b>	<b>378 924</b>	<b>452 360</b>	<b>420 120</b>	<b>431 397</b>	<b>431 397</b>	<b>431 397</b>	<b>478 782</b>	<b>523 190</b>	<b>561 850</b>

## Explanatory notes to Table A6 – Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet)
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as

“accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets ready converted to cash, or liabilities immediately required to be met from cash, appear first.

3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budget Financial Position.

**Table 11: MBRR Table A7 – Budgeted Cash Flow Statement**

**KZN285 Mthonjaneni - Table A7 Budgeted Cash Flows**

Description		Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
			12 590	13 361	15 585	25 586	24 936	24 936	24 936	25 909	27 464	29 386
			23 294	26 264	28 669	23 827	22 534	22 534	22 534	23 417	24 822	26 560
			–	–	10 619	8 331	17 331	17 331	17 331	11 419	12 744	14 146
		1	79 370	76 672	85 379	90 660	103 302	103 302	103 302	92 528	94 360	91 633
		1	32 278	36 749	33 033	32 939	35 598	35 598	35 598	39 637	34 039	35 761
			1 367	696	750	1 405	1 992	1 992	1 992	2 349	2 490	2 664
			–	–	–	–	–	–	–	–	–	–
Payments												
			(123 766)	(119 741)	(130 408)	(137 329)	(144 484)	(144 484)	(144 484)	(139 689)	(141 409)	(149 827)
			–	–	(991)	–	–	–	–	–	–	–
		1	–	–	–	–	(447)	(447)	(447)	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES			25 133	34 001	42 636	45 420	60 763	60 763	60 763	55 570	54 510	50 323
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
			–	–	4 100	900	5 500	5 500	5 500	2 300	2 438	2 609
			–	–	16 893	6 000	–	–	–	–	–	–
			–	–	–	–	–	–	–	–	–	–
Payments												
			(41 735)	(34 987)	(35 164)	(39 694)	(46 663)	(46 663)	(46 663)	(47 077)	(43 019)	(37 231)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(41 735)	(34 987)	(14 171)	(32 794)	(41 163)	(41 163)	(41 163)	(44 777)	(40 581)	(34 622)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
			–	–	–	–	–	–	–	–	–	–
			–	–	–	–	–	–	–	–	–	–
			–	–	–	–	–	–	–	–	–	–
Payments												
			–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES			–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD			(16 602)	(986)	28 465	12 626	19 600	19 600	19 600	10 793	13 929	15 701
		2	20 282	3 680	1 479	2 694	4 814	4 814	4 814	4 814	15 607	29 536
		2	3 680	2 694	29 944	15 319	24 414	24 414	24 414	15 607	29 536	45 237

## Explanatory notes to Table A7 – Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in – flow that is likely to result from the implementation of the budget.

## Cash Collection Rate

Municipal average collection rate for Property Rates for past 6 months is calculated at 88.3% however if we take into account end of financial year and beginning of financial year paying customers (government) and the effect of COVID-19 pandemic we then averaged our rate to 79.46% in worst case scenario for 2021/22 financial year which is a 8.84% decrease from the collection rate for the first 6 months of 2020/21 financial year. As for service charges (electricity and refuse services) the actual average collection rate is 74.16% we then made it 60.45% (reduced by 13.71%, where service charges on electricity are 65.54% and refuse are set at 55.36%) this is due to the fact that the services are paid religiously as they get disconnected if not paid but due to COVID-19 that exercise might be relaxed and hence a decrease in our anticipated collection rate for 2021/22 financial year.

## Other Revenue Composition

Other revenue is composed of Rental of Facilities & Equipment; Licenses & permits and Fines, penalties & forfeits and Other income. Rental of facilities consist of fixed rent that we charge our tenants with a collection rate of 74% and mostly are municipal employees that pays rent and we deduct from payroll and for hall hire and other facilities it depends on demand but due to COVID-19 hall hire services are still limited due lockdown regulations on gatherings which may reduce the revenue from such service, again we have used past six months history bookings to come out with the average collection rate of 66.60% on rental of facilities. License and permits we have put them on 88% as this is the most reliable revenue except when there are those individuals if they didn't come for test and with the relaxation of lockdown the testing stations are currently operating. The municipality is also expecting to collect about R513 thousand rand in fines which is 51% of the anticipated budget for 2021/22 . The municipality appointed TMT to assist with traffic management before lockdown but unfortunately due to COVID-19 regulations and other unforeseen circumstances they couldn't proceed with the services and the municipality is in the process to appoint a new service provider to assist with traffic management which will increase the anticipated revenue to be collected on traffic fines for 2021/22 financial year.

The municipality has also estimated an amount of R6 million rand using the average from past three financial years on Vat refunds for the financial year 2021/22 which will assist to fund any deficit that might arise.

## Proceeds on disposal of PPE

This is budgeted to be R 2.8 million which are proceeds expected from sale of sites, transformers, tractor and Chevrolet Trailblazer.

**Table 12: MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation**

KZN285 Mthonjaneni - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	3 680	2 694	29 944	15 319	24 414	24 414	24 414	15 607	29 536	45 237
Other current investments > 90 days		(2 151)	0	(3 822)	(9 247)	(19 600)	(19 600)	(19 600)	(10 793)	(29 536)	(45 237)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>1 529</b>	<b>2 694</b>	<b>26 122</b>	<b>6 073</b>	<b>4 814</b>	<b>4 814</b>	<b>4 814</b>	<b>4 814</b>	<b>-</b>	<b>-</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		17	17	17	2 432	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(23 502)	(18 116)	(14 837)	(21 697)	(2 991)	(2 991)	(2 991)	(7 067)	(10 449)	(7 773)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>(23 485)</b>	<b>(18 099)</b>	<b>(14 820)</b>	<b>(19 266)</b>	<b>(2 991)</b>	<b>(2 991)</b>	<b>(2 991)</b>	<b>(7 067)</b>	<b>(10 449)</b>	<b>(7 773)</b>
<b>Surplus(shortfall)</b>		<b>25 014</b>	<b>20 793</b>	<b>40 942</b>	<b>25 339</b>	<b>7 805</b>	<b>7 805</b>	<b>7 805</b>	<b>11 881</b>	<b>10 449</b>	<b>7 773</b>

## Explanatory notes to Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

**Table 13: MBRR Table A9 – Asset Management**

<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	351 354	368 870	39 971	39 694	46 663	46 663	47 077	43 019	37 231
Roads Infrastructure		81 770	81 024	17 451	10 189	14 724	14 724	11 749	19 019	20 761
Storm water Infrastructure		7 886	7 545	–	–	–	–	–	–	–
Electrical Infrastructure		68 087	73 483	15 230	15 600	11 909	11 909	22 005	15 950	15 000
Water Supply Infrastructure		1 786	1 588	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		155	150	–	300	–	–	100	500	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
<b>Infrastructure</b>		<b>159 685</b>	<b>163 790</b>	<b>32 681</b>	<b>26 089</b>	<b>26 633</b>	<b>26 633</b>	<b>33 854</b>	<b>35 469</b>	<b>35 761</b>
Community Assets		78 538	79 882	4 382	8 100	12 987	12 987	7 583	3 220	–
Heritage Assets		1	1	–	–	–	–	–	–	–
Investment properties		112	106	–	–	–	–	–	–	–
Other Assets		53 583	66 132	1 400	2 090	4 001	4 001	900	2 930	420
Biological or Cultivated Assets		1 506	2 762	–	–	–	–	–	–	–
Intangible Assets		35	33	–	100	200	200	200	200	300
Computer Equipment		340	388	16	560	445	445	750	650	260
Furniture and Office Equipment		878	878	48	195	179	179	340	250	300
Machinery and Equipment		3 171	3 024	487	210	415	415	800	300	190
Transport Assets		7 306	5 675	957	2 350	1 804	1 804	2 650	–	–
Land		46 198	46 198	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>351 354</b>	<b>368 870</b>	<b>39 971</b>	<b>39 694</b>	<b>46 663</b>	<b>46 663</b>	<b>47 077</b>	<b>43 019</b>	<b>37 231</b>
<b>EXPENDITURE OTHER ITEMS</b>		<b>52 756</b>	<b>70 223</b>	<b>15 398</b>	<b>3 336</b>	<b>29 369</b>	<b>29 369</b>	<b>24 792</b>	<b>25 950</b>	<b>26 427</b>
<u>Depreciation</u>	7	52 756	70 223	10 144	–	17 234	17 234	18 287	19 055	19 055
<u>Repairs and Maintenance by Asset Class</u>	3	–	–	5 253	3 336	12 135	12 135	6 505	6 895	7 372
Roads Infrastructure		–	–	1 609	750	8 500	8 500	4 000	4 240	4 537
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	740	400	400	400	300	318	337
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
<b>Infrastructure</b>		<b>–</b>	<b>–</b>	<b>2 349</b>	<b>1 150</b>	<b>8 900</b>	<b>8 900</b>	<b>4 300</b>	<b>4 558</b>	<b>4 874</b>
Community Facilities		–	–	–	400	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
<b>Community Assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>400</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
<b>Investment properties</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Operational Buildings		–	–	1 130	800	1 400	1 400	1 000	1 060	1 134
Housing		–	–	–	–	–	–	–	–	–
<b>Other Assets</b>		<b>–</b>	<b>–</b>	<b>1 130</b>	<b>800</b>	<b>1 400</b>	<b>1 400</b>	<b>1 000</b>	<b>1 060</b>	<b>1 134</b>
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
<b>Intangible Assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Computer Equipment		–	–	30	30	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	285	285	205	217	231
Machinery and Equipment		–	–	145	256	200	200	300	318	340
Transport Assets		–	–	1 599	700	1 350	1 350	700	742	793
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>52 756</b>	<b>70 223</b>	<b>15 398</b>	<b>3 336</b>	<b>29 369</b>	<b>29 369</b>	<b>24 792</b>	<b>25 950</b>	<b>26 427</b>

**Table 14: MBRR Table A10 – Basic service delivery measurement**

Choose name from list - Table A10 Basic service delivery measurement

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24



<b>Energy:</b>									
Electricity (at least min.service level)	386	386	386	386	386	386	386	386	386
Electricity - prepaid (min.service level)	13 412	13 412	13 412	13 412	13 412	13 412	13 412	13 412	13 412
<i>Minimum Service Level and Above sub-total</i>	13 798	13 798	13 798	13 798	13 798	13 798	13 798	13 798	13 798
Electricity (< min.service level)	315	315	315	315	315	315	315	315	315
Electricity - prepaid (< min. service level)	—	—	—	—	—	—	—	—	—
Other energy sources	78	78	78	78	78	78	78	78	78
<i>Below Minimum Service Level sub-total</i>	393	393	393	393	393	393	393	393	393
<b>Total number of households</b>	5	14 191	14 191	14 191	14 191	14 191	14 191	14 191	14 191
<b>Refuse:</b>									
Removed at least once a week	—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>	—	—	—	—	—	—	—	—	—
Removed less frequently than once a week	58	58	58	58	58	58	58	58	58
Using communal refuse dump	1 417	1 417	1 417	1 417	1 417	1 417	1 417	1 417	1 417
Using own refuse dump	11 147	11 147	11 147	11 147	11 147	11 147	11 147	11 147	11 147
Other rubbish disposal	145	145	145	145	145	145	145	145	145
No rubbish disposal	—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>	12 767	12 767	12 767	12 767	12 767	12 767	12 767	12 767	12 767
<b>Total number of households</b>	5	12 767	12 767	12 767	12 767	12 767	12 767	12 767	12 767
<b>Households receiving Free Basic Service</b>									
Water (6 kilolitres per household per month)	7	—	—	—	—	—	—	—	—
Sanitation (free minimum level service)	—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per household per month)	—	—	—	—	—	—	—	—	—
Refuse (removed at least once a week)	—	—	—	—	—	—	—	—	—
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>									
Water (6 kilolitres per indigent household per month)	8	—	—	—	—	—	—	—	—
Sanitation (free sanitation service to indigent households)	—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per indigent household per month)	—	—	—	—	—	—	—	—	—
Refuse (removed once a week for indigent households)	—	—	—	—	—	—	—	—	—
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>	—	—	—	—	—	—	—	—	—
<b>Total cost of FBS provided</b>	—	—	—	—	—	—	—	—	—
<b>Highest level of free service provided per household</b>									
Property rates (R value threshold)		50 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000
Water (kilolitres per household per month)									
Sanitation (kilolitres per household per month)									
Sanitation (Rand per household per month)									
Electricity (kwh per household per month)		50 000	50 000	50 000	50 000	50 000	50 000	50 000	50 000
Refuse (average litres per week)									

## **Part 2 – Supporting Documentation**

### **2.1 Overview of the annual budget process**

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of Mayoral Committee for Finance.

The primary aims of the Budget Steering Committees is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that various spending priorities of the different municipal departments are properly evaluated and prioritized in the allocation of resources.

#### **2.1.1 Budget Process Overview**

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. end of August) a time schedule that sets out the process to revise the IDP and the budget.

The Mayor tabled in Council the required IDP and budget time schedule in August 2020.

Key dates applicable to the process were:

- August 2020 – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritization criteria for the compilation of the 2021/22 MTREF;
- November 2020 – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- January 2021 – Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- January 2021 – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
- 25 January 2021 – Council consider the 2020/21 Mid-year Review and Adjustments Budget;
- February 2021 – Recommendations of the Mayoral Committee are communicated to the Budget steering Committee, and on the respective departments.
- March 2021 – Tabling in Council of the Final 2021/22 IDP and 2021/22 MTREF for public consultation;
- April 2021 – Public consultation;
- May 2021 – closing date for written comments;

- May 2021 – finalization of the IDP and MTREF, taking into consideration comments received from the public, comments from Provincial Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- May 2021 – tabling of the 2021/22 MTREF before Council for consideration and approval.

### **2.1.2 Community Consultation**

The Final budget 2021/22 MTREF as tabled before Council in March 2021 for community consultation will be published on the municipality's website, and hard copies will be made available at customer care offices, municipal notice boards and the municipal library.

All documents in the appropriate format (electronic and printed) were provided to National Treasury and Provincial Treasury in accordance with section 23 of the MFMA, to provide opportunity for them to make inputs.

### **2.2 Overview of budget principles/assumptions directly informed the compilation of the 2021/22 MTREF:**

- The 2020/21 Adjustment Budget priorities and targets, as well as the base line allocations contained in that Adjustment Budget were adopted as upper limits for the new baselines for the 2021/22 Final annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Property rate increases which is based on the new General Valuation Roll which was implemented in 2020/21.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.
- There are no tariffs increase for 2021/2022 in trying to mitigate the negative economic impact caused by COVID 19 pandemic except for electricity and property rates tariffs which were increased in line with recommendations from NERSA and NT.
- Employee related cost were increased by CPI+1%
- Other revenue and other expenditure items were increased by 6% which is the maximum range for inflation rate targeting.

### **2.3 Overview of alignment of annual budget with IDP**

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible IDP process.

Municipalities in South Africa need to utilize integrated development planning as a method to plan future developments in their areas and so find the best solutions to achieve sound long-term developments goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated development planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy
- National and Provincial spatial development perspectives;

## **2.4 Measurable performance objectives and indicators**

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The municipality targets, monitors, assess and reviews organizational performance which in turn is directly linked to individual employee's performance.

## **2.5 Overview of budget related-policies**

### **Banking and Investment Policy**

The policy is aimed at gaining the highest possible return on investment, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes. The effectiveness of the investment policy is dependent on the accuracy of the municipality's cash management programme, which must identify the amounts surplus to the municipality's needs, as well as the time when and period for which such revenues are surplus.

### **Rates Policy**

The purpose of this policy is to:

- Comply with the provisions of section 3 of the Municipal Property Rates Act, (Act No. 6 of 2004)
- Give effect to the principles outlined above;
- Determine the methodology and to prescribe procedures for the implementation of the Act;
- Determine criteria to be applied for the levying of differential rates for different categories of properties

### **Supply Chain Management Policy**

Mthonjaneni Local Municipality may not act otherwise than in accordance with this supply chain management policy when –

- a) procuring goods or services;
- b) disposing of goods no longer needed;
- c) selecting contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
- d) selecting external mechanism referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

## **2.6 Overview of budget funding**

Mthonjaneni Local Municipality's budget is funded in accordance with section 18 of the Municipal Finance Management Act, (Act No. 56 of 2003) which states that:

- (1) An annual budget may only be funded from –
  - a) realistically anticipated revenues to be collected;
  - b) Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
  - c) borrowed funds, but only for the capital budget referred to in section 17 (2)
- (2) Revenue projections in the budget must be realistic, taking into account –
  - a) Projected revenue for the current year based on collection levels to date; and
  - b) Actual revenue collected in previous financial years.

## **2.7 Legislation compliance status**

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

### **1. In year reporting**

Reporting to National and Provincial Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting is reported to council committees monthly and to the Mayor (within 10 working days) has progressively improved.

### **2. Internship programme**

The municipality is participating in the Municipal Financial Management Internship programme and has employed four interns undergoing training in various divisions of the Financial Services Department and one intern was appointed permanently from 01 December 2021 and the municipality is in the process to appoint the fifth intern and interviews are set to take place on the 3<sup>rd</sup> June 2021. Since the introduction of the Internship programme the municipality has successfully employed and trained all interns through this programme and a majority of them except for three interns who are currently doing the municipal financial management programme which commenced in April 2021.

### **3. Budget and Treasury Office**

The Budget and Treasury Office has been established in accordance with the MFMA.

### **4. Audit Committee**

An Audit Committee has been established and is fully functional.

### **5. Service Delivery and Implementation Plan**

The detail SDBIP document is at a draft stage and with council committees which is a process that will be finalized after the approval of 2021/22 MTREF in May 2021 so that it will be directly aligned and informed by the 2021/22 MTREF.

### **6. Annual Report**

Annual report is compiled in terms of the MFMA and National Treasury requirements.

### **7. MFMA Training**

The MFMA training module is undertaken by all new interns and of the four interns one have completed and for other three, the training is ongoing.

### **8. Policies**

The Credit Control and Debt Collection 2021/22 and SCM Policy 2021 were revised and approved by the council on the 29<sup>th</sup> March 2021 as per resolution number MLMSC 21/321 and

MLMSC 21/323 respectively. Where else the other budget related policies were approved as per MLMSC 21/495 with no changes on the 24<sup>th</sup> May 2021.

## **9. Financial Ratios**

The ratios as per National Treasury MFMA Circular 71 and Provincial Treasury Circular PT/MF 12 of 2020/21 have been complied with.

**Table 15: Final Expenditure on allocations and grant programmes**

KZN285 Mthonjaneni - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		78 599	75 637	84 288	88 665	102 071	102 071	91 351	93 125	90 398
Local Government Equitable Share		67 317	70 979	79 412	83 914	97 320	97 320	86 810	90 275	87 548
Finance Management		2 850	2 850	2 850	2 800	2 800	2 800	2 650	2 850	2 850
EPWP Incentive		2 222	1 808	2 026	1 951	1 951	1 951	1 891		
Demarcation Grant		6 210								
<b>Provincial Government:</b>		771	1 035	1 091	1 250	1 231	1 231	1 177	1 235	1 235
Provincialisation of Libraries				880	905	905	905	935	981	981
Community Library Services Grant				211	226	226	226	242	254	254
Title Deeds Restoration Grant					119	100	100			
Library Grant		771	1 035							
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	745	745	-	-	-	-	-
Municipal Disaster Relief Grant				745	745	-	-			
<b>Total operating expenditure of Transfers and Grants</b>		79 370	76 672	86 124	90 660	103 302	103 302	92 528	94 360	91 633
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		32 278	36 749	33 033	32 939	35 598	35 598	39 637	34 039	35 761
Municipal Infrastructure Grant (MIG)		24 278	21 749	18 033	17 939	24 439	24 439	18 832	20 039	20 761
Integrated Electrification Programme Grant		8 000	15 000	15 000	15 000	11 159	11 159	20 805	14 000	15 000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
Municipal Disaster Rel										
<b>Total capital expenditure of Transfers and Grants</b>		32 278	36 749	33 033	32 939	35 598	35 598	39 637	34 039	35 761
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		111 648	113 421	119 157	123 599	138 900	138 900	132 165	128 399	127 394

**Table 16: Final budget to councilor allowances and employee benefits**

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Summary of Employee and Councillor remuneration R thousand	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		A	B	C	D	E	F	G	H	I
<b><u>Councillors (Political Office Bearers plus Other)</u></b>	1									
Basic Salaries and Wages				5 442	5 399	5 399	5 399	5 556	5 890	6 302
Pension and UIF Contributions				766	766	766	766	795	843	902
Medical Aid Contributions				86	86	86	86	105	111	119
Motor Vehicle Allowance				1 894	1 894	1 894	1 894	2 067	2 191	2 344
Cellphone Allowance				1 020	1 020	1 020	1 020	1 020	1 081	1 157
Housing Allowances				–	–	–	–	–	–	–
Other benefits and allowances				90	90	90	90	90	95	101
<b>Sub Total - Councillors</b>		–	–	9 299	9 256	9 256	9 256	9 633	10 211	10 925
<b>% increase</b>	4	–	–	–	(0.5%)	0.0%	–	4.1%	6.0%	7.0%
<b><u>Senior Managers of the Municipality</u></b>	2									
Basic Salaries and Wages				2 731	3 202	3 202	3 202	3 292	3 490	3 734
Pension and UIF Contributions				7	7	7	7	7	8	8
Medical Aid Contributions				–	–	–	–	–	–	–
Overtime				–	–	–	–	–	–	–
Performance Bonus				–	–	–	–	–	–	–
Motor Vehicle Allowance	3			568	568	568	568	630	668	715
Cellphone Allowance	3			29	29	29	29	54	57	61
Housing Allowances	3			72	72	72	72	72	76	82
Other benefits and allowances	3			175	135	230	230	179	190	204
Payments in lieu of leave				–	–	–	–	–	–	–
Long service awards				–	–	–	–	–	–	–
Post-retirement benefit obligations	6			–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>		–	–	3 581	4 012	4 107	4 107	4 235	4 489	4 803
<b>% increase</b>	4	–	–	–	12.1%	2.4%	–	3.1%	6.0%	7.0%
<b><u>Other Municipal Staff</u></b>										
Basic Salaries and Wages				32 382	38 634	35 432	35 432	35 660	37 800	40 446
Pension and UIF Contributions				4 395	4 642	4 642	4 642	4 781	5 068	5 423
Medical Aid Contributions				2 646	2 618	2 618	2 618	2 607	2 764	2 957
Overtime				1 620	1 705	1 705	1 705	1 618	1 715	1 835
Performance Bonus				2 380	2 689	2 632	2 632	2 779	2 946	3 152
Motor Vehicle Allowance	3			3 590	4 583	4 015	4 015	4 138	4 386	4 693
Cellphone Allowance	3			301	371	343	343	350	371	397
Housing Allowances	3			28	111	39	39	40	43	46
Other benefits and allowances	3			2 229	1 862	1 717	1 717	1 614	1 711	1 816
Payments in lieu of leave				–	–	–	–	–	–	–
Long service awards				–	–	–	–	–	–	–
Post-retirement benefit obligations	6			–	–	–	–	–	–	–
<b>Sub Total - Other Municipal Staff</b>		–	–	49 571	57 216	53 144	53 144	53 589	56 804	60 766
<b>% increase</b>	4	–	–	–	15.4%	(7.1%)	–	0.8%	6.0%	7.0%
<b>Total Parent Municipality</b>		–	–	62 451	70 484	66 507	66 507	67 457	71 504	76 494



SUMMARY	<u>Special Adjustments Budget 2020/21</u>	<u>Draft Budget 2021/22</u>	<u>Final Budget 2021/22</u>	<u>Budget year 2022/23</u>	<u>Budget year 2023/24</u>	% Percentage
<b>Revenue by Source</b>						
Property Rates	(31 382 341.85)	(31 382 341.85)	(32 606 253.18)	(33 975 715.81)	(35 470 647.31)	15%
Service charges-electricity revenue	(32 642 496.35)	(27 572 750.35)	(33 915 553.71)	(35 340 006.96)	(36 894 967.27)	16%
Service charges-refuse revenue	(2 059 837.42)	(2 067 131.36)	(2 147 465.02)	(2 237 789.85)	(2 336 453.62)	1%
Rentals of facilities and equipment	(437 000.00)	(450 000.00)	(450 000.00)	(477 000.00)	(510 390.00)	0%
Interest earned-External investments	(1 100 000.00)	(1 200 000.00)	(1 200 000.00)	(1 272 000.00)	(1 361 040.00)	1%
Interest earned-Outstanding Debtors	(1 500 000.00)	(1 900 000.00)	(1 900 000.00)	(2 014 000.00)	(2 154 980.00)	1%
Fines	(1 603 314.00)	(1 003 314.00)	(1 003 314.00)	(1 063 512.84)	(1 137 958.74)	0%
Licences and permits	(1 998 977.99)	(2 208 070.01)	(2 208 070.01)	(2 340 554.21)	(2 504 393.01)	1%
Grant income-Operating	(103 302 000.00)	(92 528 000.00)	(92 528 000.00)	(94 360 000.00)	(91 633 000.00)	44%
Grant income-Capital	(35 598 000.00)	(39 637 000.00)	(39 637 000.00)	(34 039 000.00)	(35 761 000.00)	19%
Other Revenue	(6 135 490.02)	(2 991 320.68)	(2 991 320.68)	(3 170 799.92)	(3 392 755.92)	1%
Gains on Disposal of PPE	(1 000 000.00)	(1 500 000.00)	(1 500 000.00)	(1 590 000.00)	(1 701 300.00)	1%
	<b>(218 759 457.63)</b>	<b>(204 439 928.25)</b>	<b>(212 086 976.60)</b>	<b>(211 880 379.59)</b>	<b>(214 858 885.85)</b>	<b>100%</b>
<b>Expenditure by Type</b>						
Employee related costs	57 250 609.04	59 934 332.43	57 823 932.43	61 293 368.38	65 569 110.41	35%
Remuneration of councillors	9 256 007.86	9 633 142.59	9 633 142.59	10 211 131.14	10 924 733.68	6%
Debt impairment	9 900 000.00	4 900 000.00	6 725 848.49	7 008 334.13	7 316 700.83	4%
Depreciation and asset impairment	17 234 028.37	17 507 431.21	18 287 068.71	19 055 125.59	19 055 125.59	11%
Bulk Purchases	24 313 350.00	25 499 017.50	26 469 380.00	22 170 240.00	22 740 454.40	16%
Other materials	3 749 542.50	3 546 000.00	3 546 000.00	3 758 760.00	4 020 707.20	2%
Other expenditure	21 617 521.50	19 017 030.57	18 998 630.57	20 032 548.40	21 399 316.79	12%
Transfers and subsidies	446 934.31	-	-	-	-	0%
Contracted Services	28 296 866.13	19 618 091.30	23 218 091.30	23 943 046.30	25 172 459.05	14%
	<b>172 064 859.70</b>	<b>159 655 045.60</b>	<b>164 702 094.09</b>	<b>167 472 553.94</b>	<b>176 198 607.96</b>	<b>100%</b>
<b>(Surplus)/ Deficit</b>	<b>(46 694 597.92)</b>	<b>(44 784 882.65)</b>	<b>(47 384 882.51)</b>	<b>(44 407 825.65)</b>	<b>(38 660 277.89)</b>	
<b>Capital Expenditure</b>	<b>46 663 371.43</b>	<b>44 477 000.00</b>	<b>47 076 999.86</b>	<b>43 019 000.13</b>	<b>37 231 000.00</b>	
				-	-	
<b>Net (Surplus)/ Deficit</b>	<b>(31 226.49)</b>	<b>(307 882.65)</b>	<b>(307 882.65)</b>	<b>(1 388 825.52)</b>	<b>(1 429 277.89)</b>	

CAPITAL EXPENDITURE						
VOTE DESCRIPTION	FUNDING SOURCE	Special Adjustments Budget 2020/21	Draft Budget 2021-22	Final Budget 2021-22	BUDGET 2022-23	BUDGET 2023-24
<b>Municipal Manager</b>						
Computer Equipment	INTERNAL FUNDS	20 000.00	20 000.00	20 000.00	30 000.00	40 000.00
Furniture and Office Equipment:Acquisitions	INTERNAL FUNDS	10 000.00	10 000.00	10 000.00	20 000.00	30 000.00
		<b>30 000.00</b>	<b>30 000.00</b>	<b>30 000.00</b>	<b>50 000.00</b>	<b>70 000.00</b>
<b>Mayoral and Council</b>						
Computer Equipment	INTERNAL FUNDS		10 000.00	10 000.00	20 000.00	40 000.00
Furniture and Office Equipment:Acquisitions	INTERNAL FUNDS	13 750.00	10 000.00	10 000.00	20 000.00	50 000.00
Transport Assets	INTERNAL FUNDS			2 250 000.00		
		<b>13 750.00</b>	<b>20 000.00</b>	<b>2 270 000.00</b>	<b>40 000.00</b>	<b>90 000.00</b>
<b>Executive and council</b>		<b>43 750.00</b>	<b>50 000.00</b>	<b>2 300 000.00</b>	<b>90 000.00</b>	<b>160 000.00</b>
<b>Administrative and Corporate Support</b>						
Computer Equipment:Acquisitions / Filing Management S	INTERNAL FUNDS	300 000.00	-	500 000.00	200 000.00	-
Furniture and Office Equipment (Multi media screen):Acquisitions	INTERNAL FUNDS	50 000.00	100 000.00	100 000.00	50 000.00	40 000.00
		<b>350 000.00</b>	<b>100 000.00</b>	<b>600 000.00</b>	<b>250 000.00</b>	<b>40 000.00</b>
<b>Budget and Treasury Office</b>						
Machinery and Equipment: Acquisitions	INTERNAL FUNDS	25 846.45	50 000.00	50 000.00	60 000.00	70 000.00
Computer Equipment:Acquisitions	INTERNAL FUNDS	55 000.00	30 000.00	100 000.00	300 000.00	100 000.00
Furniture and Office Equipment	INTERNAL FUNDS	10 000.00	20 000.00	100 000.00	30 000.00	40 000.00
Intangible Assets	INTERNAL FUNDS	200 000.00	200 000.00	200 000.00	200 000.00	300 000.00
		<b>290 846.45</b>	<b>300 000.00</b>	<b>450 000.00</b>	<b>590 000.00</b>	<b>510 000.00</b>
<b>Finance and administration</b>		<b>640 846.45</b>	<b>400 000.00</b>	<b>1 050 000.00</b>	<b>840 000.00</b>	<b>550 000.00</b>
<b>Community Services</b>						
Computer Equipment	INTERNAL FUNDS	10 000.00	20 000.00	20 000.00	30 000.00	30 000.00
Furniture and Office Equipment	INTERNAL FUNDS	10 000.00	10 000.00	10 000.00	20 000.00	30 000.00
Car Wash structure	INTERNAL FUNDS	200 000.00	-	-	-	-
		<b>220 000.00</b>	<b>30 000.00</b>	<b>30 000.00</b>	<b>50 000.00</b>	<b>60 000.00</b>
<b>Libraries</b>						
Furniture and Office Equipment: Acquisition	INTERNAL FUNDS	10 000.00	50 000.00	50 000.00	20 000.00	30 000.00
Computer Equipment:Acquisitions	INTERNAL FUNDS		50 000.00	50 000.00		
		<b>10 000.00</b>	<b>100 000.00</b>	<b>100 000.00</b>	<b>20 000.00</b>	<b>30 000.00</b>
<b>Community and social services</b>		<b>230 000.00</b>	<b>130 000.00</b>	<b>130 000.00</b>	<b>70 000.00</b>	<b>90 000.00</b>
<b>Electricity Services</b>						
<b>Infrastructure Assets</b>	ECONOMIC AND ENVIRONMENTAL SERVICES					
Electrical Infrastructure: HV and LV Networks:Cost:Acqui	INTERNAL FUNDS	500 000.00	400 000.00	400 000.00	800 000.00	200 000.00
Electrical Infrastructure:Acquisitions (Street Lights)	INTERNAL FUNDS	-	100 000.00	100 000.00	100 000.00	100 000.00
Electrical Infrastructure:Future Use:Power Plants:Cost:Ac	INEP	-	10 000 000.00	10 000 000.00	6 000 000.00	
Ngekhwane Area-Ward 1	INEP	1 500 000.00	875 000.00	875 000.00		
Thubalethu Extension- Ward 2	INEP	5 159 000.00			8 000 000.00	10 000 000.00
Ofankomo/Njomelwane Electrification Project- Ward 3	INEP	500 000.00		1 250 000.00		
Kataza Area- Ward 4	INEP	1 000 000.00	1 525 000.00	1 525 000.00		
Umhlathuze Area- Ward 5	INEP	500 000.00	2 500 000.00	2 500 000.00		
Dubeni Area-Ward 6	INEP	500 000.00	625 000.00	625 000.00		
Inkisa Area-Ward 8	INEP	500 000.00	2 125 000.00	2 125 000.00		
Ntombokazi Area- Ward 12	INEP	1 000 000.00	105 000.00	105 000.00		
Sangoyane Area- Ward 13	INEP	500 000.00	1 800 000.00	1 800 000.00		
Njomelwane-Ward 3	INEP		1 250 000.00	-		
INEP Projects	INEP					5 000 000.00
Machinery and Equipment:Acquisitions (Metering)	INTERNAL FUNDS	100 000.00	100 000.00	100 000.00	100 000.00	100 000.00
Transformer housings	INTERNAL FUNDS	100 000.00	300 000.00	300 000.00	250 000.00	
Airconditioning capital ( offices and Library)	INTERNAL FUNDS	50 000.00	100 000.00	100 000.00	100 000.00	100 000.00
Lightning earthing of municipal buildings	INTERNAL FUNDS		200 000.00	200 000.00	600 000.00	
		<b>11 909 000.00</b>	<b>22 005 000.00</b>	<b>22 005 000.00</b>	<b>15 950 000.00</b>	<b>15 500 000.00</b>

<b>Roads</b>						
<b>Infrastructure Assets</b>						
Urban Roads Upgrade & Rehabilitation: Phase 5 - Town	INTERNAL FUNDS	456 959.11		-		-
Nungwini Gravel Road	INTERNAL FUNDS	1 380 411.26		-		-
Mfule Gravel Road	INTERNAL FUNDS	-		-		-
Manzawayo Gravel Road	INTERNAL FUNDS	-		-		-
Hawai Gravel Road	INTERNAL FUNDS	-		-		-
Mkhakhwini, Sangoyane Gravel Road	INTERNAL FUNDS	-		-		-
Noziphiya Gravel Road	INTERNAL FUNDS	1 065 186.06		-		-
Mbiza Gravel Road-Ward 11	MIG	5 909 982.61		-		-
Mabhungu Gravel Road- Ward 8	MIG	5 191 368.88		-		-
Ndundulu Gravel Road-Ward 8	MIG	719 737.66	2 573 695.14	4 663 669.66	1 747 056.13	
Makhubalo Gravel Road-Ward 9	MIG	-	3 472 028.14	3 122 028.14	350 000.00	
Ntlingwane Gravel Road-Ward 12	MIG	-	3 030 551.86	3 963 505.20	1 560 000.00	
MIG Projects	MIG	-	-	-	15 361 944.00	20 761 000.00
		<b>14 723 645.58</b>	<b>9 076 275.14</b>	<b>11 749 203.00</b>	<b>19 019 000.13</b>	<b>20 761 000.00</b>
<b>Community Assets</b>						
Gobihlahla Creche	INTERNAL FUNDS	263 915.06		-	-	-
Mpevu Community Hall	INTERNAL FUNDS	-		-	-	-
Ntombokazi Community Hall		-		-	-	-
Mehlamasha Community Hall	INTERNAL FUNDS	105 231.68		-		-
Sangoyane Sportsfield-Ward 13	MIG	9 915 941.16	3 035 106.86	1 382 178.86		-
Kataza Creche	MIG	2 701 969.69				
Mahehe Creche-Ward 1	MIG	-	2 874 537.30	2 544 537.30	330 000.00	
Njomelwane Community Hall- Ward 3	MIG	-	3 846 080.70	3 156 080.70	690 000.00	
New Cemetery	INTERNAL FUNDS	-	800 000.00	500 000.00	2 200 000.00	
		<b>12 987 057.59</b>	<b>10 555 724.86</b>	<b>7 582 796.86</b>	<b>3 220 000.00</b>	<b>-</b>
<b>Other Assets</b>						
Computer Equipment	INTERNAL FUNDS	30 000.00	20 000.00	20 000.00	30 000.00	40 000.00
Furniture and Office Equipment:Acquisitions ( Add Chairs	INTERNAL FUNDS	30 000.00	20 000.00	20 000.00	30 000.00	30 000.00
Transport Assets	INTERNAL FUNDS	850 141.37	400 000.00	400 000.00		
Upgrading of Landfill Site Access Road	INTERNAL FUNDS	250 000.00	200 000.00	200 000.00	600 000.00	
Buildings - Municipal Carports, Municipal Gates, Staff Lo	INTERNAL FUNDS	3 350 000.00	500 000.00	500 000.00	1 000 000.00	10 000.00
Machinery and Equipment	INTERNAL FUNDS	240 000.00	600 000.00	600 000.00	500 000.00	10 000.00
Drain Mainhole Concrete Covers	INTERNAL FUNDS	100 000.00	100 000.00	100 000.00	200 000.00	10 000.00
Rehabilitation of land fill site	INTERNAL FUNDS		200 000.00	200 000.00	800 000.00	-
		<b>4 850 141.37</b>	<b>2 040 000.00</b>	<b>2 040 000.00</b>	<b>3 160 000.00</b>	<b>100 000.00</b>
		<b>32 560 844.54</b>	<b>21 672 000.00</b>	<b>21 371 999.86</b>	<b>25 399 000.13</b>	<b>20 861 000.00</b>
<b>Fire Fighting</b>						
Furniture and Office Equipment: Acquisitions	INTERNAL FUNDS	30 000.00	20 000.00	20 000.00	30 000.00	40 000.00
Machinery and Equipment:Acquisitions	INTERNAL FUNDS	50 000.00	50 000.00	50 000.00	70 000.00	10 000.00
Transport Assets - 2x Vans	INTERNAL FUNDS	1 153 930.44		-		
		<b>1 233 930.44</b>	<b>70 000.00</b>	<b>70 000.00</b>	<b>100 000.00</b>	<b>50 000.00</b>
<b>Licensing and Protection Services</b>						
Computer Equipment:Acquisitions	INTERNAL FUNDS	30 000.00	30 000.00	30 000.00	40 000.00	10 000.00
Furniture and Office Equipment: Acquisitions	INTERNAL FUNDS	15 000.00	20 000.00	20 000.00	30 000.00	10 000.00
		<b>45 000.00</b>	<b>50 000.00</b>	<b>50 000.00</b>	<b>70 000.00</b>	<b>20 000.00</b>
<b>Public safety</b>		<b>1 278 930.44</b>	<b>120 000.00</b>	<b>120 000.00</b>	<b>170 000.00</b>	<b>70 000.00</b>
<b>Solid Waste Removal</b>						
Solid Waste Infrastructure:Acquisitions ( Refuse Bins/Sk	INTERNAL FUNDS	-	100 000.00	100 000.00	500 000.00	
		<b>-</b>	<b>100 000.00</b>	<b>100 000.00</b>	<b>500 000.00</b>	<b>-</b>
		<b>46 663 371.43</b>	<b>44 477 000.00</b>	<b>47 076 999.86</b>	<b>43 019 000.13</b>	<b>37 231 000.00</b>

<b>COUNCIL</b>					
<b>mSCOA Vote Description</b>	<b>2020/21 Medium Term &amp; Expenditure Framework</b>				
	<b>Special Adjustments Budget 2020/21</b>	<b>Draft Budget 2021/22</b>	<b>Final Budget 2021/22</b>	<b>Budget year 2022/23</b>	<b>Budget year 2023/24</b>
Office-bearer Allowance/Speaker	3 600.00	3 600.00	3 600.00	3 816.00	4 083.12
Travelling Allowance/Speaker	92 355.24	96 049.56	96 049.56	101 812.53	108 939.41
Basic Salary/Speaker	255 382.37	262 841.59	262 841.59	278 612.09	298 114.94
Cell phone Allowance/Speaker	40 800.00	40 800.00	40 800.00	43 248.00	46 275.36
Pension Fund Contributions/Speaker	36 138.96	37 584.59	37 584.59	39 839.66	42 628.44
Office-bearer Allowance/Executive Mayor	3 600.00	3 600.00	3 600.00	3 816.00	4 083.12
Travelling Allowance/Executive Mayor	155 202.94	215 214.75	215 214.75	228 127.64	244 096.57
Basic Salary/Executive Mayor	543 829.61	559 575.25	559 575.25	593 149.76	634 670.24
Cell phone Allowance/Executive Mayor	40 800.00	40 800.00	40 800.00	43 248.00	46 275.36
Pension Fund Contributions/Executive Mayor	80 975.40	80 196.00	80 196.00	85 007.76	90 108.23
Medial Aid Benefits/Executive Mayor		30 807.96	30 807.96	32 656.44	34 615.82
Office-bearer Allowance/Deputy Executive Mayor	3 600.00	3 600.00	3 600.00	3 816.00	4 083.12
Travelling Allowance/Deputy Executive Mayor	124 162.50	172 172.00	172 172.00	182 502.32	195 277.48
Basic Salary/Deputy Executive Mayor	440 136.04	452 901.51	452 901.51	480 075.60	513 680.89
Cell phone Allowance/Deputy Executive Mayor	40 800.00	40 800.00	40 800.00	43 248.00	46 275.36
Pension Fund Contributions/Deputy Executive Mayor	60 229.80	64 874.64	64 874.64	68 767.12	73 580.82
Medial Aid Benefits/Deputy Executive Mayor	34 888.08	19 143.96	19 143.96	20 292.60	21 713.08
Office-bearer Allowance/Section 79 Committee	3 600.00	3 600.00	3 600.00	3 816.00	4 083.12
Travelling Allowance/Section 79 Committee	84 042.72	87 404.52	87 404.52	92 648.79	99 134.21
Basic Salary/Section 79 Committee	232 396.44	239 184.34	239 184.34	253 535.40	271 282.87
Cell phone Allowance/Section 79 Committee	40 800.00	40 800.00	40 800.00	43 248.00	46 275.36
Pension Fund Contributions/Section 79 Committee	32 886.24	34 201.80	34 201.80	36 253.91	38 791.68
Office-bearer Allowance/Executive Committee	10 800.00	10 800.00	10 800.00	11 448.00	12 249.36
Travelling Allowance/Executive Committee	259 754.40	270 144.72	270 144.72	286 353.40	306 398.14
Basic Salary/Executive Committee	718 276.90	739 257.11	739 257.11	783 612.54	838 465.42
Cell phone Allowance/Executive Committee	122 400.00	122 400.00	122 400.00	129 744.00	138 826.08
Pension Fund Contributions/Executive Committee	101 643.12	105 708.96	105 708.96	112 051.50	119 895.10
Office-bearer Allowance/Other Councillors	64 800.00	64 800.00	64 800.00	68 688.00	73 496.16
Travelling Allowance/Other Councillors	1 178 783.28	1 225 936.08	1 225 936.08	1 299 492.24	1 390 456.70
Basic Salary/Other Councillors	3 209 207.66	3 302 694.93	3 302 694.93	3 500 856.63	3 745 916.59
Cell phone Allowance/Other Councillors	734 400.00	734 400.00	734 400.00	778 464.00	832 956.48
Pension Fund Contributions/Other Councillors	454 596.16	472 584.24	472 584.24	500 939.30	536 005.05
Medial Aid Benefits/Other Councillors	51 120.00	54 664.08	54 664.08	57 943.92	62 000.00
Expenditure: Skills Development Levy	84 035.30	87 333.76	87 333.76	92 573.79	99 053.95
Inventory : Stores and material	0.00	0.00	0.00	0.00	0.00
<b>Subsistence and Travelling/Mayor and Council</b>					
Expenditure:Operational Cost:Parking Fees	15 000.00	15 000.00	15 000.00	15 900.00	17 013.00
Expenditure:Operational Cost:Toll Gate Fees	2 000.00	2 000.00	2 000.00	2 120.00	2 268.40
Expenditure:Operational Cost:Travel and Subsistence:Dom	90 000.00	100 000.00	100 000.00	106 000.00	113 420.00
Expenditure:Operational Cost:Travel and Subsistence:Dom	2 000.00	2 000.00	2 000.00	2 120.00	2 268.40
Expenditure:Operational Cost:Travel and Subsistence:Dom	20 000.00	20 000.00	20 000.00	21 200.00	22 684.00
Expenditure:Operational Cost:Travel and Subsistence:Dom	10 000.00	10 000.00	10 000.00	10 600.00	11 342.00
Expenditure:Contracted Services:Outsourced Services:Sec	2 200 000.00	1 840 000.00	1 840 000.00	1 950 400.00	2 086 928.00
Expenditure:Contracted Services:Outsourced Services:Trar	100 000.00	50 000.00	50 000.00	53 000.00	56 710.00
Expenditure:Operational Cost:Assets less than the Capital	16 125.00	20 000.00	20 000.00	21 200.00	22 684.00
Expenditure:Operational Cost:Printing, Publications and Bo	50 000.00	50 000.00	50 000.00	53 000.00	56 710.00
Training Councillors	60 000.00	150 000.00	150 000.00	159 000.00	170 130.00
Council Support Burial	150 000.00	150 000.00	150 000.00	159 000.00	170 130.00
Expenditure:Operational Cost:Seating Allowance for Traditi	64 500.00	64 500.00	64 500.00	68 370.00	73 155.90
	<b>12 119 668.16</b>	<b>12 193 976.35</b>	<b>12 193 976.35</b>	<b>12 925 614.93</b>	<b>13 829 231.34</b>

<b>MUNICIPAL MANAGER</b>					
<b>mSCOA Vote Description</b>	<b>2020/21 Medium Term &amp; Expenditure Framework</b>				
	<b>Special Adjustments Budget 2020/21</b>	<b>Draft Budget 2021/22</b>	<b>Final Budget 2021/22</b>	<b>Budget year 2022/23</b>	<b>Budget year 2023/24</b>
Basic Salary/MM	1 074 082.14	1 062 936.01	1 062 936.01	1 126 712.17	1 205 582.02
Bonuses/MM	0.00	0.00	0.00	0.00	0.00
Travel or Motor Vehicle/MM	150 000.00	150 000.00	150 000.00	159 000.00	170 130.00
Scarcity/MM	46 531.32	47 834.28	47 834.28	50 704.34	54 253.64
Unemployment Insurance/MM	1 784.64	1 784.64	1 784.64	1 891.72	2 024.14
Basic Salary and Wages/Municipal Staff	902 082.56	1 680 744.10	1 680 744.10	1 781 588.74	1 906 299.95
Bonuses/Municipal Staff	75 173.55	131 838.57	131 838.57	139 748.89	149 531.31
Cellular and Telephone/Municipal Staff	24 000.00	36 000.00	36 000.00	38 160.00	40 831.20
Travel or Motor Vehicle/Municipal Staff	90 000.00	240 000.00	240 000.00	254 400.00	272 208.00
Rental/Municipal Staff	18 000.00	18 000.00	18 000.00	19 080.00	20 415.60
Overtime/Municipal Staff	32 484.52	45 538.94	45 538.94	48 271.27	51 650.26
Bargaining Council/Municipal Staff	447.36	559.20	559.20	592.75	634.24
Group Life Insurance/Municipal Staff	4 585.92	4 585.92	4 585.92	4 861.08	5 201.35
Medical/Municipal Staff	109 072.80	157 701.60	157 701.60	167 163.70	178 865.15
Pension/Municipal Staff	136 453.32	232 895.52	232 895.52	246 869.25	264 150.10
Unemployment Insurance/Municipal Staff	7 138.56	9 910.01	9 910.01	10 504.61	11 239.94
Skills Development Levy	22 161.65	31 336.80	31 336.80	33 217.01	35 542.20
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Corp	800 000.00	600 000.00	600 000.00	636 000.00	680 520.00
Expenditure:Contracted Serv:Advertising, Publicity and Marketing:Muni	12 150.00	12 150.00	12 150.00	12 879.00	13 780.53
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Gifts	6 000.00	40 000.00	40 000.00	42 400.00	45 368.00
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Sign	55 250.00	50 000.00	50 000.00	53 000.00	56 710.00
Expenditure:Inventory Consumed:Materials and Supplies	53 750.00	50 000.00	50 000.00	53 000.00	56 710.00
<b>Subsistence and Travelling</b>					
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Accom	40 000.00	30 000.00	30 000.00	31 800.00	34 026.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Daily A	1 000.00	1 000.00	1 000.00	1 060.00	1 134.20
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Food a	5 000.00	5 000.00	5 000.00	5 300.00	5 671.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Transp	1 000.00	1 000.00	1 000.00	1 060.00	1 134.20
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Transp	15 000.00	15 000.00	15 000.00	15 900.00	17 013.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Transp	15 000.00	15 000.00	15 000.00	15 900.00	17 013.00
Expenditure:Operational Cost:Printing, Publications and Books	32 250.00	30 000.00	30 000.00	31 800.00	34 026.00
Expenditure:Operational Cost:Registration Fees:Professional and Regu	32 250.00	30 000.00	30 000.00	31 800.00	34 026.00
<b>IDP Budget Roadshows</b>					
Expenditure:Contracted Services:Outsourced Services:Catering Service	0.00	0.00	0.00	0.00	0.00
Expenditure:Contracted Services:Outsourced Services:Transport Service	0.00	0.00	0.00	0.00	0.00
Expenditure:Operational Cost:Hire Charges	0.00	0.00	0.00	0.00	0.00
Expenditure:Contracted Services:Outsourced Services:Catering Service	0.00	0.00	0.00	0.00	0.00
Expenditure:Operational Cost:Printing, Publications and Books	26 875.00	25 000.00	25 000.00	26 500.00	28 355.00
<b>Performance Management</b>					
Expenditure:Contracted Services:Contractors:Catering Services	16 125.00	0.00	0.00	0.00	0.00
Expenditure:Contracted Services:Outsourced Services:Business and A	0.00	0.00	0.00	0.00	0.00
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Sign	10 750.00	10 000.00	10 000.00	10 600.00	11 342.00
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Gifts	21 500.00	20 000.00	20 000.00	21 200.00	22 684.00
Expenditure:Operational Cost:Communication:Radio and TV Transmiss	30 000.00	50 000.00	50 000.00	53 000.00	56 710.00
Expenditure:Contracted Services:Contractors:Maintenance of Unspecifi	15 000.00	0.00	0.00	0.00	0.00
Expenditure:Contracted Services:Consultants and Professional Service	989 689.54	500 000.00	500 000.00	530 000.00	567 100.00
<b>Strategic Planning</b>	405 732.16	0.00	0.00	0.00	0.00
	<b>5 278 320.03</b>	<b>5 335 815.58</b>	<b>5 335 815.58</b>	<b>5 655 964.52</b>	<b>6 051 882.04</b>

<b>INTERNAL AUDIT</b>					
Vote Description	2020/21 Medium Term & Expenditure Framework				
	Special Adjustments Budget 2020/21	Draft Budget 2021/22	Final Budget 2021/22	Budget year 2022/23	Budget year 2023/24
Basic Salary and Wages/Municipal Staff	581 564.63	611 500.12	611 500.12	648 190.12	693 563.43
Bonuses/Municipal Staff	48 463.72	50 958.34	50 958.34	54 015.84	57 796.95
Cellular and Telephone/Municipal Staff	12 000.00	12 000.00	12 000.00	12 720.00	13 610.40
Travel or Motor Vehicle/Municipal Staff	150 000.00	150 000.00	150 000.00	159 000.00	170 130.00
Rental/Municipal Staff	9 000.00	9 000.00	9 000.00	9 540.00	10 207.80
Bargaining Council/Municipal Staff	111.84	111.84	111.84	118.55	126.85
Group Life Insurance/Municipal Staff	21 945.84	21 945.84	21 945.84	23 262.59	24 890.97
Medical/Municipal Staff	34 632.00	34 632.00	34 632.00	36 709.92	39 279.61
Pension/Municipal Staff	98 756.28	98 756.28	98 756.28	104 681.66	112 009.37
Unemployment Insurance/Municipal Staff	1 784.64	1 784.64	1 784.64	1 891.72	2 024.14
Skills Development Levy	7 315.65	7 615.00	7 615.00	8 071.90	8 636.93
Expenditure:Operational Cost:Audit Committee Fees	139 750.00	139 750.00	139 750.00	148 135.00	158 504.45
Expenditure:Contracted Services:Consultants and Professional Serv	1 890 000.00	900 000.00	900 000.00	954 000.00	1 020 780.00
	<b>2 995 324.60</b>	<b>2 038 054.06</b>	<b>2 038 054.06</b>	<b>2 160 337.30</b>	<b>2 311 560.91</b>
	<b>2 995 324.60</b>	<b>2 038 054.06</b>	<b>2 038 054.06</b>	<b>2 160 337.30</b>	<b>2 311 560.91</b>

BUDGET AND TREASURY OFFICE					
Vote Description	2020/21 Medium Term & Expenditure Framework				
	Special Adjustments Budget 2020/21	Draft Budget 2021/22	Final Budget 2021/22	Budget year 2022/23	Budget year 2023/24
Revenue:Non-exchange Revenue:Property Rates:Agricultural Property	(3 790 148.00)	(3 790 148.00)	(3 937 963.77)	(4 103 358.25)	(4 283 906.01)
Revenue:Non-exchange Revenue:Property Rates:Business and Commercial Properties	(8 593 615.00)	(8 593 615.00)	(8 928 765.99)	(9 303 774.16)	(9 713 140.22)
Revenue:Non-exchange Revenue:Property Rates:Public Service Infrastructure Properties	(13 103.00)	(13 103.00)	(13 614.02)	(14 185.81)	(14 809.98)
Revenue:Non-exchange Revenue:Property Rates:Residential Properties:Developed	(6 053 643.00)	(6 053 643.00)	(6 289 735.08)	(6 553 903.95)	(6 842 275.72)
Revenue:Non-exchange Revenue:Property Rates:Residential Properties:Vacant Land	(1 234 328.00)	(1 234 328.00)	(1 282 466.79)	(1 336 330.40)	(1 395 128.93)
Revenue:Non-exchange Revenue:Property Rates:State-owned Properties	(8 799 936.00)	(8 799 936.00)	(9 143 133.50)	(9 527 145.11)	(9 946 339.50)
Revenue Forgone (PROPERTY RATES)	4 654 794.15	4 654 794.15	4 836 331.12	5 039 457.03	5 261 193.14
Revenue:Non-exchange Revenue:Property Rates:Other Categories	(7 552 363.00)	(7 552 363.00)	(7 846 905.16)	(8 176 475.17)	(8 536 240.08)
Revenue:Non-exchange Revenue:Property Rates:State Trust Land				0.00	0.00
Revenue:Exchange Revenue:Interest, Dividend and Rent on Land:Interest:Current and No	(1 100 000.00)	(1 200 000.00)	(1 200 000.00)	(1 272 000.00)	(1 361 040.00)
Revenue:Non-exchange Revenue:Transfers and Subsidies:Operational:Monetary Allocations	(97 320 000.00)	(86 810 000.00)	(86 810 000.00)	(90 275 000.00)	(87 548 000.00)
Revenue:Non-exchange Revenue:Transfers and Subsidies:Capital:Monetary Allocations	(2 800 000.00)	(2 650 000.00)	(2 650 000.00)	(2 850 000.00)	(2 850 000.00)
Revenue:Exchange Revenue:Sales of Goods and Rendering of Services:Clearance Certificate	(3 976.80)	(4 215.41)	(4 215.41)	(4 468.33)	(4 781.12)
Revenue:Exchange Revenue:Operational Revenue:Collection Charges	(315 000.00)	(25 000.00)	(25 000.00)	(26 500.00)	(28 355.00)
Revenue:Exchange Revenue:Sales of Goods and Rendering of Services:Valuation Services	(2 651.20)	(2 810.27)	(2 810.27)	(2 978.89)	(3 187.41)
Revenue:Exchange Revenue:Operational Revenue:Insurance Refund	(26 512.02)	(300 000.00)	(300 000.00)	(318 000.00)	(340 260.00)
Interest earned - outstanding debtors	(1 500 000.00)	(1 900 000.00)	(1 900 000.00)	(2 014 000.00)	(2 154 980.00)
Gains on Disposal Of PPE	(1 000 000.00)	(1 500 000.00)	(1 500 000.00)	(1 590 000.00)	(1 701 300.00)
	(135 450 481.87)	(125 774 367.53)	(126 998 278.86)	(132 328 663.03)	(131 462 550.83)
Basic Salary/CFO	805 118.04	846 188.04	846 188.04	896 959.32	959 746.47
Bonuses/CFO	0.00	0.00	0.00	0.00	0.00
Travel or Motor Vehicle/CFO	87 500.00	150 000.00	150 000.00	159 000.00	170 130.00
Scarcity/CFO	22 286.11	23 244.41	23 244.41	24 639.07	26 363.81
Unemployment Insurance/CFO	1 784.64	1 784.64	1 784.64	1 891.72	2 024.14
Bargaining Council/CFO	111.84	111.84	111.84	118.55	126.85
Cellular and Telephone/CFO	0.00	0.00	0.00	0.00	0.00
Basic Salary and Wages/Municipal Staff	3 783 873.68	4 089 725.59	4 089 725.59	4 335 109.13	4 638 566.76
Bonuses/Municipal Staff	298 011.00	331 901.74	331 901.74	351 815.85	376 442.96
Cellular and Telephone/Municipal Staff	36 000.00	54 000.00	54 000.00	57 240.00	61 246.80
Travel or Motor Vehicle/Municipal Staff	300 000.00	300 000.00	300 000.00	318 000.00	340 260.00
Rental/Municipal Staff	117 000.00	121 500.00	121 500.00	128 790.00	137 805.30
Overtime/Municipal Staff	96 681.68	111 668.41	111 668.41	118 368.52	126 654.31
Bargaining Council/Municipal Staff	1 677.60	1 677.60	1 677.60	1 778.26	1 902.73
Group Life Insurance/Municipal Staff	18 484.56	11 288.28	11 288.28	11 965.58	12 803.17
Medical/Municipal Staff	280 407.60	280 407.60	280 407.60	297 232.06	318 038.30
Pension/Municipal Staff	468 067.76	497 459.78	497 459.78	527 307.37	564 218.88
Unemployment Insurance/Municipal Staff	25 251.80	26 469.64	26 469.64	28 057.82	30 021.87
Skills Development Levy	40 838.74	43 897.26	43 897.26	46 531.09	49 788.27
Basic Salary and Wages/Municipal Staff	529 999.79	524 499.79	524 499.79	555 969.78	594 887.66
Bonuses/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Overtime/Municipal Staff	21 199.99	26 224.99	26 224.99	27 798.49	29 744.38
Bargaining Council/Municipal Staff	447.36	559.20	559.20	592.75	634.24
Unemployment Insurance/Municipal Staff	4 240.00	5 245.00	5 245.00	5 559.70	5 948.88
Liabilities:Current Liabilities:Provision and Impairment:Impairment:Other Receivables from H	9 900 000.00	4 900 000.00	6 725 848.49	7 008 334.13	7 316 700.83
<b>Depreciation</b>					
Expenditure:Depreciation and Amortisation:Depreciation:Community Assets	4 431 228.37				
Expenditure:Depreciation and Amortisation:Depreciation:Computer Equipment	306 000.00	336 600.00	336 600.00	350 737.20	350 737.20
Expenditure:Depreciation and Amortisation:Depreciation:Electrical Infrastructure	5 292 200.00				
Expenditure:Depreciation and Amortisation:Depreciation:Furniture and Office Equipment	397 200.00	436 920.00	436 920.00	455 270.64	455 270.64
Expenditure:Depreciation and Amortisation:Depreciation:Machinery and Equipment	538 400.00	592 240.00	592 240.00	617 114.08	617 114.08
Expenditure:Depreciation and Amortisation:Depreciation:Other Assets	1 112 000.00	1 223 200.00	1 223 200.00	1 274 574.40	1 274 574.40
Expenditure:Depreciation and Amortisation:Depreciation:Roads Infrastructure	4 699 500.00				
Expenditure:Depreciation and Amortisation:Depreciation:Transport Assets	457 500.00	503 250.00	503 250.00	524 386.50	524 386.50
Expenditure:Contracted Services:Consultants and Professional Services:Assets Physical	200 000.00	0.00	0.00	0.00	0.00
Expenditure:Contracted Services:Consultants and Professional Services:Business and Adv	3 382 250.00	2 000 000.00	2 000 000.00	2 120 000.00	2 268 400.00
Vending System	300 000.00	300 000.00	300 000.00	318 000.00	340 260.00
Expenditure:Contracted Services:Consultants and Professional Services:Business and Adv	289 817.50	300 000.00	300 000.00	318 000.00	340 260.00
<b>Grant Expense/FMG/Training MFMP</b>					
Expenditure:Contracted Services:Consultants and Professional Services:Business and Adv	300 000.00	300 000.00	300 000.00	318 000.00	340 260.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Accommodation	100 000.00	100 000.00	100 000.00	106 000.00	113 420.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Daily Allowance	10 000.00	50 000.00	50 000.00	53 000.00	56 710.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Food and Beverage (Serve	0.00	10 000.00	10 000.00	10 600.00	11 342.00
Expenditure:Operational Cost:Printing, Publications and Books	200 000.00	100 000.00	100 000.00	106 000.00	113 420.00
Expenditure:Operational Cost:External Audit Fees	2 000 000.00	2 000 000.00	2 000 000.00	2 120 000.00	2 268 400.00
Expenditure:Operational Cost:Bank Charges, Facility and Card Fees:Bank Accounts	103 000.00	103 000.00	103 000.00	109 180.00	116 822.60
Expenditure:Operational Cost:Insurance Underwriting:Premiums	1 050 000.00	1 200 000.00	1 200 000.00	1 272 000.00	1 361 040.00
Expenditure:Contracted Services:Contractors:Safeguard and Security	70 000.00	80 000.00	80 000.00	84 800.00	90 736.00
Expenditure:Operational Cost:Advertising	30 000.00	30 000.00	30 000.00	31 800.00	34 026.00
<b>Subsistence and Travelling/Budget &amp; Treasury</b>					
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Accommodation	40 000.00	50 000.00	50 000.00	53 000.00	56 710.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Daily Allowance	3 000.00	3 000.00	3 000.00	3 180.00	3 402.60
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Food and Beverage (Serve	6 000.00	6 000.00	6 000.00	6 360.00	6 805.20
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Incidental Cost	1 000.00	1 000.00	1 000.00	1 060.00	1 134.20
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Transport with Operator:Pi	8 000.00	8 000.00	8 000.00	8 480.00	9 073.60
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Transport without Operator	8 000.00	8 000.00	8 000.00	8 480.00	9 073.60
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Transport without Operator	8 000.00	8 000.00	8 000.00	8 480.00	9 073.60
Expenditure:Contracted Services:Contractors:Maintenance of Equipment	10 000.00	10 000.00	10 000.00	10 600.00	11 342.00
Expenditure:Contracted Services:Contractors:Maintenance of Unspecified Assets	0.00	0.00	0.00	0.00	0.00
	42 192 078.05	22 107 063.81	23 932 912.30	25 192 161.99	26 547 850.84
	(93 258 403.82)	(103 667 303.72)	(103 065 366.56)	(107 136 501.05)	(104 914 700.00)

ASSET MANAGEMENT					
Vote Description	2020/21 Medium Term & Expenditure Framework				
	Special Adjustments Budget 2020/21	Draft Budget 2021/22	Final Budget 2021/22	Budget year 2022/23	Budget year 2023/24
Basic Salary and Wages/Municipal Staff	244 976.28	266 521.20	266 521.20	282 512.47	302 288.35
Bonuses/Municipal Staff	20 414.69	22 210.10	22 210.10	23 542.71	25 190.70
Non-pensionable/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Rental/Municipal Staff	9 000.00	9 000.00	9 000.00	9 540.00	10 207.80
Travel or Motor Vehicle/Municipal Staff	82 500.00	90 000.00	90 000.00	95 400.00	102 078.00
Overtime/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Bargaining Council/Municipal Staff	102.52	102.52	102.52	108.67	116.28
Group Life Insurance/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Medical/Municipal Staff	22 298.40	22 298.40	22 298.40	23 636.30	25 290.85
Pension/Municipal Staff	44 095.68	44 095.68	44 095.68	46 741.42	50 013.32
Unemployment Insurance/Municipal Staff	1 784.64	1 784.64	1 784.64	1 891.72	2 024.14
Skills Development Levy/Asset Management	3 274.76	3 565.21	3 565.21	3 779.12	4 043.66
	<b>428 446.97</b>	<b>459 577.75</b>	<b>459 577.75</b>	<b>487 152.42</b>	<b>521 253.09</b>
	<b>428 446.97</b>	<b>459 577.75</b>	<b>459 577.75</b>	<b>487 152.42</b>	<b>521 253.09</b>

SUPPLY CHAIN MANAGEMENT					
Vote Description	2020/21 Medium Term & Expenditure Framework				
	Special Adjustments Budget 2020/21	Draft Budget 2021/22	Final Budget 2021/22	Budget year 2022/23	Budget year 2023/24
Basic Salary and Wages/Municipal Staff	1 019 630.24	1 077 307.73	1 077 307.73	1 141 946.19	1 221 882.42
Bonuses/Municipal Staff	84 969.19	89 775.64	89 775.64	95 162.18	101 823.54
Cellular and Telephone/Municipal Staff	12 000.00	12 000.00	12 000.00	12 720.00	13 610.40
Travel or Motor Vehicle/Municipal Staff	150 000.00	150 000.00	150 000.00	159 000.00	170 130.00
Rental/Municipal Staff	27 000.00	27 000.00	27 000.00	28 620.00	30 623.40
Overtime/Municipal Staff	13 216.96	13 564.32	13 564.32	14 378.18	15 384.65
Bargaining Council/Municipal Staff	447.36	447.36	447.36	474.20	507.40
Group Life Insurance/Municipal Staff	17 727.48	17 727.48	17 727.48	18 791.13	20 106.51
Medical/Municipal Staff	96 883.20	96 883.20	96 883.20	102 696.19	109 884.93
Pension/Municipal Staff	173 144.76	173 144.76	173 144.76	183 533.45	196 380.79
Skills Development Levy/Supply Chain Management	11 696.30	12 273.08	12 273.08	13 009.46	13 920.12
Unemployment Insurance/Municipal Staff	6 212.67	6 282.14	6 282.14	6 659.07	7 125.21
	<b>1 612 928.17</b>	<b>1 676 405.71</b>	<b>1 676 405.71</b>	<b>1 776 990.05</b>	<b>1 901 379.36</b>
	<b>1 612 928.17</b>	<b>1 676 405.71</b>	<b>1 676 405.71</b>	<b>1 776 990.05</b>	<b>1 901 379.36</b>



INFORMATION TECHNOLOGY					
Vote Description	2020/21 Medium Term & Expenditure Framework				
	Special Adjustments Budget 2020/21	Draft Budget 2021/22	Final Budget 2021/22	Budget year 2022/23	Budget year 2023/24
Basic Salary and Wages/Municipal Staff	700 414.21	636 831.58	636 831.58	675 041.47	722 294.38
Bonuses/Municipal Staff	75 562.25	81 357.05	81 357.05	86 238.47	92 275.17
Cellular and Telephone/Municipal Staff	6 000.00	12 000.00	12 000.00	12 720.00	13 610.40
Travel or Motor Vehicle/Municipal Staff	165 000.00	240 000.00	240 000.00	254 400.00	272 208.00
Rental/Municipal Staff	13 500.00	18 000.00	18 000.00	19 080.00	20 415.60
Overtime/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Bargaining Council/Municipal Staff	223.68	223.68	223.68	237.10	253.70
Group Life Insurance/Municipal Staff	8 322.78	8 322.78	8 322.78	8 822.15	9 439.70
Medical/Municipal Staff	66 902.40	66 902.40	66 902.40	70 916.54	75 880.70
Pension/Municipal Staff	57 680.46	57 680.46	57 680.46	61 141.29	65 421.18
Unemployment Insurance/Municipal Staff	3 569.28	3 569.28	3 569.28	3 783.44	4 048.28
Skills Developmnt Lewy/Information Technology	8 654.14	8 768.32	8 768.32	9 294.41	9 945.02
Expenditure:Operational Cost:External Computer Service:Internet Charge	888 767.39	600 000.00	600 000.00	636 000.00	680 520.00
Expenditure:Operational Cost:External Computer Service:Software Licences	450 000.00	350 000.00	350 000.00	371 000.00	396 970.00
Expenditure: Website	150 000.00	150 000.00	150 000.00	159 000.00	170 130.00
	2 594 596.59	2 233 655.55	2 233 655.55	2 367 674.88	2 533 412.12
	2 594 596.59	2 233 655.55	2 233 655.55	2 367 674.88	2 533 412.12

ADMINISTRATIVE & CORPORATE SUPPORT					
Vote Description	2020/21 Medium Term & Expenditure Framework				
	Special Adjustments Budget 2020/21	Draft Budget 2021/22	Final Budget 2021/22	Budget year 2022/23	Budget year 2023/24
Basic Salary and Wages/Municipal Staff	3 414 992.25	3 779 559.78	3 779 559.78	4 006 333.37	4 286 776.70
Bonuses/Municipal Staff	259 653.68	298 516.44	298 516.44	316 427.43	338 577.35
Cellular and Telephone/Municipal Staff	24 000.00	30 000.00	30 000.00	31 800.00	34 026.00
Travel or Motor Vehicle/Municipal Staff	255 000.00	330 000.00	330 000.00	349 800.00	374 286.00
Non-pensionable/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Rental/Municipal Staff	102 600.00	120 600.00	120 600.00	127 836.00	136 784.52
Overtime/Municipal Staff	129 609.85	141 297.38	141 297.38	149 775.23	160 259.49
Bargaining Council/Municipal Staff	1 901.28	1 845.36	1 845.36	1 956.08	2 093.01
Group Life Insurance/Municipal Staff	19 760.04	13 862.76	13 862.76	14 694.53	15 723.14
Medical/Municipal Staff	305 058.60	305 058.60	305 058.60	323 362.12	345 997.46
Pension/Municipal Staff	533 167.04	586 967.89	586 967.89	622 185.96	665 738.98
Unemployment Insurance/Municipal Staff	28 741.11	28 297.42	28 297.42	29 995.26	32 094.93
Skills Development Levy/Admin & Corp. support	36 699.92	41 095.60	41 095.60	43 561.33	46 610.63
Expenditure:Operational Cost:Municipal Services	0.00	0.00	0.00	0.00	0.00
Expenditure:Contracted Services:Contractors:Maintenance of Unspecified Ass	0.00	0.00	0.00	0.00	0.00
<b>Publishing (Gazette)/Admin &amp; Corp. support</b>					
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Staff Recruit	50 626.80	25 000.00	25 000.00	26 500.00	28 355.00
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Customer/C	24 202.08	200 000.00	200 000.00	212 000.00	226 840.00
<b>Ward Committees</b>					
Expenditure:Operational Cost:Ward Committee Meetings	40 000.00	30 000.00	30 000.00	31 800.00	0.00
Expenditure:Operational Cost:Ward Committee Trainings	0.00	100 000.00	100 000.00	0.00	0.00
Expenditure:Operational Cost:Remuneration to Ward Committees	1 749 600.00	1 872 000.00	1 872 000.00	1 984 320.00	2 123 222.40
Stationery for Ward Committees	10 000.00	10 000.00	10 000.00	10 600.00	11 342.00
Gift and Promotional Material	0.00	30 000.00	30 000.00	31 800.00	34 026.00
Sound Hire for Committee Meeting	0.00	0.00	0.00	0.00	0.00
Tables & Table Cloths hire	0.00	0.00	0.00	0.00	0.00
Expenditure:Operational Cost:Indigent Relief	0.0	0.0	0.0	0.0	0.0
Expenditure:Operational Cost:External Computer Service:Software Licences	0.0	0.0	0.0	0.0	0.0
Expenditure:Operational Cost:Printing, Publications and Books	130 000.0	100 000.0	100 000.0	106 000.0	113 420.0
<b>Postage &amp; Stamps/Admin &amp; Corp. support</b>					
Expenditure:Operational Cost:Communication:Telephone, Fax, Telegraph and	700 000.00	600 000.00	600 000.00	636 000.00	680 520.00
Expenditure:Operational Cost:Courier and Delivery Services	5 000.00	5 000.00	5 000.00	5 300.00	5 671.00
Expenditure:Operational Cost:Communication:Postage/Stamps/Franking Mach	360 000.00	300 000.00	300 000.00	318 000.00	340 260.00
<b>Staff Wellness/Admin &amp; Corp. support</b>					
Expenditure:Contracted Services:Contractors:Catering Services	0.00	100 000.00	100 000.00	106 000.00	113 420.00
Expenditure:Contracted Services:Contractors:Employee Wellness	0.00	100 000.00	100 000.00	106 000.00	113 420.00
Expenditure:Operational Cost:Transport Provided as Part of Departmental Activ	0.00	0.00	0.00	0.00	0.00
Expenditure:Inventory Consumed:Water	0.00	6 000.00	6 000.00	6 360.00	6 805.20
Expenditure:Inventory Consumed:Consumables:Standard Rated	60 000.00	60 000.00	60 000.00	63 600.00	68 052.00
<b>Substance and Travelling/Admin &amp; Corp. support</b>					
Expenditure:Operational Cost:Toll Gate Fees	4 000.00	4 000.00	4 000.00	4 240.00	4 536.80
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Accommodati	20 000.00	20 000.00	20 000.00	21 200.00	22 684.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Daily Allowanc	5 000.00	5 000.00	5 000.00	5 300.00	5 671.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Incidental Cos	5 000.00	5 000.00	5 000.00	5 300.00	5 671.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Transport with	5 000.00	5 000.00	5 000.00	5 300.00	5 671.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Transport with	5 000.00	5 000.00	5 000.00	5 300.00	5 671.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Transport with	10 000.00	10 000.00	10 000.00	10 600.00	11 342.00
IT Management and Support					
<b>Training/Admin &amp; Corp. support</b>					
Expenditure:Contracted Services:Outsourced Services:Catering Services	10 000.00	30 600.00	30 600.00	32 436.00	34 706.52
Expenditure:Inventory Consumed:Materials and Supplies	20 000.00	50 000.00	50 000.00	53 000.00	56 710.00
Expenditure:Operational Cost:Registration Fees:Seminars, Conferences, Work	220 000.00	300 000.00	300 000.00	318 000.00	340 260.00
Expenditure:Operational Cost:Professional Bodies, Membership and Subscript	572 157.20	606 856.46	606 856.46	643 267.85	688 296.60
Expenditure:Contracted Services:Outsourced Services:Hygiene Services	745 000.00	600 000.00	800 000.00	848 000.00	907 360.00
Expenditure:Contracted Services:Consultants and Professional Services:Busin	50 000.00	50 000.00	50 000.00	53 000.00	56 710.00
Expenditure:Contracted Services:Outsourced Services:Business and Advisory	20 000.00	20 000.00	20 000.00	21 200.00	22 684.00
Expenditure:Job Evaluation Licence	40 000.00	40 000.00	40 000.00	42 400.00	45 368.00
Expenditure:Contracted Services : Job Evaluation	0.00	0.00	0.00	0.00	0.00
Expenditure:Storage Site	50 000.00	50 000.00	50 000.00	53 000.00	56 710.00
Expenditure:Operational Cost:Bursaries (Employees)	239 431.85	100 000.00	100 000.00	106 000.00	113 420.00
Expenditure:Operating Leases:Machinery and Equipment	100 000.00	312 000.00	312 000.00	330 720.00	353 870.40
Expenditure:Operating Cost: Assets less than Capitalisation Threshold	50 000.00	50 000.00	50 000.00	53 000.00	56 710.00
Expenditure:Operational Cost:Occupational Health and Safety	1 800 000.00	200 000.00	200 000.00	212 000.00	226 840.00
Expenditure:Operational Cost:Uniform and Protective Clothing	0.00	50 000.00	50 000.00	53 000.00	56 710.00
Expenditure:Operational Cost:Indigent Relief	1 170 000.00	910 000.00	910 000.00	964 600.00	1 032 122.00
	<b>13 381 201.70</b>	<b>12 638 557.69</b>	<b>12 838 557.69</b>	<b>13 502 871.15</b>	<b>14 414 046.13</b>
	<b>13 381 201.70</b>	<b>12 638 557.69</b>	<b>12 838 557.69</b>	<b>13 502 871.15</b>	<b>14 414 046.13</b>

HUMAN RESOURCES					
Vote Description	2020/21 Medium Term Revenue & Expenditure Framework				
	Special Adjustments Budget 2020/21	Draft Budget 2021/22	Final Budget 2021/22	Budget year 2022/23	Budget year 2023/24
Basic Salary and Wages/Municipal Staff	906 746.98	976 284.62	976 284.62	1 034 861.70	1 107 302.02
Bonuses/Municipal Staff	75 562.25	81 357.05	81 357.05	86 238.47	92 275.17
Rental/Municipal Staff	18 000.00	27 000.00	27 000.00	28 620.00	30 623.40
Overtime/Municipal Staff	6 526.74	7 027.38	7 027.38	7 449.03	7 970.46
Leave Pay/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Bargaining Council/Municipal Staff	335.52	335.52	335.52	355.65	380.55
Group Life Insurance/Municipal Staff	24 417.84	24 417.84	24 417.84	25 882.91	27 694.71
Medical/Municipal Staff	93 436.20	93 436.20	93 436.20	99 042.37	105 975.34
Pension/Municipal Staff	107 922.48	107 922.48	107 922.48	114 397.83	122 405.68
Unemployment Insurance/Municipal Staff	4 874.63	4 974.76	4 974.76	5 273.24	5 642.37
Skills Development Levy/Human Resources	10 567.47	11 262.85	11 262.85	11 938.62	12 774.32
	<b>1 248 390.11</b>	<b>1 334 018.70</b>	<b>1 334 018.70</b>	<b>1 414 059.82</b>	<b>1 513 044.01</b>
	<b>1 248 390.11</b>	<b>1 334 018.70</b>	<b>1 334 018.70</b>	<b>1 414 059.82</b>	<b>1 513 044.01</b>

LIBRARY					
Vote Description	2020/21 Medium Term & Expenditure Framework				
	Special Adjustments Budget 2020/21	Draft Budget 2021/22	Final Budget 2021/22	Budget year 2022/23	Budget year 2023/24
Revenue:Non-exchange Revenue:Transfers and Subsidies:Opera	(226 000.00)	(242 000.00)	(242 000.00)	(254 000.00)	(254 000.00)
Revenue:Non-exchange Revenue:Transfers and Subsidies:Opera	(905 000.00)	(935 000.00)	(935 000.00)	(981 000.00)	(981 000.00)
Revenue:Non-exchange Revenue:Fines, Penalties and Forfeits:F	(3 314.00)	(3 314.00)	(3 314.00)	(3 512.84)	(3 758.74)
Revenue:Exchange Revenue:Sales of Goods and Rendering of S	(15 750.00)	(16 695.00)	(16 695.00)	(17 696.70)	(18 935.47)
	<b>(1 150 064.00)</b>	<b>(1 197 009.00)</b>	<b>(1 197 009.00)</b>	<b>(1 256 209.54)</b>	<b>(1 257 694.21)</b>
Basic Salary and Wages/Municipal Staff	916 733.45	984 188.50	984 188.50	1 043 239.81	1 116 266.60
Bonuses/Municipal Staff	76 394.45	82 015.71	82 015.71	86 936.65	93 022.22
Non-pensionable/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Rental/Municipal Staff	31 200.00	40 200.00	40 200.00	42 612.00	45 594.84
Overtime/Municipal Staff	30 868.27	33 093.08	33 093.08	35 078.67	37 534.18
Bargaining Council/Municipal Staff	559.20	559.20	559.20	592.75	634.24
Group Life Insurance/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Medical/Municipal Staff	73 576.80	73 576.80	73 576.80	77 991.41	83 450.81
Pension/Municipal Staff	152 914.32	152 914.32	152 914.32	162 089.18	173 435.42
Unemployment Insurance/Municipal Staff	7 789.37	8 084.49	8 084.49	8 569.56	9 169.43
Skills Development Levy/Libraries and Archives	9 167.33	9 841.89	9 841.89	10 432.40	11 162.67
Expenditure:Contracted Services:Outsourced Services:Catering	0.00	50 000.00	50 000.00	53 000.00	56 710.00
Expenditure:Operational Cost:Printing, Publications and Books	41 652.73	50 000.00	50 000.00	53 000.00	56 710.00
<b>Subsistence and Travelling/Libraries and Archives</b>					
Expenditure:Operational Cost:Toll Gate Fees	1 500.00	1 500.00	1 500.00	1 590.00	1 701.30
Expenditure:Operational Cost:Travel and Subsistence:Domestic:	10 000.00	20 000.00	20 000.00	21 200.00	22 684.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:	3 500.00	3 500.00	3 500.00	3 710.00	3 969.70
Expenditure:Operational Cost:Travel and Subsistence:Domestic:	4 000.00	4 000.00	4 000.00	4 240.00	4 536.80
Expenditure:Operational Cost:Travel and Subsistence:Domestic:	3 500.00	3 500.00	3 500.00	3 710.00	3 969.70
Expenditure:Operational Cost:Travel and Subsistence:Domestic:	4 500.00	4 500.00	4 500.00	4 770.00	5 103.90
Expenditure:Operational Cost:Municipal Services	20 000.00	35 000.00	35 000.00	37 100.00	39 697.00
Consumable Goods	30 000.00	60 000.00	60 000.00	63 600.00	68 052.00
School Text Books	10 000.00	60 000.00	60 000.00	63 600.00	68 052.00
	<b>1 427 855.94</b>	<b>1 676 473.99</b>	<b>1 676 473.99</b>	<b>1 777 062.43</b>	<b>1 901 456.80</b>
	<b>277 791.93</b>	<b>479 464.99</b>	<b>479 464.99</b>	<b>520 852.89</b>	<b>643 762.59</b>

COMMUNITY SERVICES					
Vote Description	2020/21 Medium Term & Expenditure Framework				
	Special Adjustments Budget 2020/21	Draft Budget 2021/22	Final Budget 2021/22	Budget year 2022/23	Budget year 2023/24
Basic Salary/DCOM	685 067.40	717 123.63	717 123.63	760 151.05	813 361.62
Bonuses/DCOM	0.00	0.00	0.00	0.00	0.00
Housing Benefits/DCOM	72 000.00	72 000.00	72 000.00	76 320.00	81 662.40
Travel or Motor Vehicle/DCOM	150 000.00	150 000.00	150 000.00	159 000.00	170 130.00
Scarcity/DCOM	34 731.60	36 225.00	36 225.00	38 398.50	41 086.40
Unemployment Insurance/DCOM	1 784.64	1 784.64	1 784.64	1 891.72	2 024.14
Bargaining Council/DCOM	8 350.67	8 671.24	8 671.24	9 191.51	9 834.92
Basic Salary and Wages/Municipal Staff	1 644 110.63	1 496 826.33	1 496 826.33	1 586 635.91	1 697 700.43
Bonuses/Municipal Staff	123 759.22	111 623.03	111 623.03	118 320.41	126 602.84
Cellular and Telephone/Municipal Staff	36 000.00	31 500.00	31 500.00	33 390.00	35 727.30
Travel or Motor Vehicle/Municipal Staff	420 000.00	352 500.00	352 500.00	373 650.00	399 805.50
Rental/Municipal Staff	36 000.00	29 250.00	29 250.00	31 005.00	33 175.35
Overtime/Municipal Staff	12 000.00	12 000.00	12 000.00	12 720.00	13 610.40
Bargaining Council/Municipal Staff	559.20	475.32	475.32	503.84	539.11
Group Life Insurance/Municipal Staff	16 985.52	16 985.52	16 985.52	18 004.65	19 264.98
Medical/Municipal Staff	218 748.60	178 317.45	178 317.45	189 016.50	202 247.65
Pension/Municipal Staff	173 512.56	161 441.22	161 441.22	171 127.69	183 106.63
Unemployment Insurance/Municipal Staff	10 513.20	9 515.20	9 515.20	10 086.11	10 792.14
Skills Development Levy/Community Halls and Facilities	20 641.11	18 493.26	18 493.26	19 602.86	20 975.06
<b>Early Childhood Development</b>				0.00	0.00
Provision of School Uniform	0.00	50 000.00	50 000.00	53 000.00	56 710.00
ECDC Projects	0.00	0.00	0.00	0.00	0.00
Transport	0.00	53 000.00	53 000.00	56 180.00	60 112.60
Catering	0.00	31 800.00	31 800.00	33 708.00	36 067.56
Sound System	0.00	10 600.00	10 600.00	11 236.00	12 022.52
				0.00	
<b>Zulu Dance</b>					
Expenditure:Contracted Services:Contractors:Catering Services	0.00	60 000.00	60 000.00	63 600.00	68 052.00
Expenditure:Contracted Services:Contractors:Transportation	0.00	60 000.00	60 000.00	63 600.00	68 052.00
Expenditure:Operational Cost:Honoraria (Voluntarily Workers)	0.00	11 000.00	11 000.00	11 660.00	12 476.20
Sound System Hire	0.00	15 000.00	15 000.00	15 900.00	17 013.00
				0.00	0.00
				0.00	0.00
<b>Reed Dance</b>					
Expenditure:Contracted Services:Contractors:Catering Services	0.00	100 000.00	100 000.00	106 000.00	113 420.00
Expenditure:Contracted Services:Contractors:Transportation	0.00	100 000.00	100 000.00	106 000.00	113 420.00
				0.00	0.00
Consumables	20 000.00	70 000.00	70 000.00	74 200.00	79 394.00
Sound System	0.00	0.00	0.00	0.00	0.00
Hire Charges	286 150.00	25 000.00	25 000.00	26 500.00	28 355.00
Drinks & Water and Ice	0.00	0.00	0.00	0.00	0.00
T/Shirts and Rists Bands	0.00	50 000.00	50 000.00	53 000.00	56 710.00
<b>Heritage Day</b>					
Expenditure:Contracted Services:Contractors:Catering Services	0.00	31 800.00	31 800.00	33 708.00	36 067.56
Sound System	0.00	10 600.00	10 600.00	11 236.00	12 022.52
Decoration	0.00	5 300.00	5 300.00	5 618.00	6 011.26
<b>Youth Activities</b>					
Expenditure:Contracted Services:Contractors:Catering Services	150 000.00	100 000.00	100 000.00	106 000.00	113 420.00
Expenditure:Contracted Services:Contractors:Plants, Flowers and	100 000.00	100 000.00	100 000.00	106 000.00	113 420.00
Expenditure:Contracted Services:Outsourced Services:Transport	150 000.00	100 000.00	100 000.00	106 000.00	113 420.00
<b>Sport Development Programme</b>					
Expenditure:Contracted Services:Contractors:Sports and Recrea	0.00	40 000.00	40 000.00	42 400.00	45 368.00
Expenditure:Operational Cost:Advertising, Publicity and Marketin	0.00	10 000.00	10 000.00	10 600.00	11 342.00
Expenditure:Contracted Services:Outsourced Services:Catering S	0.00	10 000.00	10 000.00	10 600.00	11 342.00
Expenditure:Contracted Services:Outsourced Services:Transport	0.00	50 000.00	50 000.00	53 000.00	56 710.00
Hire Charges	0.00	50 000.00	50 000.00	53 000.00	56 710.00
Training Sessions ( under sport n recreation)	0.00	0.00	0.00	0.00	0.00
Sports Development Plan	0.00	150 000.00	150 000.00	159 000.00	170 130.00
<b>Youth Summit</b>					
Expenditure:Contracted Services:Contractors:Plants, Flowers an	30 000.00	40 000.00	40 000.00	42 400.00	45 368.00
Expenditure:Contracted Services:Contractors:Catering Services	70 000.00	80 000.00	80 000.00	84 800.00	90 736.00
Expenditure:Contracted Services:Outsourced Services:Transport	100 000.00	150 000.00	150 000.00	159 000.00	170 130.00
Sound System	10 000.00	20 000.00	20 000.00	21 200.00	22 684.00
<b>Senior Citizens</b>					
Expenditure:Contracted Services:Outsourced Services:Transport	0.00	53 000.00	53 000.00	56 180.00	60 112.60
Expenditure:Contracted Services:Outsourced Services:Catering S	150 000.00	250 000.00	250 000.00	265 000.00	283 550.00
Senior Citizens Forums	0.00	0.00	0.00	0.00	0.00
Marquee, Decoration, hire charges	0.00	50 000.00	50 000.00	53 000.00	56 710.00
Sound System	0.00	0.00	0.00	0.00	0.00
				0.00	0.00
<b>Disability</b>					
Expenditure:Contracted Services:Contractors:Plants, Flowers and Ot	0.00	70 000.00	70 000.00	0.00	0.00
Expenditure:Contracted Services:Contractors:Stage and Sound Crew	0.00	60 000.00	60 000.00	0.00	0.00
Expenditure:Contracted Services:Outsourced Services:Catering Serv	0.00	50 000.00	50 000.00	0.00	0.00
Expenditure:Contracted Services:Outsourced Services:Transport Ser	0.00	80 000.00	80 000.00	0.00	0.00

<b>HIV/Aids</b>					
Expenditure:Contracted Services:Contractors:Catering Services	20 000.00	45 000.00	45 000.00	47 700.00	51 039.00
Expenditure:Contracted Services:Contractors:Stage and Sound C	20 000.00	75 000.00	75 000.00	79 500.00	85 065.00
Expenditure:Contracted Services:Contractors:Transportation	0.00	45 000.00	45 000.00	47 700.00	51 039.00
Marquee, Decoration, hire charges	0.00	0.00	0.00	0.00	0.00
				0.00	0.00
				0.00	0.00
<b>Operation Sukuma Sakhe</b>					
Expenditure:Contracted Services:Contractors:Catering Services	100 000.00	100 000.00	100 000.00	106 000.00	113 420.00
Expenditure:Contracted Services:Contractors:Plants, Flowers and	0.00	20 000.00	20 000.00	21 200.00	22 684.00
Expenditure:Contracted Services:Contractors:Stage and Sound C	0.00	10 000.00	10 000.00	10 600.00	11 342.00
Expenditure:Contracted Services:Contractors:Transportation	0.00	100 000.00	100 000.00	106 000.00	113 420.00
<b>Feeding of Needy Homes' Food distribution (Social Relief)</b>	446 934.31	0.00	0.00	0.00	0.00
Expenditure:Inventory Consumed:Materials and Supplies	0.00	0.00	0.00	0.00	0.00
<b>Tourism</b>					
Expenditure:Operational Cost:Management Fee: Tourism	50 000.00	200 000.00	200 000.00	212 000.00	226 840.00
Website Upgrade	0.00	0.00	0.00	0.00	0.00
Signage	0.00	0.00	0.00	0.00	0.00
Marketing	0.00	0.00	0.00	0.00	0.00
Membership	0.00	0.00	0.00	0.00	0.00
Exhibition	0.00	0.00	0.00	0.00	0.00
Crafters Workshop	0.00	0.00	0.00	0.00	0.00
Tourism Guide Workshop	0.00	0.00	0.00	0.00	0.00
Tour Operators Workshop	0.00	0.00	0.00	0.00	0.00
<b>NYUSI VOLUME</b>					
Expenditure:Contracted Services:Contractors:Event Promoters	0.00	1 300 000.00	1 300 000.00	1 378 000.00	1 474 460.00
<b>Mayoral Cup</b>					
Expenditure:Contracted Services:Contractors:Catering Services	0.00	100 000.00	100 000.00	106 000.00	113 420.00
Expenditure:Contracted Services:Contractors:First Aid	0.00	70 000.00	70 000.00	74 200.00	79 394.00
Expenditure:Contracted Services:Contractors:Plants, Flowers and	0.00	20 000.00	20 000.00	21 200.00	22 684.00
Expenditure:Contracted Services:Contractors:Stage and Sound C	0.00	150 000.00	150 000.00	159 000.00	170 130.00
Expenditure:Contracted Services:Contractors:Transportation	0.00	150 000.00	150 000.00	159 000.00	170 130.00
Marquee, & hire charges	0.00	0.00	0.00	0.00	0.00
Expenditure:Operational Cost:Honoraria (Voluntarily Workers)	0.00	60 000.00	60 000.00	63 600.00	68 052.00
				0.00	0.00
<b>Gender Issues</b>					
				0.00	0.00
Marquee, Decoration, hire charges	0.00	30 000.00	30 000.00	31 800.00	34 026.00
Catering	0.00	30 000.00	30 000.00	31 800.00	34 026.00
Transport	0.00	25 000.00	25 000.00	26 500.00	28 355.00
Sound System	0.00	0.00	0.00	0.00	0.00
<b>Expenditure:Operational Cost:Advertising, Publicity and Ma</b>	312 000.00	312 000.00	312 000.00	330 720.00	353 870.40
Expenditure:Operational Cost:Licences:Licence Agency Fees	0.00	0.00	0.00	0.00	0.00
<b>Expenditure:Contracted Services:Outsourced Services:Drive</b>	352 000.00	352 000.00	352 000.00	373 120.00	399 238.40
Public Participation	1 500 000.00				
				0.00	0.00
<b>Subsistence and Travelling</b>					
Subsistence Travelling - Accomodation	20 000.00	30 000.00	30 000.00	31 800.00	34 026.00
Subsistence and Travelling - Daily Allowance	1 000.00	10 000.00	10 000.00	10 600.00	11 342.00
Subsistence and Travelling - Food	2 000.00	2 000.00	2 000.00	2 120.00	2 268.40
Subsistence and Travelling - Incidental	1 000.00	1 000.00	1 000.00	1 060.00	1 134.20
Subsistence and Travelling - Other Transport	2 000.00	2 000.00	2 000.00	2 120.00	2 268.40
Subsistence and Travelling - Car Rental	5 000.00	5 000.00	5 000.00	5 300.00	5 671.00
Subsistence and Travelling - Own Transport	5 000.00	5 000.00	5 000.00	5 300.00	5 671.00
Subsistence and Travelling - Parking Fees	500.00	500.00	500.00	530.00	567.10
	<b>7 568 348.65</b>	<b>8 851 331.84</b>	<b>8 851 331.84</b>	<b>9 106 811.75</b>	<b>9 744 288.58</b>
	<b>7 568 348.65</b>	<b>8 851 331.84</b>	<b>8 851 331.84</b>	<b>9 106 811.75</b>	<b>9 744 288.58</b>

<b>DISASTER MANAGEMENT</b>					
Vote Description	2020/21 Medium Term & Expenditure Framework				
	Special Adjustments Budget 2020/21	Draft Budget 2021/22	Final Budget 2021/22	Budget year 2022/23	Budget year 2023/24
Municipal Disaster Relief Grant	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00
Basic Salary and Wages/Municipal Staff	554 630.03	583 179.13	583 179.13	618 169.88	661 441.77
Bonuses/Municipal Staff	46 219.17	48 598.26	48 598.26	51 514.16	55 120.15
Cellular and Telephone/Municipal Staff	12 000.00	12 000.00	12 000.00	12 720.00	13 610.40
Travel or Motor Vehicle/Municipal Staff	150 000.00	150 000.00	150 000.00	159 000.00	170 130.00
Bargaining Council/Municipal Staff	111.84	111.84	111.84	118.55	126.85
Group Life Insurance/Municipal Staff	12 714.60	12 714.60	12 714.60	13 477.48	14 420.90
Medical/Municipal Staff	27 993.60	27 993.60	27 993.60	29 673.22	31 750.34
Pension/Municipal Staff	51 015.48	51 015.48	51 015.48	54 076.41	57 861.76
Unemployment Insurance/Municipal Staff	1 784.64	1 784.64	1 784.64	1 891.72	2 024.14
Skills Development Levy/Disaster Management	7 046.30	7 331.79	7 331.79	7 771.70	8 315.72
	<b>863 515.66</b>	<b>894 729.34</b>	<b>894 729.34</b>	<b>948 413.10</b>	<b>1 014 802.02</b>
	<b>863 515.66</b>	<b>894 729.34</b>	<b>894 729.34</b>	<b>948 413.10</b>	<b>1 014 802.02</b>

<b>FIRE FIGHTING</b>					
<b>Vote Description</b>	<b>2020/21 Medium Term &amp; Expenditure Framework</b>				
	<b>Special Adjustments Budget 2020/21</b>	<b>Draft Budget 2021/22</b>	<b>Final Budget 2021/22</b>	<b>Budget year 2022/23</b>	<b>Budget year 2023/24</b>
Basic Salary and Wages/Municipal Staff	2 108 358.06	2 270 160.33	2 270 160.33	2 406 369.95	2 574 815.84
Bonuses/Municipal Staff	175 696.51	189 180.03	189 180.03	200 530.83	214 567.99
Cellular and Telephone/Municipal Staff	12 000.00	12 000.00	12 000.00	12 720.00	13 610.40
Rental/Municipal Staff	108 000.00	108 000.00	108 000.00	114 480.00	122 493.60
Standby Allowance/Municipal Staff	288 000.00	288 000.00	288 000.00	305 280.00	326 649.60
Overtime/Municipal Staff	288 000.00	288 000.00	288 000.00	305 280.00	326 649.60
Bargaining Council/Municipal Staff	1 342.08	1 342.08	1 342.08	1 422.60	1 522.19
Group Life Insurance/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Medical/Municipal Staff	252 907.20	252 907.20	252 907.20	268 081.63	286 847.35
Pension/Municipal Staff	268 355.88	268 355.88	268 355.88	284 457.23	304 369.24
Unemployment Insurance/Municipal Staff	20 168.68	21 305.82	21 305.82	22 584.17	24 165.06
Skills Development Levy/ Fire Fighting	21 983.58	23 601.60	23 601.60	25 017.70	26 768.94
Expenditure:Contracted Services:Contractors:Maintenance	50 000.00	53 000.00	53 000.00	56 180.00	60 112.60
Expenditure:Operational Cost:Uniform and Protective	350 000.00	250 000.00	250 000.00	265 000.00	283 550.00
Expenditure:Contracted Services:Contractors:Fire Services	130 655.40	106 000.00	106 000.00	112 360.00	120 225.20
Disaster Recovery and Response	300 000.00	300 000.00	300 000.00	318 000.00	340 260.00
Subsistence Travelling - Accommodation	10 000.00	10 000.00	10 000.00	10 600.00	11 342.00
Subsistence and Travelling - Daily Allowance	5 000.00	5 000.00	5 000.00	5 300.00	5 671.00
Subsistence and Travelling - Food	1 000.00	1 000.00	1 000.00	1 060.00	1 134.20
Subsistence and Travelling - Incidental	1 000.00	1 000.00	1 000.00	1 060.00	1 134.20
Subsistence and Travelling - Other Transport	2 000.00	2 000.00	2 000.00	2 120.00	2 268.40
Subsistence and Travelling - Car Rental	4 500.00	4 500.00	4 500.00	4 770.00	5 103.90
Subsistence and Travelling - Own Transport	6 000.00	6 000.00	6 000.00	6 360.00	6 805.20
Subsistence and Travelling - Parking Fees	500.00	500.00	500.00	530.00	567.10
	<b>4 405 467.38</b>	<b>4 461 852.94</b>	<b>4 461 852.94</b>	<b>4 729 564.11</b>	<b>5 060 633.60</b>
	<b>4 405 467.38</b>	<b>4 461 852.94</b>	<b>4 461 852.94</b>	<b>4 729 564.11</b>	<b>5 060 633.60</b>

LICENSING & PROTECTION SERVICES					
<b>Vote Description</b>	<b>2020/21 Medium Term &amp; Expenditure Framework</b>				
	<b>Special Adjustments Budget 2020/21</b>	<b>Draft Budget 2021/22</b>	<b>Final Budget 2021/22</b>	<b>Budget year 2022/23</b>	<b>Budget year 2023/24</b>
Revenue:Non-exchange Revenue:Fines, Penalties and Forfeits:Fines:T	(1 600 000.00)	(1 000 000.00)	(1 000 000.00)	(1 060 000.00)	(1 134 200.00)
Revenue:Exchange Revenue:Licences or Permits:Road and Transport:	(265 128.72)	(294 999.01)	(294 999.01)	(312 698.95)	(334 587.88)
Revenue:Exchange Revenue:Licences or Permits:Road and Transport:	(265 128.72)	(294 999.01)	(294 999.01)	(312 698.95)	(334 587.88)
Revenue:Exchange Revenue:Licences or Permits:Road and Transport:	(265 128.72)	(294 999.01)	(294 999.01)	(312 698.95)	(334 587.88)
Revenue:Exchange Revenue:Licences or Permits:Road and Transport:	(265 128.72)	(294 999.01)	(294 999.01)	(312 698.95)	(334 587.88)
Revenue:Exchange Revenue:Licences or Permits:Road and Transport:	(68 076.94)	(68 076.94)	(68 076.94)	(72 161.56)	(77 212.87)
Revenue:Exchange Revenue:Licences or Permits:Road and Transport:	(265 128.72)	(294 999.01)	(294 999.01)	(312 698.95)	(334 587.88)
Revenue:Exchange Revenue:Operational Revenue:Registration Fees:R	(265 128.72)	(294 999.01)	(294 999.01)	(312 698.95)	(334 587.88)
Revenue:Exchange Revenue:Licences or Permits:Road and Transport:	(265 128.72)	(294 999.01)	(294 999.01)	(312 698.95)	(334 587.88)
	<b>(3 523 977.99)</b>	<b>(3 133 070.01)</b>	<b>(3 133 070.01)</b>	<b>(3 321 054.21)</b>	<b>(3 553 528.01)</b>
Basic Salary and Wages/Municipal Staff	7 220 161.11	7 371 634.53	5 531 634.53	5 863 532.60	6 273 979.89
Bonuses/Municipal Staff	393 302.35	384 302.88	384 302.88	407 361.05	435 876.32
Cellular and Telephone/Municipal Staff	25 000.00	25 000.00	25 000.00	26 500.00	28 355.00
Housing Benefits and Incidental/Municipal Staff	6 354.39	6 354.39	6 354.39	6 735.65	7 207.15
Travel or Motor Vehicle/Municipal Staff	807 500.00	710 000.00	710 000.00	752 600.00	805 282.00
Non-pensionable/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Rental/Municipal Staff	170 400.00	145 650.00	145 650.00	154 389.00	165 196.23
Night Shift Allowance/Municipal Staff	21 049.92	21 049.92	21 049.92	22 312.92	23 874.82
Standby Allowance/Municipal Staff	206 000.00	166 000.00	166 000.00	175 960.00	188 277.20
Tools Allowance/Municipal Staff	159 500.00	172 000.00	88 000.00	93 280.00	99 809.60
Overtime/Municipal Staff	468 617.40	467 797.44	299 797.44	317 785.29	340 030.26
Bargaining Council/Municipal Staff	2 740.08	2 628.24	2 628.24	2 785.93	2 980.95
Group Life Insurance/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Medical/Municipal Staff	394 622.10	394 622.10	394 622.10	418 299.43	447 580.39
Pension/Municipal Staff	835 051.79	801 366.98	801 366.98	849 449.00	908 910.42
Unemployment Insurance/Municipal Staff	63 793.86	64 368.58	45 968.58	48 726.70	52 137.57
Skills Development Levy/Public Safety	80 276.61	80 816.35	62 416.35	66 161.33	70 792.62
Expenditure:Operational Cost:Wet Fuel	2 942.50	0.00	0.00	0.00	0.00
Expenditure:Contracted Services:Contractors:Maintenance of Equipme	30 000.00	31 800.00	31 800.00	33 708.00	36 067.56
Expenditure:Contracted Services:Contractors:Building	0.00	0.00	0.00	0.00	0.00
Expenditure:Inspection Fees	0.00	0.00	0.00	0.00	0.00
Expenditure:Inventory Consumed:Materials and Supplies	162 010.00	70 000.00	70 000.00	74 200.00	79 394.00
<b>Subsistence and Travelling/Public Safety</b>					
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Accor	10 000.00	10 000.00	10 000.00	10 600.00	11 342.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Daily	1 000.00	1 000.00	1 000.00	1 060.00	1 134.20
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Food	2 000.00	2 000.00	2 000.00	2 120.00	2 268.40
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Trans	1 000.00	1 000.00	1 000.00	1 060.00	1 134.20
Expenditure:Operational Cost:Toll Gate Fees	5 000.00	5 000.00	5 000.00	5 300.00	5 671.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Trans	0.00	0.00	0.00	0.00	0.00
Expenditure:Operational Cost:Uniform and Protective Clothing	60 000.00	113 600.00	113 600.00	120 416.00	128 845.12
Resources - VIP Guards	10 000.00	100 000.00	100 000.00	106 000.00	113 420.00
VIP Security			1 800 000.00	1 875 600.00	1 958 126.40
	<b>11 138 322.12</b>	<b>11 147 991.41</b>	<b>10 819 191.41</b>	<b>11 435 942.90</b>	<b>12 187 693.30</b>
	<b>7 614 344.13</b>	<b>8 014 921.40</b>	<b>7 686 121.40</b>	<b>8 114 888.68</b>	<b>8 634 165.29</b>



	ROAD				
mSCOA Vote Description	2020/21 Medium Term & Expenditure Framework				
	Special Adjustments Budget 2020/21	Draft Budget 2021/22	Final Budget 2021/22	Budget year 2022/23	Budget year 2023/24
Revenue:Non-exchange Revenue:Transfers and Subsidies:Capital:Monetary Allocations:Nation	(24 439 000.00)	(18 832 000.00)	(18 832 000.00)	(20 039 000.00)	(20 761 000.00)
Revenue:Non-exchange Revenue:Transfers and Subsidies:Operational:Monetary Allocations:Na	(1 951 000.00)	(1 891 000.00)	(1 891 000.00)	0.00	0.00
Revenue:Exchange Revenue:Sales of Goods and Rendering of Services:Cemetery and Burial	(50 000.00)	(53 000.00)	(53 000.00)	(56 180.00)	(60 112.60)
Revenue:Exchange Revenue:Sales of Goods and Rendering of Services:Building Plan Approval	(50 000.00)	(53 000.00)	(53 000.00)	(56 180.00)	(60 112.60)
Revenue:Exchange Revenue:Licences or Permits:Road and Transport:Taxi Rank	(40 000.00)	(42 400.00)	(42 400.00)	(44 944.00)	(48 090.08)
Revenue:Non-exchange Revenue:Licences or Permits:Hoarding (Collecting/Storing)	(75 000.00)	(75 000.00)	(75 000.00)	(79 500.00)	(85 065.00)
Revenue:Exchange Revenue:Interest, Dividend and Rent on Land:Rent on Land:Land:Undeveloped	(290 000.00)	(300 000.00)	(300 000.00)	(318 000.00)	(340 260.00)
Revenue:Exchange Revenue:Sales of Goods and Rendering of Services:Application Fees for Land	(25 000.00)	(26 500.00)	(26 500.00)	(28 090.00)	(30 056.30)
Revenue:Exchange Revenue:Operational Revenue:Sale of Property	(5 500 000.00)	(2 300 000.00)	(2 300 000.00)	(2 438 000.00)	(2 608 660.00)
Revenue:Exchange Revenue:Sales of Goods and Rendering of Services:Sale of Goods:Sub-div	(30 000.00)	(31 800.00)	(31 800.00)	(33 708.00)	(36 067.56)
Revenue:Exchange Revenue:Sales of Goods and Rendering of Services:Sale of Goods:Publica	(60 000.00)	(70 000.00)	(70 000.00)	(74 200.00)	(79 394.00)
Revenue:Exchange Revenue:Sales of Goods and Rendering of Services:Entrance Fees	(15 000.00)	(15 900.00)	(15 900.00)	(16 854.00)	(18 033.78)
Revenue:Exchange Revenue:Interest, Dividend and Rent on Land:Rent on Land:Land:Grazing F	(35 000.00)	(35 000.00)	(35 000.00)	(37 100.00)	(39 697.00)
Revenue:Exchange Revenue:Sales of Goods and Rendering of Services:Housing (Boarding Ser	(40 000.00)	(43 000.00)	(43 000.00)	(45 580.00)	(48 770.60)
Revenue:Exchange Revenue:Rental from Fixed Assets:Market Related:Property Plant and Equ	(72 000.00)	(72 000.00)	(72 000.00)	(76 320.00)	(81 662.40)
	(32 672 000.00)	(23 840 600.00)	(23 840 600.00)	(23 343 656.00)	(24 296 981.92)
Basic Salary/DT	637 547.64	666 181.13	666 181.13	706 152.00	755 582.64
Bonuses/DT	0.00	0.00	0.00	0.00	0.00
Cellular and Telephone/DT	0.00	0.00	0.00	0.00	0.00
Travel or Motor Vehicle/DT	180 000.00	180 000.00	180 000.00	190 800.00	204 156.00
Scarcity/DT	31 258.44	32 602.56	32 602.56	34 558.71	36 977.82
Unemployment Insurance/DT	8 175.48	8 461.81	8 461.81	8 969.52	9 597.39
Bargaining Council/DT	1 784.64	1 784.64	1 784.64	1 891.72	2 024.14
Basic Salary and Wages/Municipal Staff	5 940 448.65	6 254 576.25	6 254 576.25	6 629 850.83	7 093 940.38
Basic Salary and Wages/Epwp (old)	0.00	0.00	0.00	0.00	0.00
Bonuses/Municipal Staff	513 121.93	521 214.69	521 214.69	552 487.57	591 161.70
Cellular and Telephone/Municipal Staff	67 800.00	61 800.00	61 800.00	65 508.00	70 093.56
Housing Benefits and Incidental/Municipal Staff	10 893.24	11 574.12	11 574.12	12 268.57	13 127.37
Travel or Motor Vehicle/Municipal Staff	480 000.00	480 000.00	480 000.00	508 800.00	544 416.00
Non-pensionable/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Rental/Municipal Staff	177 000.00	177 200.00	177 200.00	187 832.00	200 980.24
Standby Allowance/Municipal Staff	114 518.28	66 000.00	66 000.00	69 960.00	74 857.20
Overtime/Municipal Staff	359 956.32	380 502.80	380 502.80	403 332.96	431 566.27
Bargaining Council/Municipal Staff	4 026.24	4 026.24	4 026.24	4 267.81	4 566.56
Group Life Insurance/Municipal Staff	64 204.92	64 204.92	64 204.92	68 057.22	72 821.22
Medical/Municipal Staff	381 074.40	370 202.40	370 202.40	392 414.54	419 883.56
Pension/Municipal Staff	663 035.90	666 527.49	666 527.49	706 519.14	755 975.48
Unemployment Insurance/Municipal Staff	46 538.45	48 482.14	48 482.14	51 391.07	54 988.44
Unemployment Insurance/Epwp (old)	0.00	0.00	0.00	0.00	0.00
Basic Salary and Wages/Epwp (new)	2 315 521.50	2 268 841.30	2 268 841.30	2 268 841.30	2 268 841.30
Skills Development Levy/Other Staff	63 169.51	66 231.42	66 231.42	70 205.30	75 119.67
Unemployment Insurance/Epwp (new)	34 888.21	22 688.41	22 688.41	24 049.72	25 733.20
Skills Development Levy/Epwp	34 888.21	0.00	0.00	0.00	0.00
Expenditure:Contracted Services:Contractors:Maintenance of Equipment	0.00	0.00	0.00	0.00	0.00
Expenditure:Contracted Services:Contractors:Maintenance of Equipment	0.00	0.00	0.00	0.00	0.00
<b>Depreciation</b>					
Expenditure:Depreciation and Amortisation:Depreciation:Community Assets		4 274 351.21	4 274 351.21	4 453 873.96	4 453 873.96
Expenditure:Depreciation and Amortisation:Depreciation:Roads Infrastructure		5 069 450.00	5 569 450.00	5 803 366.90	5 803 366.90
<b>Repairs and Maintenance</b>					
Expenditure:Contracted Services:Contractors:Maintenance of Buildings and Facilities	1 400 000.00	800 000.00	1 000 000.00	1 060 000.00	1 134 200.00
Expenditure:Contracted Services:Outsourced Services:Transport Services	1 200 000.00	300 000.00	600 000.00	636 000.00	680 520.00
Expenditure:Contracted Services:Contractors:Maintenance of Roads and Sidewalks	4 500 000.00	500 000.00	1 000 000.00	1 060 000.00	1 134 200.00
Expenditure:Contracted Services:Contractors:Maintenance:Equipment	0.00	0.00	0.00	0.00	0.00
Expenditure:Contracted Services:Contractors:Maintenance: Machinery and Equipment	200 000.00	200 000.00	300 000.00	318 000.00	340 260.00
Expenditure:Contracted Services:Contractors:Maintenance of Buildings and Facilities- Commu	0.00	0.00	0.00	0.00	0.00
Expenditure:Operational Cost:Printing and Stationery	136 635.91	50 000.00	50 000.00	53 000.00	56 710.00
Expenditure:Inventory Consumed:Materials and Supplies/Chemicals	300 000.00	250 000.00	250 000.00	265 000.00	283 550.00
Expenditure:Operational Cost:Workmen's Compensation Fund	20 000.00	20 000.00	20 000.00	21 200.00	22 684.00
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Corporate and Municipal Ac	30 000.00	30 000.00	30 000.00	31 800.00	34 026.00
Expenditure:Operational Cost:Municipal Services:Water accounts	250 000.00	250 000.00	250 000.00	265 000.00	283 550.00
Expenditure:Inventory Consumed:Materials and Supplies/Toilet Papers	180 000.00	180 000.00	180 000.00	190 800.00	204 156.00
Expenditure:Operational Cost:Municipal Services/Electricity usage	500 000.00	350 000.00	350 000.00	371 000.00	396 970.00
<b>Subsistence and Travelling/Road Transport/Other</b>					
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Accommodation	15 000.00	10 000.00	10 000.00	10 600.00	11 342.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Daily Allowance	3 000.00	3 000.00	3 000.00	3 180.00	3 402.60
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Food and Beverage (Served)	5 000.00	5 000.00	5 000.00	5 300.00	5 671.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Transport with Operator:Public	5 000.00	5 000.00	5 000.00	5 300.00	5 671.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Transport without Operator:Ca	5 000.00	5 000.00	5 000.00	5 300.00	5 671.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Transport without Operator:Ov	5 000.00	5 000.00	5 000.00	5 300.00	5 671.00
Expenditure:Operational Cost:Wet Fuel	1 093 990.00	1 000 000.00	1 000 000.00	1 060 000.00	1 134 200.00
Expenditure:Contracted Services:Outsourced Services:Transport Services - Leased Vehicles	168 082.29	130 000.00	130 000.00	137 800.00	147 446.00
Expenditure:Operating Leases:Machinery and Equipment	4 000 000.00	3 000 000.00	3 000 000.00	3 180 000.00	3 402 600.00
Expenditure:Operational Cost:Uniform and Protective Clothing	400 000.00	400 000.00	400 000.00	424 000.00	453 680.00
Expenditure:Contracted Services: Maintenance Plan - Building	200 000.00	100 000.00	100 000.00	106 000.00	113 420.00
Legal Town Planning	0.00	0.00	0.00	0.00	0.00
Expenditure:Operational Cost: Melomoth Town Grass Cutting					
Expenditure:Operational Cost: Vehicles - Registration and Renewal of Licenses	120 000.00	120 000.00	120 000.00	127 200.00	136 104.00
Housing Sector Plan		100 000.00	100 000.00	106 000.00	113 420.00
0.00		0.00	0.00	0.00	0.00
	26 866 560.16	29 509 903.53	31 109 903.53	32 663 178.84	34 072 775.61
	(5 805 439.84)	5 669 303.53	7 269 303.53	9 319 522.84	9 775 793.69

REGIONAL PLANNING AND DEVELOPMENT					
mSCOA Vote Description	2020/21 Medium Term & Expenditure Framework				
	Special Adjustments Budget 2020/21	Draft Budget 2021/22	Final Budget 2021/22	Budget year 2022/23	Budget year 2023/24
Title Deeds Restoration Grant	(100 000.00)	0.00	0.00	0.00	0.00
	(100 000.00)			0.00	0.00
Basic Salary and Wages/Municipal Staff	1 812 442.27	1 416 704.17	1 416 704.17	1 501 706.42	1 606 825.86
Bonuses/Municipal Staff	151 036.86	118 058.68	118 058.68	125 142.20	133 902.16
Travel or Motor Vehicle/Municipal Staff	455 000.00	360 000.00	360 000.00	381 600.00	408 312.00
Rental/Municipal Staff	16 500.00	21 000.00	21 000.00	22 260.00	23 818.20
Cellular and Telephone/Municipal Staff	34 000.00	28 000.00	28 000.00	29 680.00	31 757.60
Bargaining Council/Municipal Staff	447.36	372.80	372.80	395.17	422.83
Group Life Insurance/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Medical/Municipal Staff	145 789.20	120 292.80	120 292.80	127 510.37	136 436.09
Pension/Municipal Staff	262 199.70	214 364.28	214 364.28	227 226.14	243 131.97
Unemployment Insurance/Municipal Staff	7 138.56	6 728.34	6 728.34	7 132.04	7 631.29
Skills Development Levy/ Reg. Planning & Dev	22 674.42	17 767.04	17 767.04	18 833.06	20 151.38
Subdivision of Residential Properties	0.00	0.00	0.00	0.00	0.00
IDP/Budget Road show					
Transport service	0.00	200 000.00	200 000.00	212 000.00	226 840.00
Hiring of sound, podium, tables & chair & table cover	242 370.00	100 000.00	100 000.00	106 000.00	113 420.00
Catering services for Community & councillors	361 092.74	400 000.00	400 000.00	424 000.00	453 680.00
printing & Publication of documents	0.00	120 000.00	120 000.00	127 200.00	136 104.00
0.00	0.00	0.00	0.00	0.00	0.00
GPS Coordinate ,licencing and training	0.00	100 000.00	100 000.00	106 000.00	113 420.00
				0.00	0.00
Materials and Supplies	206 850.00	30 000.00	30 000.00	31 800.00	34 026.00
SDF & Land use scheme	600 000.00	200 000.00	400 000.00	200 000.00	0.00
Land Use Scheme		100 000.00	100 000.00	106 000.00	113 420.00
GIS licence	0.00	80 000.00	80 000.00	84 800.00	90 736.00
Registration of sites	100 000.00	130 000.00	130 000.00	137 800.00	147 446.00
	4 417 541.11	3 763 288.11	3 963 288.11	3 977 085.40	4 041 481.38
	4 317 541.11	3 763 288.11	3 963 288.11	3 977 085.40	4 041 481.38

mSCOA Vote Description	2020/21 Medium Term & Expenditure Framework				
	Special Adjustments Budget 2020/21	Draft Budget 2021/22	Final Budget 2021/22	Budget year 2022/23	Budget year 2023/24
Title Deeds Restoration Grant	(100 000.00)	0.00	0.00	0.00	0.00
	(100 000.00)			0.00	0.00
Basic Salary and Wages/Municipal Staff	1 812 442.27	1 416 704.17	1 416 704.17	1 501 706.42	1 606 825.86
Bonuses/Municipal Staff	151 036.86	118 058.68	118 058.68	125 142.20	133 902.16
Travel or Motor Vehicle/Municipal Staff	455 000.00	360 000.00	360 000.00	381 600.00	408 312.00
Rental/Municipal Staff	16 500.00	21 000.00	21 000.00	22 260.00	23 818.20
Cellular and Telephone/Municipal Staff	34 000.00	28 000.00	28 000.00	29 680.00	31 757.60
Bargaining Council/Municipal Staff	447.36	372.80	372.80	395.17	422.83
Group Life Insurance/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Medical/Municipal Staff	145 789.20	120 292.80	120 292.80	127 510.37	136 436.09
Pension/Municipal Staff	262 199.70	214 364.28	214 364.28	227 226.14	243 131.97
Unemployment Insurance/Municipal Staff	7 138.56	6 728.34	6 728.34	7 132.04	7 631.29
Skills Development Levy/ Reg. Planning & Dev	22 674.42	17 767.04	17 767.04	18 833.06	20 151.38
Subdivision of Residential Properties	0.00	0.00	0.00	0.00	0.00
<b>IDP/Budget Road show</b>					
Transport service	0.00	200 000.00	200 000.00	212 000.00	226 840.00
Hiring of sound, podium, tables & chair & table cover	242 370.00	100 000.00	100 000.00	106 000.00	113 420.00
Catering services for Community & coucillors	361 092.74	400 000.00	400 000.00	424 000.00	453 680.00
printing & Publication of documents	0.00	120 000.00	120 000.00	127 200.00	136 104.00
0.00	0.00	0.00	0.00	0.00	0.00
GPS Coordinate ,licencing and training	0.00	100 000.00	100 000.00	106 000.00	113 420.00
				0.00	0.00
Materials and Supplies	206 850.00	30 000.00	30 000.00	31 800.00	34 026.00
SDF & Land use scheme	600 000.00	200 000.00	400 000.00	200 000.00	0.00
Land Use Scheme		100 000.00	100 000.00	106 000.00	113 420.00
GIS licence	0.00	80 000.00	80 000.00	84 800.00	90 736.00
Registration of sites	100 000.00	130 000.00	130 000.00	137 800.00	147 446.00
	4 417 541.11	3 763 288.11	3 963 288.11	3 977 085.40	4 041 481.38
	4 317 541.11	3 763 288.11	3 963 288.11	3 977 085.40	4 041 481.38

ECONOMIC DEVELOPMENT/PLANNING					
mSCOA Vote Description	2020/21 Medium Term & Expenditure Framework				
	Special Adjustments Budget 2020/21	Draft Budget 2021/22	Final Budget 2021/22	Budget year 2022/23	Budget year 2023/24
Basic Salary and Wages/Municipal Staff	559 798.04	594 430.54	594 430.54	630 096.37	674 203.11
Bonuses/Municipal Staff	46 649.84	49 535.88	49 535.88	52 508.03	56 183.59
Travel or Motor Vehicle/Municipal Staff	180 000.00	180 000.00	180 000.00	190 800.00	204 156.00
Rental/Municipal Staff	18 000.00	18 000.00	18 000.00	19 080.00	20 415.60
Overtime/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Bargaining Council/Municipal Staff	223.68	223.68	223.68	237.10	253.70
Group Life Insurance/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Medical/Municipal Staff	48 549.60	48 549.60	48 549.60	51 462.58	55 064.96
Pension/Municipal Staff	3 569.28	3 569.28	3 569.28	3 783.44	4 048.28
Unemployment Insurance/Municipal Staff	0.00	0.00	0.00	0.00	0.00
<b>Local Economic Development</b>					
Expenditure: LED Projects-Inventory Consumed:Mat	1 300 000.00	1 300 000.00	1 300 000.00	1 378 000.00	1 474 460.00
LED Strategy/ plan	0.00	0.00	0.00	0.00	0.00
LED Structures	0.00	0.00	0.00	0.00	0.00
Materials and Supplies	0.00	0.00	0.00	0.00	0.00
	<b>2 156 790.44</b>	<b>2 194 308.97</b>	<b>2 194 308.97</b>	<b>2 325 967.51</b>	<b>2 488 785.24</b>
	<b>2 156 790.44</b>	<b>2 194 308.97</b>	<b>2 194 308.97</b>	<b>2 325 967.51</b>	<b>2 488 785.24</b>

<b>ELECTRICITY SERVICES</b>					
<b>mSCOA Vote Description</b>	<b>2020/21 Medium Term &amp; Expenditure Framework</b>				
	<b>Special Adjustments Budget 2020/21</b>	<b>Draft Budget 2021/22</b>	<b>Final Budget 2021/22</b>	<b>Budget year 2022/23</b>	<b>Budget year 2023/24</b>
Revenue:Exchange Revenue:Service Charges:Electricity:Availability	(433 748.39)	(433 748.39)	(450 664.58)	(469 592.49)	(490 254.56)
Revenue:Exchange Revenue:Service Charges:Electricity:Electricity S	(7 558 665.13)	(5 731 728.63)	(7 853 453.07)	(8 183 298.10)	(8 543 363.22)
Revenue:Exchange Revenue:Service Charges:Electricity:Electricity S	(11 118 165.13)	(10 037 228.63)	(11 551 773.57)	(12 036 948.06)	(12 566 573.78)
Revenue:Exchange Revenue:Service Charges:Electricity:Electricity S	(7 558 665.13)	(6 477 728.63)	(7 853 453.07)	(8 183 298.10)	(8 543 363.22)
Revenue:Exchange Revenue:Service Charges:Electricity:Electricity S	(7 558 665.13)	(6 477 728.63)	(7 853 453.07)	(8 183 298.10)	(8 543 363.22)
Electricity forgone	1 756 020.00	1 756 020.00	1 824 504.78	1 901 133.98	1 984 783.88
Revenue:Exchange Revenue:Service Charges:Electricity:Connection/	(170 607.43)	(170 607.43)	(177 261.12)	(184 706.08)	(192 833.15)
Revenue:Non-exchange Revenue:Transfers and Subsidies:Operations	(11 159 000.00)	(20 805 000.00)	(20 805 000.00)	(14 000 000.00)	(15 000 000.00)
	<b>(43 801 496.35)</b>	<b>(48 377 750.35)</b>	<b>(54 720 553.71)</b>	<b>(49 340 006.96)</b>	<b>(51 894 967.27)</b>
Basic Salary and Wages/Municipal Staff	1 509 410.24	1 854 289.34	1 854 289.34	1 965 546.70	2 103 134.97
Bonuses/Municipal Staff	97 051.68	126 089.77	126 089.77	133 655.16	143 011.02
Travel or Motor Vehicle/Municipal Staff	90 000.00	165 000.00	165 000.00	174 900.00	187 143.00
Non-pensionable/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Rental/Municipal Staff	48 600.00	53 100.00	53 100.00	56 286.00	60 226.02
Standby Allowance/Municipal Staff	126 000.00	144 000.00	144 000.00	152 640.00	163 324.80
Overtime/Municipal Staff	138 000.00	156 000.00	156 000.00	165 360.00	176 935.20
Bargaining Council/Municipal Staff	782.88	894.72	894.72	948.40	1 014.79
Group Life Insurance/Municipal Staff	31 545.24	42 842.16	42 842.16	45 412.69	48 591.58
Medical/Municipal Staff	66 391.20	83 620.80	83 620.80	88 638.05	94 842.71
Pension/Municipal Staff	151 205.64	202 041.72	202 041.72	214 164.22	229 155.72
Unemployment Insurance/Municipal Staff	11 409.69	13 894.89	13 894.89	14 728.59	15 759.59
Skills Development Levy/Electricity	15 994.10	20 192.89	20 192.89	21 404.47	22 902.78
<b>Depreciation</b>					
Expenditure:Depreciation and Amortisation:Depreciation:Electrical Infrastructure		5 071 420.00	5 351 057.50	5 575 801.92	5 575 801.92
Expenditure:Contracted Services:Contractors:Maintenance of Electric	400 000.00	300 000.00	300 000.00	318 000.00	337 080.00
Expenditure:Contracted Services:Contractors:Maintenance of Vehicle	150 000.00	100 000.00	100 000.00	106 000.00	112 360.00
Expenditure:Contracted Services:Contractors:Maintenance of Compu	0.00	0.00	0.00	0.00	0.00
Airconditioning Repairs and Maintenance	150 000.00	80 000.00	80 000.00	84 800.00	89 888.00
Expenditure:Bulk Purchases:Electricity:ESKOM	1 080 000.00	1 104 000.00	1 104 000.00	1 170 240.00	1 240 454.40
Expenditure:Bulk Purchases:Electricity:ESKOM	23 233 350.00	24 395 017.50	25 365 380.00	21 000 000.00	21 500 000.00
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Te	28 021.26	30 000.00	30 000.00	31 800.00	33 708.00
<b>Subsistence and Travelling/Electricity</b>					
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Acc	8 000.00	8 000.00	8 000.00	8 480.00	8 988.80
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Daily	1 000.00	1 000.00	1 000.00	1 060.00	1 123.60
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Food	1 000.00	1 000.00	1 000.00	1 060.00	1 123.60
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Tran	0.00	0.00	0.00	0.00	0.00
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Tran	0.00	0.00	0.00	0.00	0.00
Energy Sector Plan		100 000.00	100 000.00	106 000.00	112 360.00
				0.00	0.00
	<b>27 337 761.93</b>	<b>34 052 403.80</b>	<b>35 302 403.80</b>	<b>31 436 926.19</b>	<b>32 258 930.49</b>
	<b>(16 463 734.42)</b>	<b>(14 325 346.55)</b>	<b>(19 418 149.91)</b>	<b>(17 903 080.77)</b>	<b>(19 636 036.78)</b>

<b>SOLID WASTE REMOVAL</b>					
<b>mSCOA Vote Description</b>	<b>2020/21 Medium Term &amp; Expenditure Framework</b>				
	<b>Special Adjustments Budget 2020/21</b>	<b>Draft Budget 2021/22</b>	<b>Final Budget 2021/22</b>	<b>Budget year 2022/23</b>	<b>Budget year 2023/24</b>
Revenue:Exchange Revenue:Service Charges	(7 293.94)	(7 293.94)	(7 293.94)	(7 731.58)	(8 272.79)
Revenue:Exchange Revenue:Operational Rev	(2 052 543.48)	(2 059 837.42)	(2 140 171.08)	(2 230 058.27)	(2 328 180.83)
Revenue:Exchange Revenue:Sales of Goods	(1 600.00)	(50 000.00)	(50 000.00)	(53 000.00)	(56 710.00)
	<b>(2 061 437.42)</b>	<b>(2 117 131.36)</b>	<b>(2 197 465.02)</b>	<b>(2 290 789.85)</b>	<b>(2 393 163.62)</b>
Basic Salary and Wages/Municipal Staff	1 082 116.79	1 031 467.48	1 031 467.48	1 093 355.52	1 158 956.86
Bonuses/Municipal Staff	90 176.40	85 955.62	85 955.62	91 112.96	96 579.74
Housing Benefits and Incidental/Municipal Sta	10 893.24	10 893.24	10 893.24	11 546.83	12 239.64
Non-pensionable/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Rental/Municipal Staff	42 600.00	38 400.00	38 400.00	40 704.00	43 146.24
Overtime/Municipal Staff	108 211.68	103 146.75	103 146.75	109 335.55	115 895.69
Bargaining Council/Municipal Staff	1 006.56	894.72	894.72	948.40	1 005.31
Group Life Insurance/Municipal Staff	7 998.36	7 998.36	7 998.36	8 478.26	8 986.96
Medical/Municipal Staff	0.00	0.00	0.00	0.00	0.00
Pension/Municipal Staff	116 987.64	106 520.88	106 520.88	112 912.13	119 686.86
Unemployment Insurance/Municipal Staff	10 930.10	10 359.42	10 359.42	10 980.98	11 639.84
Skills Development Levy/Solid Waste	10 821.17	0.00	0.00	0.00	0.00
Expenditure:Contracted Services:Outsourced	0.00	0.00	0.00	0.00	0.00
Expenditure:Contracted Services:Outsourced	500 000.00	250 000.00	250 000.00	265 000.00	280 900.00
Expenditure:Contracted Services:Contractors	30 000.00	30 000.00	30 000.00	31 800.00	33 708.00
Expenditure:Inventory Consumed:Consumable	0.00	100 000.00	100 000.00	106 000.00	112 360.00
Expenditure:Inventory Consumed:Materials ar	10 000.00	10 000.00	10 000.00	10 600.00	11 236.00
Expenditure:Operational Cost:Uniform and Pr	150 000.00	100 000.00	100 000.00	106 000.00	112 360.00
New Cemetry - Feseability study	0.00	200 000.00	200 000.00	212 000.00	224 720.00
Intergrated Waste Management Plan Review	0.00	0.00	300 000.00	318 000.00	337 080.00
Cleaning Services-Town	1 860 000.00	1 000 000.00	1 000 000.00	1 060 000.00	1 123 600.00
	<b>4 031 741.94</b>	<b>3 085 636.46</b>	<b>3 385 636.46</b>	<b>3 588 774.65</b>	<b>3 804 101.13</b>
	<b>1 970 304.52</b>	<b>968 505.10</b>	<b>1 188 171.44</b>	<b>1 297 984.81</b>	<b>1 410 937.51</b>

# Quality Certificate

I, P.P Sibiya, the municipal manager of **Mthonjaneni Local Municipality**, hereby certify that the Final annual budget and supporting documentation for the 2021/22 financial year have been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act, and that the annual budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print name: Philemon Philani Sibiya

Municipal manager of Mthonjaneni Local Municipality KZN285

Signature: MR P.P Sibiya

Date : 24/05/2021

## Quality Certificate

I, Philemon Philani Sibiya, the municipal manager of **Mthonjaneni Local Municipality**, hereby certify that the final annual budget and supporting documentation for the 2021/22 financial year have been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act, and that the annual budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print name Philemon Philani Sibiya

Municipal manager of Mthonjaneni Local Municipality KZN285

Signature \_\_\_\_\_

Date 24 / 05 / 2021

**SPECIAL COUNCIL : 24.05.2021**

**MLMSC 21/495  
FINAL MEDIUM TERM REVENUE & EXPENDITURE  
(MTREF) BUDGET 2021/22 FINANCIAL YEAR TWO OUTER YEARS  
(2022/23 & 2023/24)**

**COUNCIL RESOLVED THAT:**

1. The final MTREF budget 2021/22 financial year be approved by Council.
2. The final MTREF budget 2021/22 in the prescribed format be submitted to National and Provincial Treasury after approval by Council.
3. In terms of section 24(2)(c)(i) of the Municipal Finance Management Act, 56 of 2003, and sections 74 and 75A of the Local Government Municipal Systems Act, 32 of 2000 as amended, that tariffs for electricity, Refuse removal, Property rates and other Services be approved with effect from 1 July 2021.
4. In terms of section 23(1)(b) of the MFMA, the municipal council to consider and note the comments of the 2020/21 final MTREF Annual Budget from KZN Provincial Treasury.
5. The municipality's budget related policies be accepted as unchanged (Budget Policy, Property Rates Policy, Tariffs Policy, Indigent Support Policy, Debt Write-Off Policy, Banking & Investment Policy, Cost Containment Policy and Fixed Assets Management Policy).



MTHONJANENI LOCAL MUNICIPALITY												
2021/2022 FINANCIAL YEAR												
IDP / SDRP PERFORMANCE NO.	NATIONAL KEY AREAS	OBJECTIVE	STRATEGIES	KEY REFERENCE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET						
FINAL DEVELOPMENT STRATEGIES												
KPA 1 : INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION												
MT1	INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	To ensure effective and efficient administrative services	Conduct an assessment on provision of administrative support	KPI1	Date OPM/SPMS Framework and PMS Policy reviewed and submitted to Council for adoption	PMS framework submitted to Council for adoption on 30 June 2022	Council resolution					
MT2			Effective municipal administration and improved municipal capability	LKPI1	Date Final Annual Report Submitted to council for adoption	Annual Report Submitted to council for adoption by 31 March 2022	Council Resolution					
MT3		To provide effective and efficient administrative management aimed at achieving a skilled workforce that is responsive to service delivery and change	Council adoption of the Employment Equity Plan	9KPI1	No. of people from employment equity target groups employed in the two highest levels of management (S548556 & Line Managers) in compliance with approved equity plan by 30 June 2022	Organizational structure submitted to Council for adoption on 30 June 2022	on Employed	Council Resolution				
MT4									Adoption & implementation of Workplace Skills Plan (WSP)			
MT5			Development & implementation of the Human Resource Development (HRD) Strategy						13KPI1	Date HRD Strategy reviewed, and submitted to Council for adoption	Human Resource Development strategy submitted to Council for adoption by 30 June 2022	Council Resolution
MT6			To report & monitor Service Delivery						Ensure the testing of Disaster Recovery Plan by 30 June 2022	6KPI1	Disaster recovery plan testing report	1 Disaster recovery testing
MT7		Development & implementation of communication strategy to help the organisation to communicate effectively		Provision of branding, institutional image & strengthening relations	7KPI1	Date communication framework/strategy submitted to Council for adoption	Communication Framework/Strategy submitted to Council for adoption by 30 June 2022	Council resolution				
MT8												
KPA2: BASIC SERVICE DELIVERY												
BBI	DELIVERY	Improve Access to Basic Services	Implementation of Capital Projects	14KPI1	% of MLC Expenditure by 30 June 2022	100% MLC expenditure by 30 June 2022	Revenue & Expenditure Certificate					
BSS			Ensuring Consumers have access to electricity	15KPI1	% INEP Expenditure by 30 June 2022	100% INEP expenditure by 30 June 2022	Monthly Reports					

BS3	BASIC SERVICE			
	Improve access to Basic Services	Ensure the blading of 39 kilometers of rural access roads by 30 June 2022.	KPI	30KM per ward by 30 June 2022
	Improve Access to Basic Services	Ensure the construction and completion of 5.0 km Mdundulu Gravel Road in Ward 8 by 30 June 2022.	1KPI	5.0 km's of Kilometers of Mdundulu gravel road completed by 30 June 2022
BS4				

#### KPA3: LOCAL ECONOMIC DEVELOPMENT

LED1	LOCAL ECONOMIC DEVELOPMENT	To promote social and economic development of Mthojjment citizens	To enhance Mthojjment economic development	KPI	Draft LED strategy/reviewed and adopted by Council	Draft LED Strategy adopted by Council by 30 June 2022	Council Resolution
				2KPI	4 Meetings to be held by 30 June 2022.	4 Consultative meetings to be held by 30 June 2022	Reports, Agenda's
				3KPI	100 Informal Traders are in possession of a legal permits through the completion of the Informal trader database by 30 June 2022.	100 permits to be issued	Register of permits issued
				4KPI	Implementation of Covid 19 LED Relief Programme to Informal Traders	200 Informal Traders to be supported before 30 June 2022	Register of Informal Traders supported

#### KPA4 : GOOD GOVERNANCE & PUBLIC PARTICIPATION

GOOD GOVERNANCE & PUBLIC PARTICIPATION							
GG1	Improved Municipal stakeholder engagement	Coordinate 4 joint wards committee meetings by 30 June 2022	1KPI	4 joint wards committee meetings	4 ward committee meetings held per annum	Attendance Registers	
GG2	To ensure effective community participation as promulgated in terms of Chapter 4 of MSA No. 27 of 2000	Ensure public participation during the IDP Process by ensuring a total of 14 IDP/Budget Roadshows takes place by 30 June 2022	17KPI	14 IDP/Budget Roadshows held by 30 June 2022	14 IDP/Budget roadshows by 30 June 2022	Attendance Registers & Minutes	
GG3	Ensure excellence & Governance and Leadership	Coordinate Council committees and structures	1KPI	Number of quarterly MPAC meetings held/ coordinated by 30 June 2022	4 Meetings held by 30 June 2022	Attendance Register / Minutes	
		Improved administration functionality		Number of Quarterly Staff Meetings held by 30 June 2022	4 Staff Meetings held by 30 June 2022	Minutes/ Attendance Register	
GG4							

#### KPS: FINANCIAL VIABILITY AND MANAGEMENT

FV1	Improved Budget	To ensure that expenditure is highly monitored according to legislations	KPI	Creditors report indicating that payments are made within 30 days of receipt of an invoice	12 Creditors reports indicating that payments are made within 30 days of receipt of an invoice	Monthly Report

P2	Implementation in the municipality	Review debtors control policy and submit it for Council approval by 31 May 2022	2KPI	Revised debtors control policy submitted for Council approval by 31 May 2022	Revised debtors control policy submitted for Council approval by 31 May 2022	Council Resolution
P3	Improvement of Reporting	Submit monthly Grant reports to the relevant Provincial Departments on all DOHA grants received within 10 working days after month end in terms of section 7 (5) of the MFMA. 12 reports by 30 June 2022.		Number of grant reports submitted to NT & PT	12 grant reports submitted to NT & PT	Confirmation of Submission of Grants Reports
P4	Maximise earnings & returns on Assets with acceptable levels of risks	Ensure the review and submission of the Asset policy for 2022/2023 financial year for Council approval by 31 May 2022	9KPI	Submission of revised Asset Policy for Council approval by 31 May 2022	Submission of revised Asset Policy for Council approval by 31 May 2022	Council Resolution
P5	Implementation of Sound Financial Management	Submit the annual review on the Supply Chain Management policy to Finance Portfolio Committee and Council by 31 May 2022 for 2022/2023 financial year	13KPI	Revised Supply Chain Policy submitted for Council approval by 31 May 2022	Revised Supply Chain Policy submitted for Council approval by 31 May 2022	Council Resolution
P6		Submit quarterly reports of the Investment register with details of investment, period, interest rate and term as part of the quarterly financial report to National & Provincial Treasuries	14KPI	Number of reports submitted to NT & PT	4 Investment register reports submitted to NT & PT	Investment Register & Confirmation of Submission to NT & PT

#### KPA6: CROSS CUTTING INTERVENTIONS

C1	To ensure integrity and quality of physical environment underpinned by a coherent spatial development pattern	Facilitate fully coordinated planning & development activities of the municipality	1KPI	Data Integrated Development Plan reviewed & adopted by Council	Integrated Development Plan adopted by Council by 30 June 2022	Council Resolution
C2	To ensure integrity and quality of physical environment underpinned by a coherent Spatial Development pattern	Improved Spatial Development Framework	1KPI	Data Spatial Development Framework Reviewed and submitted to Council for adoption	Spatial Development Framework adopted by Council by 30 June 2023	Council resolution
C3	To ensure community safety and security	Ensure Annual Review of Disaster Management Plan	1KPI	Date of adoption of Disaster Management Plan	Reviewed Disaster Management Plan approved by council by 30 June 2022	Council Resolution



CC4	To ensure reporting on back to basics	Ensure the submission of 12 back to basics reports per annum for Technical department/Project management section, planning section, Technical Operations and maintenance services, section, electrical section/progress reports to MMCO by 30 June 2022.	15KPI	12 reports/annum of back to basics for Technical department per annum to be submitted to Portfolio, EKCO and Council Committees on monthly basis	Submit 12 back to basics reports for Technical department/Project management section, planning section, Technical Operations and maintenance services, section, electrical section/progress quarterly report to MMCO by 30 June 2022.	Reports submitted to Mamco & Proof of Submission																																																																																																																
<table border="1"> <thead> <tr> <th colspan="2">Leading Competencies</th> <th>CF</th> <th>WEIGHT</th> <th colspan="3"></th> </tr> </thead> <tbody> <tr> <td colspan="2">Strategic Direction and Leadership</td> <td></td> <td>10</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">People Management</td> <td></td> <td>10</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Programme And Project Management</td> <td></td> <td>20</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Financial Management</td> <td></td> <td>10</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Change Leadership</td> <td></td> <td>5</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Governance Leadership</td> <td></td> <td>10</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Total:</td> <td></td> <td>65</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Core Competencies</td> <td></td> <td>5</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Moral Competency</td> <td></td> <td>5</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Planning and Organising</td> <td></td> <td>5</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Analysis and Innovation</td> <td></td> <td>5</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Knowledge and Information Management</td> <td></td> <td>5</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Communication</td> <td></td> <td>5</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Results and Quality Focus</td> <td></td> <td>5</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Total:</td> <td></td> <td>35</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>							Leading Competencies		CF	WEIGHT				Strategic Direction and Leadership			10				People Management			10				Programme And Project Management			20				Financial Management			10				Change Leadership			5				Governance Leadership			10				Total:			65				Core Competencies			5				Moral Competency			5				Planning and Organising			5				Analysis and Innovation			5				Knowledge and Information Management			5				Communication			5				Results and Quality Focus			5				Total:			35			
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Analysis and Innovation			5																																																																																																																			
Knowledge and Information Management			5																																																																																																																			
Communication			5																																																																																																																			
Results and Quality Focus			5																																																																																																																			
Total:			35																																																																																																																			
DATE:	29.06.2021		SIGNATURE:		SIGNATURE:																																																																																																																	

Umkhandlu Ka Masipala Wase  
**MTHONJANENI**  
 Municipality / Munisipaliteit  
 21 Reinhold Street P.O. Box 11, Melmoth  
 2021-06-29  
 Tel: 035 450 2062 Fax: 035 450 2056  
**APPROVED**  
 Sign: 

OFFICE OF THE MUNICIPAL MANAGER

FINAL SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022 FINANCIAL YEAR

IDP Initiative Ref.	National Key Area	Socioeconomic Development Goals	Strategic	Performance Indicator	Unit of Measure	Budget	Source of Funding	IDP 2021/2022								Responsible Department	
1.1			Infrastructure development	Ensure the construction and completion of Mahabe Creeks in Ward 1 by 30 June 2022	Construction of Mahabe Creeks completed by 30 June 2022	R 2,544,537.20	MIG	Annual Target construction and completion of Mahabe Creeks in Ward 1 by 30 June 2022	Target Quarter 1 Advertise tender and appoint service provider by end of 1st quarter	Actual	Target Quarter 2 Site establishment and construction of sub-structure	Actual Achievement	Target Quarter 3 work,retainer and fencing	Actual	Target Quarter 4 roofing,paving, furniture,grading and completion	Actual Achievement	Director Technical and planning Services
1.2			Infrastructure development	Ensure the construction and completion of Sangqam Sportfield by 30 June 2021	construction of Sangqam Sportfield completed by 30 June 2022	R 1,342,176.00	MIG	construction and completion of Sangqam Sportfield by 30 June 2022	Roofing of stadium blocks, grading and maintenance by end of first quarter		planting and paving of stadium blocks by end of second quarter		electricity cabling end of 3rd quarter		completion of construction of sport field by end of 4th quarter		Director Technical and planning Services
1.3			Infrastructure development	Ensure the electrification of backlogs in Mthongweni by providing 608 new connections to households in Thabane Township for the first time by 30 June 2022	100% Expenditure of R 20 000 000 of MPEP land by 30 June 2022	R 20 000 000.00	MPEP	Spending R 20 000 000.00 MPEP land by 30 June 2022	R 2 000 000.00		R 5 000 000.00		R 6 000 000.00		R 5 805 900.00		Director Technical and planning Services
1.4			Infrastructure development	Ensure the realisation of electrification backlogs in Mthongweni by providing 100 new connections to households in Umthabane area ward 5, for the first time by 30 June 2022	Number of new electricity connections completed by 30 June 2022(Randbywe)	R2,000,000.00	MPEP	100 connections completed at Umthabane in Ward 5 by 30 June 2022(Randbywe)	Developing scope of works and cost estimation		preliminary and detailed designs and presentations approved by Ekoon		appointment of service provider,site handover and site establishment		point of supply and pole planting		Director Technical and planning Services
1.5			Infrastructure development	Prepare and submit 11 reports to MANCO on meter auditing by 30 June 2022	11 of electricity meter audit reports per annum submitted to Manco,portfolio, eco and council per annum	R 0.00	MPEP	Submit 11 electricity meter audit reports annually to MANCO by 30 June 2022	3 Reports/quarter		2 Reports/quarter		3 Reports/quarter		3 Reports/quarter		Director Technical and planning Services
2.1	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL	Providing a safe and secure environment	Training & development of staff in accordance to SABS Development Plan by ensuring that staff are trained by 30 June 2022 and submit reports to portfolio on a quarterly basis	Prepare and submit the SABS Development Plan to Council for approval by 30 April 2022	Council resolution for adoption	R 0.00	N/A	SABS Development Plan	-		-		-		SABS development Plan approved by Council by 30 April 2022		Director Corporate & Community Services
2.1			Ensure financial sustainability and viability of the organisation by maintaining the cost coverage and outstanding service debtors to revenue quarterly and debt coverage ratio 10- annually.	(Total operating revenue received - operating grants)/ Debt service payments ICash and Cash Equivalents - Current Capital Grants (Overhead) + Short Term Investments) / Monthly fixed	R 0	N/A	1.50 : 1.00	1.50 : 1.01		1.50 : 1.00		1.50 : 1.00		1.50 : 1.00		Office of the Municipal Manager	
2.3			Manage finances in line with required legislation					2 months	2 months		2 months		2 months		2 months		Office of the Municipal Manager
2.4			Providing service excellence	Ensure 100% expenditure of grants and subsidies by 30 June 2022.	Percentage	R 0	N/A	100% expenditure on all grants and subsidies by 30 June 2022	20% spent during this quarter		60% spent during this quarter		80% spent during this quarter		100% spent by the end of the financial year.		Office of the Municipal Manager





Signed by Municipal Manager Mr P. Silva \_\_\_\_\_

OFFICE OF THE MUNICIPAL MANAGER

FINAL SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022 FINANCIAL YEAR

Indicator No.	National Key Performance Area	Subsequent Development Goals	Strategies	Performance Indicator	Unit of Measure	Budget	Source of Funding	IPM 2021/2022								Responsible Department
6.1	CROSS CUTTING INTERVENTIONS	Encouraging community participation in service delivery	Preparation of an IDP within the legal guidelines	Prepare and submit the final 2022/2023 IDP to Council for approval by 30 June 2022.	Draft & final 2022/2023 IDP approved by Council by 30 June 2022	NO	N/A	Draft & final 2022/2023 IDP approved by Council by 30 June 2022	-	-	-	Approval of the Draft IDP by Council by 30 March 2021.	Approval of the Final IDP by Council by 30 June 2022.	-	-	Office of the Municipal Manager
6.2		Effective community participation as promulgated in terms of Chapter 4 of the MSA no 27 of 2000	Ensure public participation during the IDP process by ensuring a total of 16 IDP/Budget roadshows take place by 30 June 2022	Ensure public participation during the IDP process by ensuring a total of 16 IDP/Budget roadshows take place by 30 June 2022	16 IDP roadshows be held by 30 June 2022		Internal Generated Funds	16 IDP/Budget roadshows by 30 June 2022.	-			16 IDP MEETINGS by 31 December 2021.	16 IDP Meeting by 30 June 2022.			Office of the Municipal Manager
6.3		Supporting the poor and vulnerable groups	Implement Operations Solutions viable programmes	Ensure the support for senior citizens programme by 31 December 2021	Senior Citizens programme by 31 December 2021		Internal Generated Funds	Senior Citizens programme be held by 31 December 2021				Senior Citizens programme held by 31 December 2021.	1 IDP Meeting by 30 Dec 2021			Director Corporate & Community Services
6.4		Ensure community safety and security	Implement traffic management	Ensure the lifting of 4 IDC meetings by 30 June 2022	4 IDC Meetings held by 30 June 2022		Internal Generated Funds	Held IDC / Disaster Forum Meetings on quarterly basis	1 IDC Meeting by 30 Sep 2021			1 IDC Meeting by 30 Dec 2021	1 IDC Meeting by 30 June 2022			Director Corporate & Community Services
6.5				Ensure that 400 drivers license bookings are done by 30 June 2022.	Number of drivers license bookings		Internal Generated Funds	Ensure that 400 drivers license bookings are done by 30 June 2022	100 bookings per quarter			100 bookings per quarter	100 bookings per quarter			Director Corporate & Community Services





IPF Indicator No.	National Key Performance Area	Efficiency/Performance Goals	Strategies	Performance Indicator	Unit of Measure	Budget	Source of Funding	IPF 2021/2022						Responsible Department
4.1	CROSS CUTTING INTERVENTIONS	Encouraging community participation in service delivery	Preparation of an IPF within the legal guidelines	Prepare and submit the final 2022/2023 IPF to Council for approval by 30 June 2022.	Draft & final 2022/2023 IPF approved by council by 30 June 2022	no	N/A	Draft & final 2022/2023 IPF approved by council by 30 June 2022	-	-	Approval of the Draft IPF by Council by 30 March 2021.	-	Approval of the final IPF by Council by 30 June 2022.	Office of the Municipal Manager
4.2			Effective community participation as promulgated in terms of Chapter 6 of the MSA as of 27 of 2000	Ensure public participation during the IPF process by equipping a total of 14 IPF/Budget consultation place by 30 June 2022	14 IPF consultation places be held by 30 June 2022		Internal Generated Fund	14 IPF/Budget consultation by 30 June 2022.	-		14 IPF MEETINGS by 31 December 2021.			Office of the Municipal Manager
4.3		Supporting the poor and vulnerable groups	Ensure effective sector citizens structures	Ensure the support for sector citizens programme by 31 December 2021.	Sector citizens programme by 31 December 2021		Internal Generated Funds	Sector Citizens programme be held by 31 December 2021			Sector Citizens programme held by 31 December 2021			Director Corporate & Community Services
4.4			Implement Operation Sakhisa Subsidy programmes	Ensure the sitting of 4 JOC meetings by 30 June 2022	4 JOC Meetings held by 30 June 2022		Internal Generated Funds	Hold JOC / Disaster Forum Meetings on quarterly basis	1 JOC Meeting by 30 Sep 2021		1 JOC Meeting by 30 Dec 2021		1 JOC Meeting by 30 June 2022	Director Corporate & Community Services
4.5		Ensure community safety and security	Implement traffic management				Internal Generated Funds							Director Corporate & Community Services
5.6	Infrastructure and Municipal Transformation			Ensure that 400 drivers license bookings are done by 30 June 2022.	Number of drivers license bookings			Ensure that 400 drivers license bookings are done by 30 June 2022	100 bookings per quarter		100 bookings per quarter		100 bookings per quarter	Director Corporate & Community Services
6.7				Ensure attendance by Municipal Manager the quarterly meetings of Governance, State Capacity, and Institutional Development (GCSD) cluster meetings.	Number of Quarterly meetings	R 0		4 GCSD Cluster Meetings	1 Meeting per quarter		1 Meeting per quarter		1 Meeting per quarter	Municipal Manager
				Ensure the review of Spatial Development Framework by 30 June 2022	Review of SDF			Review of SDF by 30 June 2022					SDF be done by 30 June 2022	

Unkhaendu Ka Masipala Wase	Receive of 50000/- <b>WITHONJANENI</b> 30 June 2023 Municipality / Munisipalitett 21 Reinhold Street P.O. Box 11, Melmoth
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2021-06-29

Tel: 035 450 2052 / Fax: 035 450 2056

~~APPROVED~~

Sign:...



# TECHNICAL AND DEVELOPMENT PLANNING SERVICES DEPARTMENT

## THAT SUBORDINATES - SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

NO	PROVINCIAL RPA	STRATEGIC OBJECTIVE	PERFORMANCE TARGET	UNIT OF MEASUREMENT	BUDGET	SOURCE OF FUNDS	MODELS / TARGET	QUARTER 1 BUDGET	QUARTER 1 BUDGET AT CIRC	QUARTER 2 BUDGET AT CIRC	QUARTER 3 BUDGET AT CIRC	QUARTER 4 BUDGET AT CIRC
DEPARTMENTAL BUDGETING, FINANCIAL MANAGEMENT AND DEVELOPING LOCAL GOVERNMENT												
1.1	FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY											
1.2												
1.3												
2	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
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3	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
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Signed by Head Of Department DTSP, Wn. B. Mubandari



Approved by the Township The Mayor (D. M. N. Siregar)





Umkhandlu Ka Masipala Wase	
<b>MTTHONJANENI</b>	
Municipality / Munisipaliteit	
21 Reinhold Street P.O. Box 11, Melmoth	
<b>2021-06-29</b>	
Tel: 035 450 2082 Fax: 035 450 2053	
<b>APPROVED</b>	

~~APPROVED~~

Tel: 035 450 2082 Fax: 035 450 2055

2021-06-29

21 Reinhold Street P.O. Box 11, Melmoth

**MTTHONJANENI**  
Municipality / Munisipalite

Umkhandu ka Masipala Wase

Printed for the  
report submitted by  
on April 1997

Approved by the winning *The Mayor On My Mind* book.

11



DEPARTMENT OF THE CORPORATE & COMMUNITY SERVICES 2021/2022

FINAL SDBIP FOR CORPORATE AND COMMUNITY 2021/2022

NO	NATIONAL NPA	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	BUDGET	SOURCE OF FUNDING	ANNUAL TARGET	QUARTER ENDING 30 SEPT	QUARTER ENDING 31 DEC	QUARTER ENDING 31 MARCH
COUNCIL ADMINISTRATION SUPPORT SERVICES										
1	Good Governance and public participation	To ensure the effectiveness of municipal structures	Ensure effective and functional municipal structures by coordinating EXCO meetings, Portfolio Committee meetings and JPAC Meetings by 30 June 2022 as per the approved schedule of meetings and in line with Covid 19 Regulations.	To coordinate 4 Council meetings by 30 June 2022 To coordinate 10 EXCO meetings by 30 June 2022 To coordinate 30 Portfolio meetings by 30 June 2022 Adoption scheduled meeting of Council by 31st July 2021	R 0	N/A	4 Council Meetings by 30 June 2022 10 EXCO meetings to be held by 30 June 2021 1 Calendar schedule for Council Meetings	1 Council Meeting by 30 September 2021 2 EXCO meetings to be held by 30 Sep 2021 9 Portfolio meetings to be held by 30 Sep 2021 1 report by 30 Sep 2021	1 Council Meeting by 30 December 2021 2 EXCO meetings to be held by 31 Dec 2021 6 Portfolio Meetings to be held by 31 Dec 2021	1 Council Meeting by 31 March 2022 3 EXCO meetings to be held by 31 Mar 2022 8 Portfolio Meetings to be held by 31 Mar 2022
1.1										
1.2	Institutional Development and Municipal Transformation	To ensure relevance in Capacity development and institutional transformation.	To report incidents (IOD) to Council on quarterly basis	Four (4) Reports submitted to Council on quarterly basis			Report and produce 4 Incident reports to Council by 30 June 2022	1 IOD Report to Council by 30 September 2021	1 IOD Report to Council by 31 December 2021	1 IOD Report to Council by 31 March 2022
1.3										
1.4	Institutional Development and Municipal Transformation		Prepare and submit the State Development Plan to LGSETA for approval by 30 April 2022, the Annual Training Report and Municipal Status Plan for approval to Council by 30 June 2022.	Identification and submission of state development plan to LGSETA by 30 April 2022 Development of Organisational Work Status Plan by 31 December 2021	R 0		Submission of WSP TO LGSETA by 30 April 2022 Development of workable plan by 31 December 2021	-	1 Status Plan Report	-
1.5	Institutional Development and Municipal Transformation		Ensure the Development and adoption of Human Resource Plan/Strategy by 30 June 2022 Training and development of Staff in accordance to State Development Plan by 30 June 2022.	Adoption of an approved Human Resource Plan/Strategy by 30 June 2022 40 staff trained staff & cils	R 200,000		Adoption of HR Policies by 30 June 2022	-	-	-
1.6			Ensure development and review of HR Policies	Approval and review of HR policies by 30 June 2022	R 200,000	Internal generated funding	11 staff to be trained by 30 June 2021 Review of HR Policies approved by Council by 30 JUNE 2022	-	-	-
5.1	Good governance and Public participation	To ensure good governance	Ensuring training of all new employees on Code of Conduct.	Training of all new employees on Code of Conduct and municipal structures by 30 June 2022 Submitting quarterly report on Signing of Code of Conduct by new employees	R0 00	N/A	As per appointments made			
5.2					R0 00	N/A	As per appointments made			
6	DEPARTMENTAL MANAGEMENT									
6.1		Departmental management & intergovernmental Relations	Departmental Supervisors Meetings on monthly basis	22 Departmental Supervisors meetings held by 30 June 2020	R 0	N/A	Twelve (22) Line Management meetings	6 Monthly Departmental Meetings	4 Monthly Departmental Meetings	6 Monthly Departmental Meetings
6.2	Institutional Development and Municipal Transformation		Ensure attendance of the Department of the quarterly meetings on District Development Model (DDM)	4 Quarterly meetings attended by 30 June 2022	R 0	N/A	4 District Development Model Meetings	1 Meeting per quarter	1 Meeting per quarter	1 Meeting per quarter

Signed by Head Of Department: DCCS Mr. Z.S. Mithethwa

Approved by His Worship The Mayor: Cllr M.N. Dipeolu



No	NATIONAL GPA	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	BUDGET	SOURCE OF FUNDING	ANNUAL TARGET	QUARTER ENDING 30 SEPT	QUARTER ENDING 31 DEC	QUARTER ENDING 31 MARCH
6.3		To ensure de Effective Inf	Ensure submission of monthly reports to MANCO	11 Monthly reports submitted to Memo by 30 June 2022	R 0	N/A	11 Monthly Reports	3 Reports per quarter	2 Reports per quarter	3 Reports per quarter

#### DEPARTMENTAL BUDGETING AND FINANCIAL MANAGEMENT

7.1	FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY	To ensure sound financial management	Ensure the submission of the 2021/2022 adjustment budget	Adjustment budget input submitted to CFO by 15 January 2022	R 0	N/A	Submit Departmental adjustment budget by 15 January 2022			Adjustment Budget submission by 15 January 2022
7.2			Ensure the submission of the 2022/23 draft budget proposals	Draft budget inputs proposals submitted to CFO by 28 February 2022	R 0		Submit Departmental draft 2022/2023 to Finance Department by 28 February 2022			Draft budget submission by 28 February 2022

#### REGISTRY

8.1	Institutional Development and Municipal Transformation	To ensure proper & effective record keeping and filing	Ensure appointment of service provider to assist with proper decisional record keeping and filing	Appointment of service provider by 31st December 2021	R 500,000	N/A	Service Provider appointed by 31st December 2021			Appointment of service provider by 31st December 2021
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#### DISASTER MANAGEMENT AND SOCIAL SERVICES

Community & Disaster Management	To ensure community safety and security	Ensure the sitting of a JOC meetings by 30 June 2022	4 JOC Meetings held by 30 June 2022	300 000	Internal Generated Funding	Host JOC / Disaster Forum Meetings on quarterly basis	1 JOC Meeting by 30 Sep 2021	1 JOC Meeting by 30 Dec 2021	1 JOC Meeting by 31 Mar 2021
		Ensure that all disaster reported incidents are submitted to MANCO on a quarterly basis.	Disaster incidents report submitted to MANCO.			4 reports	1 Disaster Report by 30 Sep 2021	1 Disaster Report by 31 Dec 2021	1 Disaster Report by 31 Mar 2021
		Ensure implementation of the Disaster Management Act by reporting Covid 19 related incidents by 30 June 2022	Four (4) Covid 19 related reports		Grant Funding	Development of Covid 19 Reports and programs to be reported on quarterly basis	1 Covid 19 Quarterly Report by 30 Sep 2021	1 Covid 19 Quarterly Report by 31 Dec 2021	1 Covid 19 Quarterly Report by 31 Dec 2021
		Ensure Annual Review of Disaster Management Plan	Date of adoption of Disaster Management Plan			Reviewed Disaster Management Plan 30 June 2022	Council Approval by 31 December 2020		Draft Disaster Management submission to Council

#### BACK TO BASICS & INTEGRATED DEVELOPMENT PLAN

11.1	INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION	Ensure the submission of 4 quarterly reports to Planning Department by 30 June 2022.	Number of B2B reports submitted to MANCO	R 0		4 Reports submitted to MANCO by 30 June 2022	1 B2B report submitted to MANCO.	1 B2B report submitted to MANCO.	1 B2B report submitted to MANCO.
11.2		Ensure the submission of the 2022/23 draft IDP inputs to IDP Unit by 04 March 2022	IDP inputs submitted by 04 March 2022	R 0		IDP inputs submitted by 04 March 2022			Submission of IDP inputs 2022/03/04

#### SPORT AND RECREATION

12.2	Community & Social Development Services	To promote youth activities and implement developmental activities	Ensure the holding of the Mayoral Sports by 30 June 2022	R 200,000	Internal Generated Funding	Ensure the holding of the Mayoral Sports by 30 June 2022			
12.3			Ensure facilitation and implementation of sports development programme by 30 June 2021	R 100,000	Internal Generated Funding	Facilitation and implementation of sports development programme by 30 June 2021			

#### YOUTH DEVELOPMENT

13			Implementation of the Youth Council Development Programmes by 30 June 2022.	Mayoral Drivers Income Program		Internal Generated Funding	Date		
13.1	Community & Social Development Services	promote youths and implement developmental activities		Mayoral Drivers Income Program by 31 March 2022	R 450,000	Internal Generated Funding	Date of handing over of Basic Beneficiaries Event		2022/03/20 Handing Over of Mayoral Basic Beneficiaries Event

Signed by Head Of Department: DDCS Mr. Z.S. Mthembu

Approved by His Worship The Mayor: Cllr M.N. Bhele



No	NATIONAL KPM	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	BUDGET	SOURCE OF FUNDING	ANNUAL TARGET	QUARTER ENDING 30 SEPT	QUARTER ENDING 31 DEC	QUARTER ENDING 31 MARCH
13.3		To activate development	Date of Youth Celebration Event		R1,500,000		Date		Signing of Youth Celebration Event by 31 Dec 2021	
<b>PROGRAMS</b>										
14.5		To provide support to marginalised groups	Ensure that the world AIDS day is held on 1 December 2021	Date of world AIDS day	R 50,000	Internal Generated Funding	World AIDS day held by 2021/12/01	01 Dec-21		
14.7			Ensure the support for senior citizen program by 31 December 2021	Senior Citizen Support Program	R150,000.00	Internal Generated Funding	31 Dec-21	31 Dec-21		
<b>LOCAL ECONOMIC DEVELOPMENT</b>										
15.1		To ensure Local Economic Development in the municipality and create economic opportunities	Ensure draft of the established LEDT vision strategy by 31 December 2021	Implementation of LED Programs by 31 December 2021	R150,000.00	Internal Generated Funds	Approved draft LED strategy by 2021/12/31			
15.2			Ensure the implementation of LED initiative Programmes by ensuring 4 consultative meetings with LED structures by 30 June 2022	4 Meetings to be held by 30 June 2022	R90,000	Internal Generated Funds	4 Consultative meetings to be held by 30 June 2022	1 LED Meeting to be held by 30 Sep 2021	1 LED Meeting to be held by 31 Dec 2021	1 LED Meeting to be held by 31 Mar 2022
15.4	Local Economic Development		Ensure that 4 business compliance meetings are held by 30 June 2022	4 Compliance Meeting to be held by 30 June 2022	R0.00	Internal Generated Funds	4 Business Compliance meetings by 30 June 2022	1 Business Compliance Meeting by 30 Sep 2021	1 Business Compliance Meeting by 31 Dec 2021	1 Business Compliance Meeting by 30 June 2022
15.5			Ensure that 100 Internal Traders are in possession of a legal permits through the completion of the informal trader database by 30 June 2022	Number of permits issued	R0.00	Internal Generated Funds	100 permits to be issued	25 Permits to be issued to informal traders by 30 sept 2021	25 Permits to be issued to informal traders by 31 Dec 2021	25 Permits to be issued to informal traders by 31 Mar 2022
15.6		Supporting the informal sector and uplifting of local small businesses	Ensure the implementation of Covid 19 LED Relief Programme to Internal Traders	Number of Informal Traders to be supported	R500,000.00	Internal Generated Funds	200 Internal Traders to be supported before 30 June 2022			
<b>PROTECTION SERVICES</b>										
16.2			Ensure the issuing of 200 hand tickets by 30 June 2022	Number of ticket issued			200 hand written ticket to be issued by 30 June 2022	50 ticket to be issued per quarter	50 ticket to be issued per quarter	50 ticket to be issued per quarter
16.3			Ensure that a of 400 learners licences bookings are done by 30 June 2022	Number of learners licence bookings			Ensure that 200 learners licence bookings are done by 30 June 2022	50 bookings per quarter	50bookings per quarter	50 bookings per quarter
16.4			Ensure that 600 drivers licences bookings are done by 30 June 2022	Number of drivers licence bookings			Ensure that 400 drivers licence bookings are done by 30 June 2022	100 bookings per quarter	100 bookings per quarter	100 bookings per quarter
<b>TOURISM</b>										
17.1			Ensure that 4 CTO meetings are held by 30 June 2022	Number of meetings			4 CTO meetings to be held by 30 June 2022	1 CTO Meeting by 30 Sep 2021	1 CTO Meeting by 31 Dec 2021	1 CTO Meeting by 31 March 2022
17.2	Community & Social Development Services	To improve tourism within Mthonjaneni	Ensure that 4 Mthonjaneni Tourism attraction establishments are visited by 30 June 2022	Number of tourism establishments visited			4 Tourism establishments to be visited by 30 June 2022	1 Tourism visit per quarter	1 Tourism visit per quarter	1 Tourism visit per quarter
<b>LIBRARY SERVICES</b>										
18	To improve accessibility to Library services	To improve accessibility to Library Services	Ensure effective and functionality of library services to the community by conducting Library activities or programmes as per the national plan by the Department of Art & Culture by 30 June 2021	4 monthly library activity reports by 30 June 2022	R150,000.00	Internal Generated Funds	4 monthly library activity reports by 30 June 2022	1 Library Activity Report by 30 Sep 2021	1 Library activity report by 31 Dec 2021	1 Library activity report by 31 Mar 2022

Signed by Head Of Department: DCCS Mr. Z.S. Mthembu

Sign: .....

Approved by His Worship The Mayor: Cllr M.N. Bule

Umkhambi Ka Masipala  
R. Mthembu  
Municipality / Municipality  
21 Mthembu Street P.O. Box 11, Melmoth  
LIBRARY SERVICES  
2021-06-29  
APPROVED

DEPARTMENT OF FINANCIAL SERVICES

PERFORMANCE PLAN FOR 2021/2022 FINANCIAL YEAR - FINAL BUDGET

NATIONAL MPA	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BUDGET	SOURCE OF FUNDING	ANNUAL TARGET	BUDGETING AND REPORTING				BUDGETING AND REPORTING				BUDGETING AND REPORTING			
							QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE		QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC	
							TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
1.1	FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY	Prepare and submit final 2022/2023 budget to Council by approval by 31 May 2022 in terms of section 24 (1) of the MFMA and Provincial and National Treasury by 14 June 2022 as per budget regulation section 55 (4) of Government Gazette No 32141.	Submission of Budget to Council by 31 May 2022	R 0	R 0	Submission of final 2022/2023 budget process plan by 31 August 2021	31-Aug-21	-	-	-	-	-	-	-	-	-	-	-
		Submission of Draft Budget 2022/2023 to Council by 31 March 2022	R 0	R 0	Draft budget 2022/2023 to be submitted and approved by Council by 31 March 2022	-	-	-	-	-	31-Mar-22	-	-	-	-	-	-	-
		Submission of Final Budget 2022/2023 to Council on the 31 May 2022	R 0	R 0	Final budget 2022/2023 to be submitted and approved by Council by 31 May 2022	-	-	-	-	-	-	-	31-May-22	-	-	-	-	-
		Submission of Draft Budget 2022/2023 to National Treasury and Provincial Treasury by 14 April 2022	-	-	Submission of Draft Budget 2022/2023 to National Treasury and Provincial Treasury by 14 April 2022	-	-	-	-	-	-	-	14-Apr-22	-	-	-	-	-
		Submission of Final Budget 2022/2023 to National Treasury and Provincial Treasury by 14 June 2022	R 0	R 0	Submission of Final Budget 2022/2023 to National Treasury and Provincial Treasury by 14 June 2022	-	-	-	-	-	-	-	14-Jun-22	-	-	-	-	-
1.2	FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY	Prepare and submit the Mid-Year Financial Review of the 2021/2022 budget to the Mayor by 25 January 2022 in terms of section 72 (1) of the MFMA and Provincial and National Treasury within 10 working days after the submission to the Mayor as per budget regulation section 24 (3) of Government Gazette No 32141.	Submission of MFR report to Mayor by 25 January 2022	R 0	-	Submission of MFR report to Mayor by 25 January 2022	-	-	-	-	25-Jan-22	-	-	-	-	-	-	-
		Submission of MFR report to National and Provincial Treasury by 28 February 2022	R 0	-	Submission of MFR report to National and Provincial Treasury by 28 February 2022	-	-	-	-	-	08-Feb-22	-	-	-	-	-	-	-
		Submission of adjustments budget to Council by 28 February 2022	R 0	-	Submission of adjustments budget to Council by 28 February 2022	-	-	-	-	-	28-Feb-22	-	-	-	-	-	-	-
1.3	FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY	Prepare and submit the adjustments budget, if required, to Council by 28 February 2022 as per section 24 (3) of the MFMA and Provincial and National Treasury within 10 working days after the submission to the Mayor as per budget regulation section 24 (3) of Government Gazette No 32141.	Submission of adjustments budget to Council by 28 February 2022	R 0	-	Submission of adjustments budget to National and Provincial Treasury by 14 March 2022	-	-	-	-	14-Mar-22	-	-	-	-	-	-	-

comply with Treasury legislations and regulations



To <

1.4	FINANCIAL MANAGEMENT AND VIABILITY	Prepare and submit monthly financial reports to the Mayor, Provincial and National Treasury in terms of section 71 (1) of the MFMA within 10 working days after month end and to the MANCO & Portfolio committee monthly.	Number of S71 reports submitted to the Mayor within 10 days after month end and Number of S71 reports submitted to MANCO & Portfolio Committee	R 0		12 S71 reports submitted to Mayor & NT & PT	3		3					3	
1.5	FINANCIAL MANAGEMENT AND VIABILITY	Submit the complete set of Annual Financial Statements for 2020/2021 financial year to the Auditor General by 31 August 2021 in terms of section 126 (2) of the MFMA.	Submission of AFS to AG by 31 August 2021	R 0		Submission of AFS to AG by 31 August 2021	31-Aug-21		-					-	-
1.6	FINANCIAL MANAGEMENT AND VIABILITY	Submit the Financial Auditor General Report for 2020/2021 financial year to Council by 31 January 2022 in terms of section 127 (2) of the MFMA.	Submission of AG report to Council by 31 January 2022	R 0		Submission of AG report to Council by 31 January 2022	-		-				31-Jan-22	-	-
1.7	FINANCIAL MANAGEMENT AND VIABILITY	Submit quarterly reports details of all loans as part of the quarterly financial report to National & Provincial Treasuries on a quarterly basis	Number of reports submitted to NT & PT	R 0		4 loans reports submitted to NT & PT	1		1				1	1	
1.8	FINANCIAL MANAGEMENT AND VIABILITY	Submit quarterly reports of the investment register with details of investment, period, interest rate and term as part of the quarterly financial report to National & Provincial Treasuries	Number of reports submitted to NT & PT	R 0		4 investment register reports submitted to NT & PT	1		1				1	1	
REVENUE ENHANCEMENT															
2	FINANCIAL MANAGEMENT AND VIABILITY	Review debtors control policy and submit it for Council approval by 31 May 2022	Revised debtors control policy submitted for Council approval by 31 May 2022	R 0	R 0	Revised debtors control policy submitted for Council approval by 31 May 2022									
2.1	FINANCIAL MANAGEMENT AND VIABILITY	Prepare quarterly reports on the Financial Viability of Waterpoint LM and the collection rate of 65% debtors collection target. 4 reports by 30 June 2022	Number of Debtors collections rate reports prepared.	R 0		4 Debtors collection rate reports prepared by 30 June 2022, which indicate average collection rate of 65%	Debtors collection rate report which indicates an average collection rate of 65%						Debtors collection rate report which indicates an average collection rate of 65%	Debtors collection rate report which indicates an average collection rate of 65%	Debtors collection rate report which indicates an average collection rate of 65%
2.2	FINANCIAL MANAGEMENT AND VIABILITY	Submit monthly Credit reports to the relevant Provincial Debtors Offices on all DCOA grants issued within 10 working days after month end in terms of section 71 (5) of the MFMA. 12 reports by 30 June 2022.	Number of grant reports submitted to NT & PT	R 0		12 grant reports submitted to NT & PT	3						3		3
2.3	FINANCIAL MANAGEMENT AND VIABILITY	Submit monthly Credit reports to the relevant Provincial Debtors Offices on all DCOA grants issued within 10 working days after month end in terms of section 71 (5) of the MFMA. 12 reports by 30 June 2022.	Number of grant reports submitted to NT & PT	R 0		12 grant reports submitted to NT & PT	3						3		3
SUPPLY CHAIN MANAGEMENT															
3	FINANCIAL MANAGEMENT AND VIABILITY	Submit the annual review on the Supply Chain Management policy to Finance Portfolio Committee and Council by 31 May 2022 for 2022/2023 financial year	Revised Supply Chain Policy submitted for Council approval by 31 May 2022	R 0		Revised Supply Chain Policy submitted for Council approval by 31 May 2022	-		-				-		
3.1	FINANCIAL MANAGEMENT AND VIABILITY	Prepare and submit annual report by 31 July 2021 on the implementation of the Supply Chain Management policy for the 2020/2021 financial year to Council (SCM Regulation 6(2)(a) (i))	Submission of Annual 2021 SCM report to Council by 31 July 2021	R 0		Submission of Annual 2021 SCM report to Council by 31 July 2021	31-Jul-21								
3.2	FINANCIAL MANAGEMENT AND VIABILITY	Prepare and submit annual report by 31 July 2021 on the implementation of the Supply Chain Management policy for the 2020/2021 financial year to Council (SCM Regulation 6(2)(a) (i))	Submission of Annual 2021 SCM report to Council by 31 July 2021	R 0		Submission of Annual 2021 SCM report to Council by 31 July 2021	31-Jul-21								

if transparency is attained

To be financial viable by increasing revenue and reducing debt



3.3	FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY	To ensure the	Conduct and monitor items by conducting quarterly stock counts and report on the results / variance annually within 2 months after the financial year end.	Stock count Variance report by 31 July 2021	R 0		Stock count / Variance report by 31 July 2021	31-Jul-21											
3.4			Conducts submission of Procurement Plans to PT by departments by 30 June 2022	Procurement Plans report submitted to PT by 30 June 2022	N/A		Procurement Plans report submitted to PT by 30 June 2022	-										30/06/2022	
4																			
4.1	FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY	To ensure that expenditure is highly monitored according to legislations	Ensure the payment of creditors and salaries monthly.	Salary payment monthly report & this parties payments report made within 7 days after month end Creditors report indicating that payments are made within 30 days of receipt of an invoice	R 0		12 salaries & third party payment reports 12 Creditors reports indicating that payments are made within 30 days of receipt of an invoice	3										3	
5																			
5.1	FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY	To improve the management of municipal assets	Review the review and submission of the Asset Policy for 2022/2023 financial year for Council approval by 31 May 2022	Submission of revised Asset Policy for Council approval by 31 May 2022	R 0		Submission of revised Asset Policy for Council approval by 31 May 2022	-										31-May-22	
5.2	FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY		Complete monthly assets management report and submit to MAMCO	Number of monthly asset management reports submitted to MAMCO	R 0		12 asset management reports	3										3	
5.3	FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY		Complete quarterly Insurance Register of Claims	Number of insurance claim registers	R 0		4 insurance claim registers	1										1	
6																			
6.1	Institutional Development and Municipal Transformation	To ensure departmental management	Ensure the quarterly staff meetings with Finance Department and keep record of minutes of meetings by 30 June 2022	Number of Quarterly meetings.	R 0		4 Finance general staff Meetings per annum	1 Finance general staff meetings per quarter										1 Finance general staff meetings per quarter	
6.2	Institutional Development and Municipal Transformation		Ensure the monthly management meetings with Finance Department and keep record of minutes of meetings	Number of monthly meetings	R 0		12 Finance Management Meetings per annum	3 Management Meetings per quarter										3 Management Meetings per quarter	
6.3	Institutional Development and Municipal Transformation		Report monthly on the progress on the Covid-19 safety measures and recovery plan at Finance Department	Number of monthly Covid-19 safety implementation reports	R 0		12 Covid-19 safety implementation Reports	3										3	

BACK TO BASICS & INTEGRATED DEVELOPMENT PLAN											
7	COMMUNITY AND SOCIAL SERVICES		Ensure the submission of 4 quarterly B2B reports by 30 June 2022	Number of B2B reports completed	R 0		4 B2B Reports by 30 June 2022	1 B2B Report completed per quarter	1 B2B Report completed per quarter	1 B2B Report completed per quarter	1 B2B Report completed per quarter
7.1			Ensure the submission of the 2020/2021 Annual Report inputs to July 2021	Submission of 2020/2021 Annual Report inputs to PMS Unit by 31 July 2021	R 0		Submission of 2020/2021 inputs to PMS Unit by 31 July 2021	Annual Report 2020/2021 by 31 July 2021			
7.2			Ensure the submission of the 2022/23 draft ICP inputs by 30 November 2021	Draft ICP inputs 2022/2023 submitted to ICP Unit by 30 November 2021	R 0		Draft ICP inputs 2022/2023 submitted to ICP Unit by 30 November 2021				
7.3			Ensure the submission of the 2022/23 Final ICP inputs by 30 April 2022	Final ICP inputs 2022/2023 submitted to ICP Unit by 30 April 2022	R 0		Final ICP inputs 2022/2023 submitted to ICP Unit by 30 April 2022				
7.4											
8	INFORMATION TECHNOLOGY										
8.1	Institutional Development and Municipal Transformation	To ensure sitting of IT Steering Committee Meetings and effective IT Policy awareness	Ensure the effective sitting of 4 IT Steering committee meetings by 30 June 2022	Number of IT Steering committee Meetings			4 IT Steering Committee Meetings	1	1	1	1
8.2			Ensure that IT Policy awareness of newly appointed staff by 30 June 2022	Number of IT Policy Awareness Workshops			2 IT Policy Awareness Workshops	1	1		1
8.3			Ensure that IT helpdesk attends to IT raised queries by 30 June 22	No. of IT queries attended to a month	R0.00	N/A	600 IT queries attended per annum	150 IT queries attended to	150 IT queries attended to	150 IT queries attended to	150 IT queries attended to
8.4			Ensure the testing of Disaster Recovery Plan by 30 June 2022	Disaster recovery plan testing report			1 Disaster recovery testing				1 Disaster recovery testing
8.5			Ensure that in all 5 municipal sites, IT Infrastructure are operational & monitored (Finance, Technical, Stores, Main Council Chamber & Protection Services) by 30 June 2022	Attendance register for sites visits			98 sites visits	24 Visits per site	24 Visits per site	24 Visits per site	24 Visits per site
9	DEPARTMENTAL MANAGEMENT										
	Institutional Development and Municipal Transformation	To Ensure effective Interdepartmental Relations	Ensure attendance by Finance Department of the quarterly inter-departmental meetings by 30 June 2022	4 Quarterly meetings attended by 30 June 2022	R 0		4 IDR Meetings attended	1	1	1	1
9.1			Ensure attendance of the Department of the quarterly meetings on District Development Model (DDM) by 30 June 2022	4 Quarterly meetings attended by 30 June 2022			4 District Development Model Meetings attended	1 Meeting per quarter	1 Meeting per quarter	1 Meeting per quarter	1 Meeting per quarter
9.2											

Umkhandlu Ka Masipala Wase  
**MTHONJANENI**  
 Municipality / Munisipaliteit  
 21 Reinhold Street P.O. Box 11, Melmoth  
 2021 -06- 29  
 Tel: 035 450 2082 / Fax: 035 450 2055  
**APPROVED**  
 Sign:.....

**COUNCIL : 24.06.2021**

**MLMC 20/501**

**FINAL SERVICE DELIVERY BUDGET IMPLEMENTATION (SDBIP) FOR  
2021/2022 FINANCIAL YEAR**

**COUNCIL RESOLVED THAT:**

1. The Final Service Delivery Budget Implementation Plan for 2021/2022 financial year be approved.
2. The Final Service Delivery Budget Implementation Plan for 2021/2022 financial year be advertised.

## DRAFT MTHONJANENI SPATIAL DEVELOPMENT FRAMEWORK

19 February 2013

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## Spatial Development Framework

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## **CHAPTER 1: INTRODUCTION**

### **1.1 BACKGROUND TO THE STUDY**

Section 26 (e) of the Municipal Systems Act, No. 32 of 2000 (the MSA) requires all municipalities to compile Spatial Development Frameworks (SDF) as a core component of their Integrated Development Plan (IDP). Due to a lack of sufficient guidance as to what an SDF should comprise, different approaches to the development of SDF's have been applied across the country, Provinces and even within Districts.

In 2010 DRDLR commissioned the development of Comprehensive SDF Guidelines in order to address the above gap and provide sufficient guidance as to the purpose, function and role of an SDF, as well as what should be contained in an SDF in order to make it credible. The guidelines will form part of the Spatial Planning and Land Use Management Act Regulations.

### **1.2 TERMS OF REFERENCE AND SCOPE OF WORK**

The main objective of the project is to create a credible SDF through the implementation of the Comprehensive SDF Guidelines. The SDF must give effect to the development principles contained in the Draft Spatial Planning & Land Use Management Bill including the principles of:

- Spatial Justice;
- Spatial Sustainability;
- Efficiency;
- Spatial Resilience; and
- Good Administration.

The ultimate goal of the SDF is to achieve the desired spatial form of the municipality. This form is based on:

- the vision for the development of the municipality;
- the principles set out in Chapter 1 of the DFA;
- other relevant government policy;
- available financial, environmental and land resources;
- the social, economic and environmental context of the municipality.

In order to achieve this, the SDF's role is to guide all decisions of the municipality that involve the use and development of land (including infrastructure and buildings), or planning for the future use and development of land. These decisions include:

- Land use management decisions on applications for changes in land use, such as rezoning or subdivision applications;
- Decisions on where and how public funds are invested;
- Guidance to developers and investors on appropriate locations and forms of development.



### 1.3 APPROACH

The DRDLR Guideline was used as the method to draft the Spatial Development Framework and test its applicability.

### 1.4 WHAT IS A SPATIAL DEVELOPMENT FRAMEWORK

A Spatial Development Framework (SDF) seeks to guide overall spatial form and identify current and future desirable land uses within a municipality, in order to give physical effect to the vision, goals and objectives of the municipal IDP. The SDF informs development decisions and creates a framework for investment that facilitates both public and private spending. The SDF also provides a basis for land use management.

The Spatial Development Framework is 'indicative' of broad land uses within the municipal area of jurisdiction and directions of future development. It reflects key land uses such as major transport routes, future transport links, environmentally important areas and key potentials and constraints.

### 1.5 LEGAL STATUS AND REQUIREMENTS

Table 1: Legislative Context

Legislation	Relevant Section
Constitution	S151 (1)(e), 152 and 195 (e) obliges municipalities to encourage involvement of communities in local government matters including policy making.
Municipal Systems Act (32 of 2000)	Chapter 5 of the Municipal Systems Act provides for the preparation of IDPs. <ul style="list-style-type: none"><li>• S26(e) states that an SDF is a core component of an IDP and further requires that the SDF provide basic guidelines for a municipal land use management system (LUMS)</li><li>• S24(1) requires that municipalities align their planning with national and provincial planning, as well as with neighbouring municipalities</li><li>• S27 requires a district municipality to adopt a framework for integrated development planning that is binding to the local and district municipality.</li></ul>
Local Government: Municipal Planning and Performance Management Regulations (GN R796 of 2001)	The Regulations promulgated in terms of the Municipal System Act (2000) set out the following requirements for the development of a Spatial Development Framework:  "A spatial development framework reflected in a municipality's integrated development plan must:  (a) give effect to the principles contained in Chapter 1 of the Development Facilitation Act, 1995 (Act No. 67 of 1995); (b) set out objectives that reflect the desired spatial form of the municipality; (c) contain strategies and policies regarding the manner in which to achieve the objectives referred to in paragraph (b), which strategies and policies must- (i) indicate desired patterns of land use within the municipality;

	<ul style="list-style-type: none"> <li>(ii) address the spatial reconstruction of the municipality; and</li> <li>(iii) provide strategic guidance in respect of the location and nature of development within the municipality.</li> <li>(d) set out basic guidelines for a land use management system in the municipality;</li> <li>(e) set out a capital investment framework for the municipality's development programs;</li> <li>(f) contain a strategic assessment of the environmental impact of the spatial development framework;</li> <li>(g) identify programs and projects for the development of land within the municipality;</li> <li>(h) be aligned with the spatial development frameworks reflected in the integrated development plans of neighbouring municipalities; and <ul style="list-style-type: none"> <li>(i) provide a visual representation of the desired spatial form of the municipality, which representation -</li> <li>(ii) must indicate where public and private land development and infrastructure investment should take place;</li> <li>(iii) must indicate desired or undesired utilisation of space in a particular area;</li> <li>(iv) may delineate the urban edge;</li> <li>(v) must identify areas where strategic intervention is required; and</li> <li>(vi) must indicate areas where priority spending is required."</li> </ul> </li> </ul>
<p>Spatial Planning and Land Use Management Bill (Notice 280 of 2011)</p> <p>SPLUMB</p>	<p>The SPLUMB will replace the Development Facilitation Act (67 of 1995), Removal of Restrictions Act (84 of 1967), the Physical Planning Act (88 of 1967) and other relevant planning legislation. It aims to rationalise planning by ensuring the following objectives are achieved:</p> <ul style="list-style-type: none"> <li>“(a) provide for a uniform, effective, efficient and integrated regulatory framework for spatial planning, land use and land use management in a manner that promotes the principles of co-operative government and public interest;</li> <li>(b) provide for and determine development principles, compulsory norms and standards for land use management;</li> <li>(c) maintain essential standards for land use management, spatial development and land use;</li> <li>(d) promote- <ul style="list-style-type: none"> <li>(i) co-operative governance;</li> <li>(ii) socio-economic benefits; and</li> <li>(iii) sustainable and efficient use of land;</li> </ul> </li> <li>(e) establish planning tribunals; and</li> <li>(f) redress the imbalances of the past and ensure that there is equity in land use and land use management.”</li> </ul> <p>Spatial Development Frameworks are addressed in Chapter 4 of the Bill. In terms of Section 20 a Municipal Spatial Development Framework must:</p>

	<p>“(a) give effect to the development principles set out in chapter 2;</p> <p>(b) include a written and visual representation of a five year spatial development plan for the spatial form for the municipality;</p> <p>(c) include a longer term spatial development vision statement for the municipal area which indicates a desired spatial growth and development pattern for between ten (10) and twenty (20) years into the future;</p> <p>(d) identify current and future significant structuring and restructuring elements of the spatial form of the municipality, including development corridors, activity spines and economic nodes where public and private investment will be prioritised and facilitated;</p> <p>(e) include population growth estimates over the next five years;</p> <p>(f) include estimates of the demand for housing units across different socio-economic categories and the planned location and densities of future housing developments;</p> <p>(g) include estimates of economic activity and employment trends and locations in the municipal area over the next five years;</p> <p>(h) identify, quantify and provide location requirements of engineering infrastructure and services provision for existing and future development needs over the next five years;</p> <p>(i) identify the designated residential, business, commercial and industrial areas where national or provincial inclusionary housing and inclusionary economy policy or statutory requirements will be applicable;</p> <p>(j) include a strategic assessment of the environmental pressures and opportunities within the municipal area, including the availability of high potential agricultural land where applicable;</p> <p>(k) identify the designation of areas in the municipality where incremental upgrading approaches to development and regulation will be applicable;</p> <p>(l) identify the designation of areas in which:</p> <p style="padding-left: 40px;">(i) more detailed local plans must be drawn up; and</p> <p style="padding-left: 40px;">(ii) where shortened land use development procedures may be applicable and land use schemes may be so amended;</p> <p>(m) provide the spatial expression of the co-ordination, alignment and integration of sectoral policies of all municipal departments;</p> <p>(n) determine a capital expenditure framework for the municipality's development programmes;</p> <p>(o) determine the purpose, desired impact and structure of the land use management scheme to apply in that municipal area; and</p> <p>(p) include an implementation plan comprising:</p> <p style="padding-left: 40px;">(i) sectoral requirements including budgets and resources for implementation;</p> <p style="padding-left: 40px;">(ii) necessary amendments to a Land Use Scheme;</p> <p style="padding-left: 40px;">(iii) specification of institutional arrangements necessary for</p>
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	<p>implementation;</p> <p>(iv) specification of implementation targets, including dates and monitoring indicators; and</p> <p>(v) specification, where necessary, of any arrangements for partnerships in the implementation process.”</p>
National Environmental Management Act No 107 of 1998	<p>In terms of NEMA the SDF must promote:</p> <p>(a) sustainable development, which requires the consideration of all relevant factors including the following:</p> <ul style="list-style-type: none"> <li>• that the disturbance of ecosystems and loss of biological diversity be avoided, or, where they cannot be altogether avoided, are minimised and remedied;</li> <li>• that pollution and degradation of the environment are avoided, or, where they cannot be altogether avoided, are minimised and remedied;</li> <li>• that the disturbance of the nation’s cultural heritage is avoided, or where it cannot be altogether avoided, is minimised and remedied;</li> <li>• that waste is avoided, minimised and reused or recycled where possible and otherwise disposed of in a responsible manner;</li> <li>• that the use and exploitation of renewable and non-renewable natural resources occurs sustainably; and</li> <li>• that negative impacts on the environment be mitigated against.</li> </ul> <p>(b) Equitable access to environmental resources, benefits and services to meet basic human needs and ensure human wellbeing;</p> <p>(c) The participation of all interested and affected parties in environmental governance must be promoted;</p> <p>(d) Decisions must take into account the interests, needs and values of all interested and affected parties;</p> <p>(e) Sensitive, vulnerable, highly dynamic or stressed ecosystems, such as coastal shores, estuaries, wetlands, and similar systems require specific attention in management and planning procedures, especially where they are subject to significant human resource usage and development pressure.</p>
KwaZulu-Natal Planning and Development Act (6 of 2008)	<p>The KwaZulu-Natal Planning and Development Act (PDA) provides for:</p> <p>(a) a uniform planning and development system that treats all citizens of the Province equitably;</p> <p>(b) a fair and equitable standard of planning and development to everyone in the Province, while accommodating diversity such as urban and rural needs;</p> <p>(c) the incorporation and building of good practices and approaches to planning and development which have evolved outside of the formal planning and development system;</p> <p>(d) a planning and development system that redresses the historic injustices perpetuated by a fragmented planning and</p>

	development system;
	(e) lawful development;
	(f) clear, practical and certain legislation;
	(g) timeous action by decision makers;
	(i) guidance for decision makers;
	(j) enforcement.

## 1.6 THE STUDY AREA

The Mthonjaneni Municipality falls within the northern region of KwaZulu-Natal and covers an area of 1 086 km<sup>2</sup>. It is one of the smallest municipalities in South Africa, comprising six wards. It is located approximately two hours from Durban and one hour from Richards Bay.

The municipality is one of six Local Municipalities within the area of uThungulu District Municipality. The other Local Municipalities are:

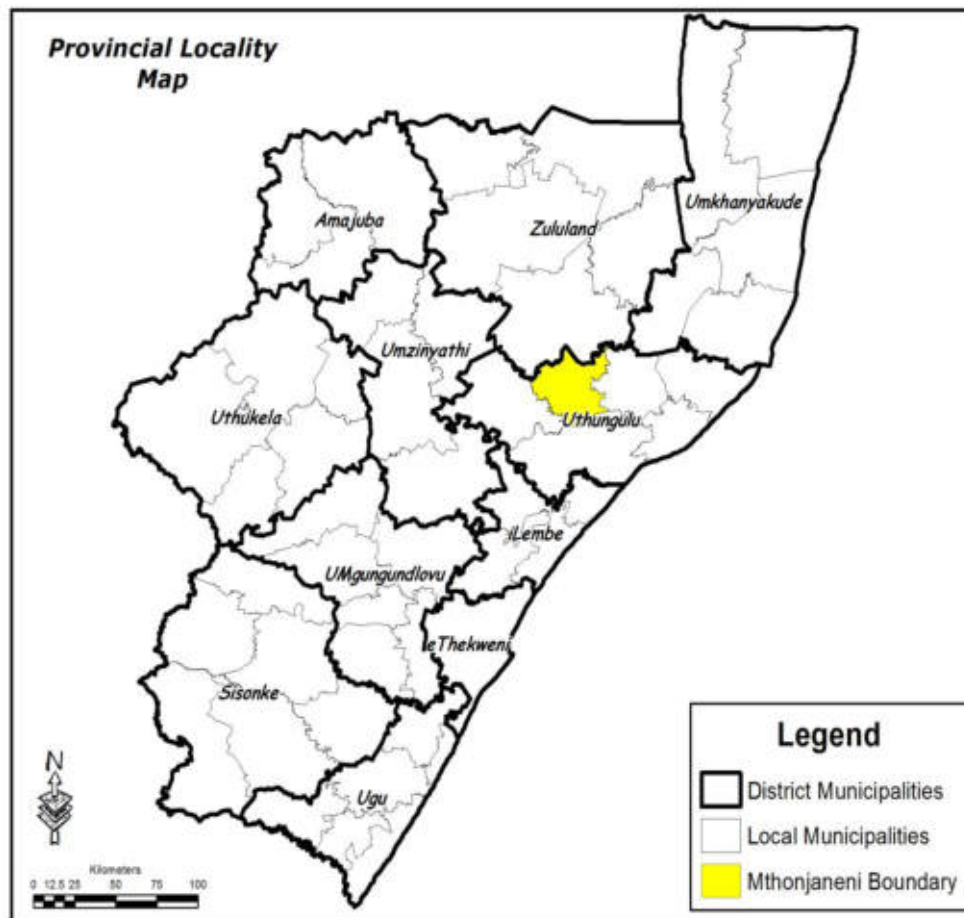
- Mfolozi
- Umhlathuze
- Ntambanana
- Umlalazi
- Nkandla

Umlalazi is the largest municipality covering 2 214 km<sup>2</sup> and Umhlathuze the smallest with an area of 795 km<sup>2</sup>. Nkandla covers an area of 1 827 km<sup>2</sup>, Mfolozi 1 208 km<sup>2</sup>, Mthonjaneni 1 086 km<sup>2</sup> and Ntambanana 1 083 km<sup>2</sup>. The uThungulu District Municipality therefore covers an area of approximately 8 215 km<sup>2</sup>.

The R34/R66 which runs through Ward 1 is the main transportation route between Vryheid/Ulundi and Empangeni/Richards Bay.

The area relies heavily on agriculture as its primary source of revenue, with sugar cane, timber and cattle farming forming the bulk of activities. There are significant areas of large commercial farms and forestry as well as subsistence agriculture. (Mthonjaneni Socio-Economic Study, 2007)

Map 1



## CHAPTER 2: CONTEXT

### 2.1. NATIONAL POLICIES

#### 2.1.1 National Spatial Development Perspective (NSDP)

The National Spatial Development Perspective (NSDP) was an initiative by National Government to provide direction and guidelines for spatial planning in order to ensure the eradication of the spatially segregated growth pattern that still exists today. The NSDP recognises the importance of the space economy in redressing the historical injustices of apartheid and poverty. The key objectives of the NSDP are to:

- Provide a framework within which to discuss the future development of the national space economy by reflecting the localities of severe deprivation and need, of resource potential, of infrastructure endowment and of current and potential economic activity by describing the key social, economic and natural resource trends and issues shaping the national geography.
- Act as a common reference point for national, provincial and local government to analyse and debate the comparative development potentials of localities in the country by providing a coarse-grained national mapping of potential.
- Identify key areas of tension and/or priority in achieving positive spatial outcomes with government infrastructure investment and development spending.
- Provide national government's strategic response to the above for a given time frame.

The NSDP is built on five basic principles to reach the abovementioned goals. These principles are as follows:

Table 2: NSDP Principles

Principle	Implication for the SDF
Principle 1: Rapid economic growth that is sustained and inclusive as a prerequisite for the achievement of poverty alleviation.	The SDF will identify areas of poverty and where economic growth can be directed.
Principle 2: Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy, health and educational facilities) wherever they reside.	The SDF will indicate levels of services that exist within the municipality as well as service level gaps.
Principle 3: Government spending on fixed investment should be focused on localities of economic growth and / or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long-term employment opportunities.	A capital investment plan will be developed as a component of the SDF and will direct where public and private investment should occur.
Principle 4: Where low economic potential exists	The SDF will indicate levels of services that exist

investments should be directed at projects and programmes to address poverty and the provision of basic services in order to address past and current social inequalities.	within the municipality as well as service level gaps.
Principle 5: In order to overcome the spatial distortions of Apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres in order for them to become regional gateways to the global economy.	The SDF will identify the primary, secondary and tertiary nodes and corridors in order to redress spatial inefficiencies.

Source: NSDP

### 2.1.2 Comprehensive Rural Development Programme (CRDP)(2009)

The Comprehensive Rural Development Programme (CRDP) is an initiative by the Department of Rural Development and Land Reform's (DRDLR), which adopts a fresh approach to rural development by empowering rural communities to utilise existing local resources to boost economic development. The CRDP proposes coordinated and integrated broad-based agrarian transformation as well as strategic investment in socio-economic infrastructure that will benefit the community.

The Department has adopted a three pronged strategy to ensure that it achieves its objective of rural development:

Table 3: CRDP Strategies

Strategy	Implication for the SDF
<b>Agrarian Transformation</b> includes increasing all types of agricultural production, optimal and sustainable use of natural resources, the use of appropriate technologies, food security, and improving the quality of life for each rural household.	The SDF will identify areas of varying agricultural potential.
<b>Rural Development</b> includes improving economic and social infrastructure.	A capital investment plan will be developed as a component of the SDF and will direct where public and private investment should occur.
<b>Land Reform</b> including restitution, redistribution and land tenure reform.	The SDF will highlight where land reform projects have been identified to determine the impact in terms of service delivery.

Source: [http://www.info.gov.za/aboutgovt/programmes/rural\\_development/index.html](http://www.info.gov.za/aboutgovt/programmes/rural_development/index.html)

## 2.2 PROVINCIAL POLICIES

### 2.2.1 Provincial Growth and Development Strategy

In terms of the 2011 Provincial Growth and Development Strategy, the vision of KwaZulu-Natal (KZN) is to be a "Prosperous Province with a healthy, secure and skilled population, acting as a gateway to Africa and the World". The PGDS aims to build this gateway by growing the



economy for the development and the improvement of the quality of life of all people living in the Province. The purpose of the 2011 KZN PGDS is to:

- Be the primary strategy for KwaZulu-Natal that drives growth and development in the Province to 2030;
- Mobilise and synchronise strategic plans and investment priorities of all spheres of government, state owned entities, business, higher education institutions, labour, civil society and all other social partners towards achieving the desired growth and development goals, objectives and outcomes;
- Spatially contextualise and prioritise interventions so as to achieve greater spatial equity;
- Develop clearly defined institutional arrangements ensuring decisive leadership, robust management, implementation and ongoing reviewing of the growth and development plan.

To achieve these 7 strategic goals, 30 objectives have been developed as indicated in the table below. These objectives are further supported by implementable targets

Table 4: PGDS Strategic Goals

Strategic Goals	Objectives	Implications for the SDF
Job Creation	1.1 Unleashing Agricultural Potential 1.2 Enhance Industrial Development through Trade, Investment & Exports 1.3 Expansion of Government-led Job Creation Programmes 1.4 Promoting SMME, Entrepreneurial and Youth Development 1.5 Enhance the Knowledge Economy	The SDF will look at economic opportunities within the municipality in order to improve access to employment.
Human Resource Development	2.1 Improve Early Childhood Development, Primary and Secondary Education 2.2 Support Skills alignment to Economic Growth 2.3 Promote Enhance Youth Skills Development & Life-Long Learning	The SDF will identify educational facilities in the municipality.
Human And Community Development	3.1 Poverty Alleviation & Social Welfare 3.2 Enhancing Health of Communities and Citizens 3.3 Safeguard Sustainable Livelihoods & Food Security 3.4 Sustainable Human Settlements 3.5 Enhancing Safety & Security 3.6 Advance Social Cohesion 3.7 Promote Youth, Gender and Disability Advocacy & the Advancement of Women	The SDF will look at opportunities for poverty alleviation and improving quality of life through service delivery.
Strategic Infrastructure	4.1 Development of Ports and Harbours 4.2 Development of Road & Rail Networks	The SDF will identify primary and secondary corridors. A capital investment plan will direct

	4.3 Development of ICT Infrastructure 4.4 Improve Water Resource Management 4.5 Develop Energy Production Capacity	where public and private investment should occur.
Responses to Climate Change	5.1 Increase Productive Use of Land 5.2 Advance Alternative Energy Generation 5.3 Manage pressures on Biodiversity 5.4 Disaster Management	Environmental issues will be addressed in the SDF.
Governance and Policy	6.1 Strengthen Policy, Strategy Co-ordination and IGR 6.2 Building Government Capacity 6.3 Eradicating Fraud & Corruption 6.4 Promote Participative, Facilitative & Accountable Governance	The SDF will promote participation and strengthen alignment.
Spatial Equity	7.1 Actively Promoting Spatial Concentration 7.2 Facilitate Integrated Land Management & Spatial Planning	The SDF will promote the principles of sustainability, equality, efficiency, integration and fair and good governance.

Source: PGDS, 2011

## 2.2.2 Provincial Spatial Economic Development Strategy (PSEDS)

The PSEDS is intended as a guide to achieve the goals as set out in ASGI-SA, which is to halve unemployment and poverty by 2014. Principles of development and growth underpinning the PSEDS are summarised as follows:

- Government has a constitutional obligation to provide basic services to all citizens including health, education, housing, transport, etc.
- All areas of the province require development;
- Certain areas of the province will drive economic growth; and
- The PSEDS attempts to indicate where different types of investment should be directed in order to achieve development and/ or economic growth.

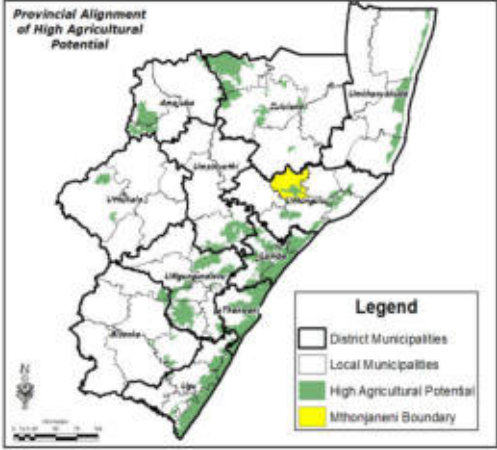
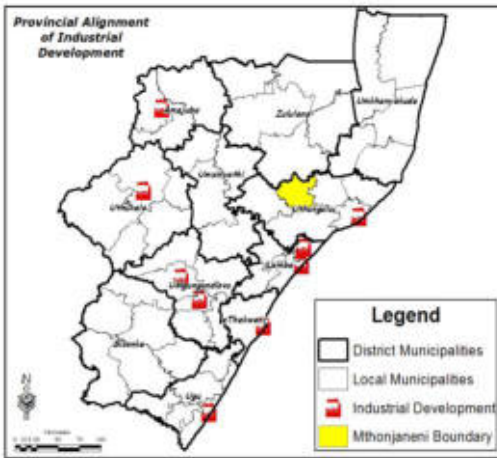
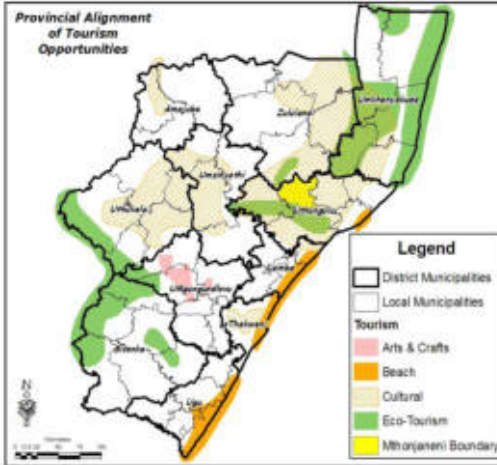
The PSEDS therefore sets out to:

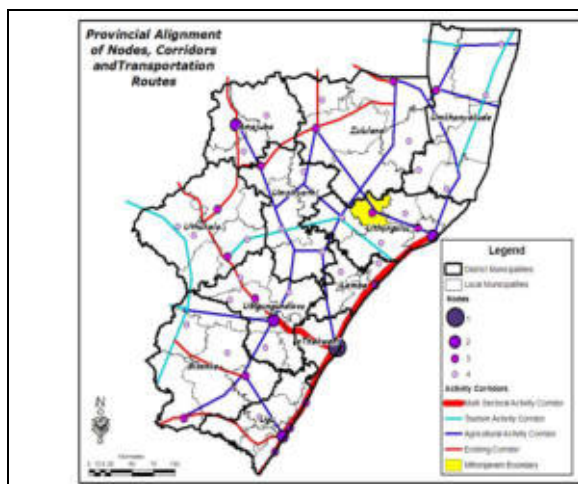
- Focus where government directs its investment and development initiatives;
- Capitalise on complementarities and facilitate consistent and focused decision making; and
- Bring about strategic co-ordination, interaction and alignment.

Four key sectors have been identified as drivers for economic growth in the province, namely:

Table 5: PSEDS Key Sectors

Agricultural Sector	The agricultural sector is key to addressing poverty in the province since most areas of poverty are rural. The PSEDS identifies those
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	<p>areas of high agricultural potential in the Province. The central band within Mthonjaneni has been identified as having high agricultural potential within the provincial context and the SDF will highlight how this will impact on poverty alleviation within the municipality.</p>
<p><b>Industrial Sector</b></p> 	<p>The potential for industrial development in the province is anchored by the nodes of eThekweni and Umhlatuze. The corridors between these two nodes and extending up to Howick form the primary zone of industrial development in the province. The cities of Newcastle, Ladysmith and Port Shepstone serve as important secondary nodes of industrial development potential.</p> <p>Due to the proximity of Mthonjaneni to the Umhlatuze industrial node potential spin-offs will be investigated in the SDF.</p>
<p><b>Tourism Sector</b></p> 	<p>The primary tourism potential within the province is in the beach tourism, cultural tourism and eco-tourism markets. The tourism products of provincial importance are:</p> <ul style="list-style-type: none"> <li>• Arts &amp; crafts routes in Midlands Meander and Albert Falls Amble</li> <li>• Durban, south coast and north coast beach tourism linked to cultural tourism in the interior</li> <li>• Drakensberg region</li> <li>• Greater St Lucia &amp; surrounding big five reserves</li> <li>• Zulu Heritage &amp; Cultural Trail</li> <li>• Battlefields Route</li> </ul> <p>Mthonjaneni has areas of cultural significance identified at a provincial level and this could provide impetus for growth in this area.</p>
<p><b>Services Sector</b></p>	<p>The PSEDs builds on the concept of developing a comprehensive network of centres throughout the province which would support the delivery of services. Services delivered would be determined by various nodes according to a hierarchy of places. In</p>



Source: PSEDS

identifying the hierarchy of places existing service centres are strengthened but, more importantly, new or emerging service centres are developed.

Melmoth has been identified as a Tertiary Node which is defined as a centre which should provide services to the sub-regional economy. An Agricultural Activity Corridor runs from Vryheid through Melmoth and Empangeni to Richards Bay.

## 2.3 NEIGHBOURING PLANNING

### 2.3.1 District Municipal SDF

Mthonjaneni Municipality falls within the Uthungulu District Municipality (UDM). Uthungulu is one of the 10 District Municipalities in KwaZulu-Natal and is located in the North-eastern region of the province. The Uthungulu District Municipality comprises the six local municipalities of Mthonjaneni, Mfolozi, Umhlathuze, Ntambanana, Umlalazi and Nkandla.

It has the third highest population in the Province after the eThekweni Metro and the uMgungundlovu District. It stretches from the agricultural town of Gingindlovu in the south, to the uMfolozi River in the North and inland to Nkandla. Richards Bay and Empangeni serve as industrial and service centres to many other parts of the district. Nkandla, Melmoth, Ntambanana, Bucanana, KwaMbonambi and Eshowe are other administrative nodes of economic significance in the district.

[http://www.rbiz.co.za/Overview\\_of\\_South\\_Africa/Pages/UThungulu\\_District\\_Municipality.aspx](http://www.rbiz.co.za/Overview_of_South_Africa/Pages/UThungulu_District_Municipality.aspx)

Table 6: Uthungulu/Mthonjaneni Alignment

Issue	Area of Alignment	Implication for Mthonjaneni SDF
Hierarchy of Nodes	<p>The Uthungulu SDF identifies primary and secondary nodes in each of its 6 local municipalities.</p> <p>In terms of Mthonjaneni, Melmoth has been identified as the Primary Node, KwaMagwaza, Ekuthuleni and Ndundulu have been identified as Secondary Nodes and no Tertiary Nodes have been identified.</p>	<p>Primary and secondary nodes have a role as centres of service delivery and economic activity (particularly the primary nodes). The Mthonjaneni SDF will highlight a hierarchy of nodes and confirm the primary, secondary and tertiary nodes within the context of the District.</p>
Corridors	<p>The R66 has been identified as a Tourism Corridor.</p>	<p>The Tourism Corridor has potential to attract both destination and flow through tourists and appropriate interventions need to be put in place in order to further develop this in Mthonjaneni.</p>

Source: Uthungulu IDP Review 2011/12, Uthungulu SDF 2009

## 2.3.2 Local Municipalities' SDF

### 2.3.2.1 Ulundi

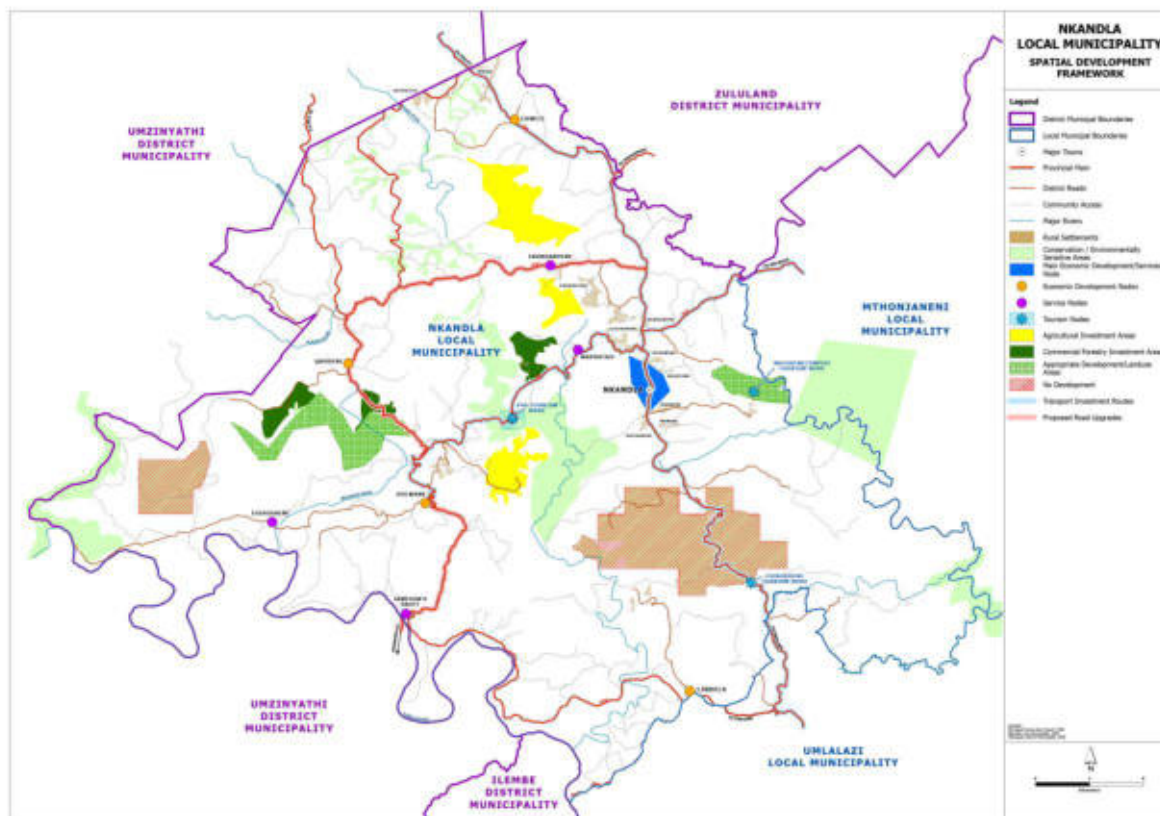
Table 7: Ulundi/Mthonjaneni Alignment

Issue	Area of Alignment	Implication for Mthonjaneni SDF
Corridors	<p>The primary transport corridor identified in Ulundi is the R34, consisting of road and rail links, runs from the N2 and Richards Bay linking Melmoth, Vryheid and Paulpietersburg to Mpumalanga and Gauteng.</p> <p>The secondary transport Corridor identified in Ulundi is the R66. The R66 carries large volumes of local and regional traffic and links Melmoth and Ulundi to Pongola via Nongoma.</p>	<p>The R34 and the R66 share the same road from the N2 up through Melmoth up until the municipal boundary with Ulundi where it splits.</p> <p>The provincial road corridors (R34, R66) play a part in the development of urban settlements along the routes.</p> <p>The R34 and R66 routes provide regional accessibility. The R34 is the strongest, being the main transport link between Richards Bay and Mpumalanga.</p>
Tourism linkages	<p>The intersection of the R34 and R66 provides opportunities for the development of a future tourism node. This node could be developed as a modal interchange for tourists or visitors to the area.</p> <p>There are a number of game reserves and other protected areas within the Ulundi municipal area, some under the control of Ezemvelo KZN Wildlife such as the Emakhosi Opathe Heritage Park.</p>	<p>The intersection is on the boundary of Ulundi and Mthonjaneni Municipalities and will have economic spin-offs for both municipalities.</p> <p>The Emakhosi Opathe Park is situated on the R66, and abuts both municipalities. Alignment is needed to ensure proper management of these areas.</p>
Airport	The Ulundi Airport provides regional air access to Zululand.	Melmoth is within 50 km of the airport and this opens up economic opportunities which need to be considered in the SDF.

Source: Ulundi IDP 2011/12,







Source: Nkandla SDF 2009, Nkandla IDP 2011/12

### 2.3.2.3 Ntambanana

Table 9: Ntambanana/Mthonjaneni Alignment

Issue	Area of Alignment	Implication for Mthonjaneni SDF
Corridors	There are two key corridor linkages between Ntambanana and Mthonjaneni. Firstly, the P253 emanates from the P700 (which links uMhlathuze to Ulundi) and secondly, the P534 links to the P47 (the main route between Eshowe and Melmoth).	<p>The area along the P253 has been identified in the Ntambanana SDF as an area of greatest need and the implications of this will be investigated in terms of socio-economic interventions in this area.</p> <p>The P534 links with the R34 (P393) which is a major transportation route linking Vryheid, Melmoth and Richards Bay.</p>

Source: Ntambanana SDF 2009

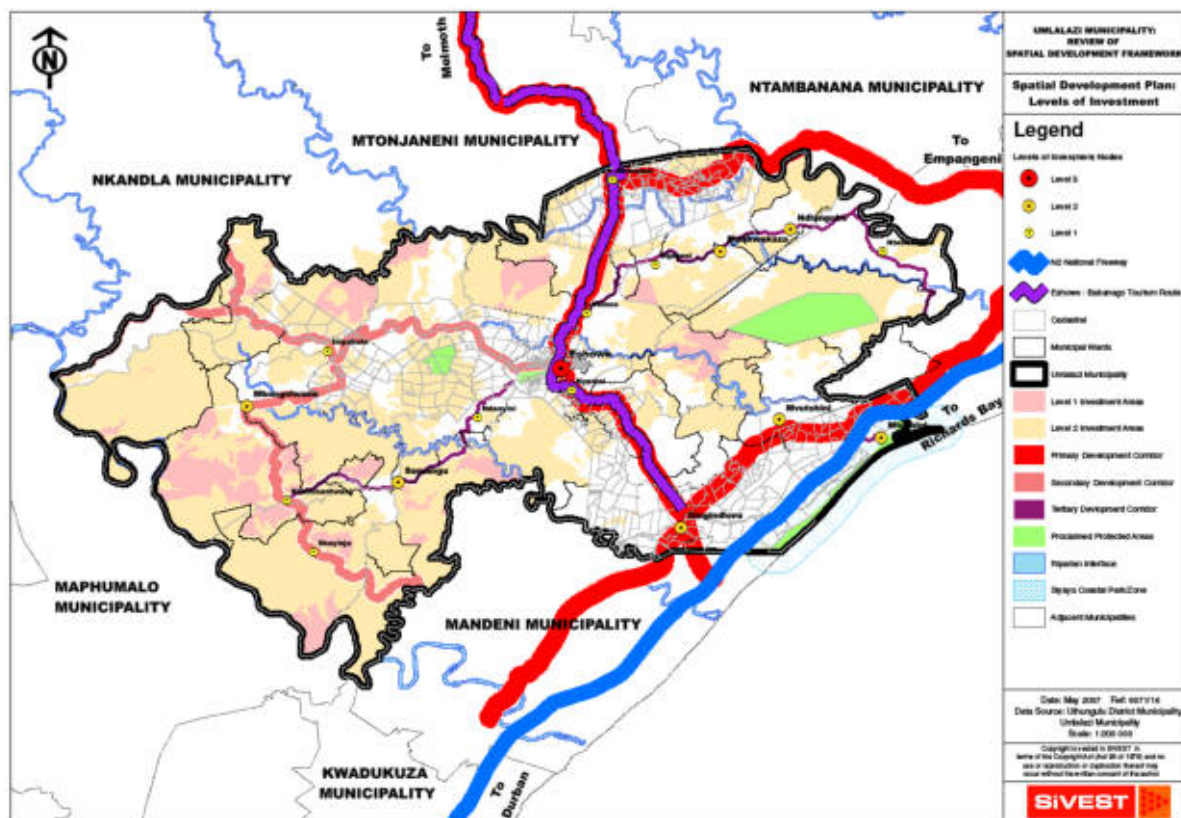
### 2.3.2.4 Umlalazi

Table 10: Umlalazi/Mthonjaneni Alignment

Issue	Area of Alignment	Implication for Mthonjaneni SDF
Corridors	The key linkage between Mthonjaneni and Umlalazi is the R34/R66 which links Eshowe to the N2 and inland to Melmoth.	The R34 can be considered to be an as important transportation route within both municipalities as it forms an almost central spine through the municipal areas. The importance of this road is in

		its link with the District Centre of Richards Bay/ Empangeni.
Nodes	Eshowe has been identified as a Primary Node in the Umlalazi SDF .	Due to Eshowe's proximity to the Mthonjaneni boundary, the implications in terms of services will be further investigated.
Goedetrou Dam	The Goedetrou Dam has been identified as an investment area in the Umlalazi IDP.	The Goedetrou/Phobane Dam offers opportunities for potential tourism development for both municipalities such as water sports, camping and picnic sites.

Source: Umlalazi IDP 2009/10, Umlalazi SDF Map 2007 (from 2009/10 IDP)





## CHAPTER 3: VISION AND PRINCIPLES

### 3.1 SPATIAL VISION AND MISSION

#### **Vision:**

An economically viable municipality with established quality infrastructure which promotes local economic development and empowers people, protects the environment and demonstrates leadership excellence.

#### **Mission:**

Our mission is to promote a quality social and economic environment for all living in our boundaries by:

- Providing opportunities for all to aspire to a better future;
- Providing a safe and secure environment;
- Providing a high level of affordable essential basic services;
- Supporting the poorest of the poor and vulnerable groups.
- Providing service excellence;
- Encouraging community participation in service delivery; and
- Good governance.

Source: Mthonjaneni Draft IDP 2012/13-2016/17

### 3.2 KEY PRINCIPLES TO INFORM THE SDF

The following development principles form the basis of sound spatial planning and will be the approach followed in the preparation of the SDF.

#### (a) The principle of sustainability

The principle of sustainability requires the sustainable management and use of resources making up the natural and built environment. This is particularly significant in light of the recent COP 17 and focus on climate change.

Land use and development decisions must promote a harmonious relationship between the built and the natural environment while ensuring that land development is sustainable in the long term. The principle demands a holistic approach to land development in order to minimise the long-term negative impacts of current land use or development decisions.

#### (b) The principle of equality

Ensuring equality requires that everyone affected by spatial planning, land use management and land development actions or decisions enjoy equal protection and benefits, and no unfair discrimination. This involves, *inter alia*:

- Public participation in land use planning and development processes;
- Benefits and opportunities from land development impact positively on previously disadvantaged communities and areas.

(c) The principle of efficiency

In terms of efficiency, this requires that the desired outcome of land use be produced with the minimum expenditure of resources. This involves:

- Land use planning and development which promotes the development of compact human settlements and combat low intensity urban sprawl;
- The areas in which people live and work being close to each other; and
- Plans of neighbouring municipalities and regions be aligned.

(d) The principle of integration

Integration reflects the need to integrate systems, policies and approaches in land use planning and development. It requires that the planning process is integrated, taking into account the often disparate sectoral concerns, policies and laws and their requirements. This involves integrating:

- Sectoral policies;
- Efficient and functional settlements;
- Appropriate services and infrastructure;
- social and racial groups;
- Mixed land-use development.

(e) The principle of fair and good governance

Land use planning is a centrally important government function, directly affecting the lives of all people. It is therefore particularly important that it is characterised by fairness and transparency and that people are afforded a meaningful right to participate in decisions.

When public authorities formulate new plans, they must put in place processes that actively involve citizens, interest groups, stakeholders and others. Also, where land development projects are initiated by the private and non-governmental sectors, there must be procedures that ensure that interested parties have an opportunity to express their views or to object.

### 3.3 ALIGNMENT OF IDP AND SDF

Table 11: Objectives

KPA	Objective	Implication for SDF
Basic Service Delivery and Infrastructure Development	To expand the provision of municipal services to all households in Mthonjaneni in terms of national standards	To identify existing service levels and facilities and identify off-grid services in order to promote feasible alternatives.
	To promote access to community facilities	
Social and Local Economic Development	To promote LED in the Municipality and create economic opportunities	Identify areas of potential economic growth such as tourism and agriculture.  Identify places where periodic markets should develop.

Good Governance, Community Participation and Ward Committee Systems	To promote access to information and accountability	The SDF will be presented to Council for input and buy-in.
Spatial and Environmental Management	To ensure environmental sustainability and proper land use management	<p>The Spatial Development Framework must provide a framework within which development must occur within the Municipality.</p> <p>The SDF must provide guidelines for a Land Use Management System.</p> <p>The SDF will identify environmentally sensitive areas for preservation and conservation.</p>

## CHAPTER 4: SPATIAL ANALYSIS AND SYNTHESIS

### 4.1 BIO-PHYSICAL ENVIRONMENT

#### 4.1.1 Geology

The central to northern area is characterised by Natal Group arenite. There is a large area of Natal Granite in the southern and south-western area of Mthonjaneni. There is a small portion of Nsuze Group basalt on the western boundary. A central band and the north-west section of the Municipality is characterised by Tillite. A strip of Greenstone rock is found in the southern and western central area.

The dominant geology is granite, tillite and shale. These are characterised as follows (Mthonjaneni SEA 2007):

**Granite:** A coarse grained, intrusive, igneous rock which forms from magma that cools deep within the crust. Granite can be found in the valley between Melmoth and Vryheid.

**Tillite:** This is a lithified glacial till. Glacial till is a poorly sorted sediment according to grain size. It is completely mixed together and includes everything from clay to sub-rounded boulders and erratic which are often striated.

**Shale:** Shale is a sedimentary rock consisting of silt and clay sized particles.

The geological nature of an area influences the topography, and alignment of river channels. It also has an influence on the type of soil formations prevalent.

#### 4.1.2 Soil

##### (a) Soil types:

Soils in the region are formed from the weathering of quartzite, tillite and granite rocks and vary in texture and composition from stony and sandy loams, to clay loams. The Mthonjaneni region is predominantly sandy, clay loams. (Mthonjaneni SEA 2007)

##### (b) Soil depth and productivity

Soils are shallow on hard or weathered rock. Deep, rich soils are not found on steep slopes and therefore most of the areas with a higher gradient have shallow soils. Deep soil deposits are found along rivers and streams on level to moderate slopes. Soil depth in the region varies from 450 mm to 750 mm.

Soils in Mthonjaneni generally have high agricultural potential, but are highly sensitive to erosion and degradation. (Mthonjaneni SEA 2007)

### **(c) Characteristics of the region**

There is a large area running from the north-west boundary towards the south-east of the Municipality that is characterised with good soil. This includes the area south of Melmoth and encompasses KwaMagwaza and Ekuthuleni. A significant portion of land to the south and north of this has relatively good soil including Kwa Yanguye to the north-east of the Municipality. This is significant for agricultural potential in the Municipality. Shallow soils and soils of moderate to poor drainage present an erosion hazard if not managed correctly. These areas of good and relatively good soil are primarily arable soil and have a limited risk of soil erosion.

There is, however a large section in the north and south which has poor soil. Towns affected by this include Ndundulu and Imfule Mission. The area to the east of the Municipality has a significant area of very poor soil and there is a small portion near the southern boundary. Makasaneni is situated near the eastern boundary in an area characterised by very poor soil. Shallow soils, duplex soils and soils of moderate to poor drainage present an erosion hazard if not managed correctly. These areas of poor and very poor soil are primarily non-arable in nature and have a high risk of soil erosion.

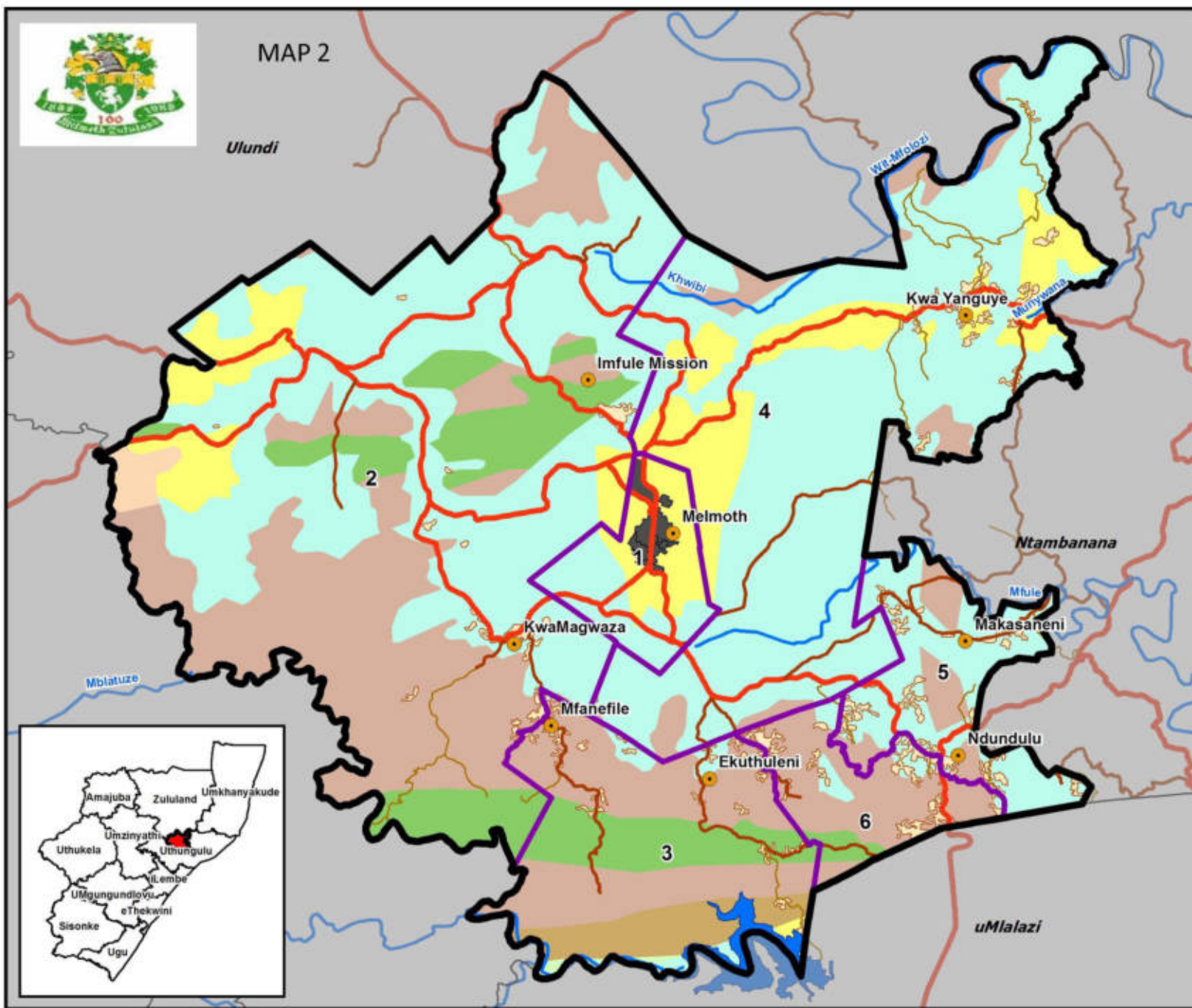
- The soil is generally well suited to agriculture, but has been subject to deterioration in a number of areas.
- Soil has high erodability potential due to the topography and soil characteristics.
- Soil erosion is found around key settlement areas due to subsistence agricultural practices.

Source: Mthonjaneni SEA 2007



MAP 2

Ulundi



## MTHONJANENI LOCAL MUNICIPALITY

### Geology

#### Legend

- LM Boundary
- Places
- Wards
- Phobane Lake
- Main Rivers
- Transportation Routes
  - Provincial Road
  - District Road
  - Local Road
- Settlements
- Urban Areas
- Geology
  - Amphibolite
  - Greenstone
  - Natal Group arenite
  - Natal granite
  - Nsuzi Group basalt
  - Schist
  - Tillite



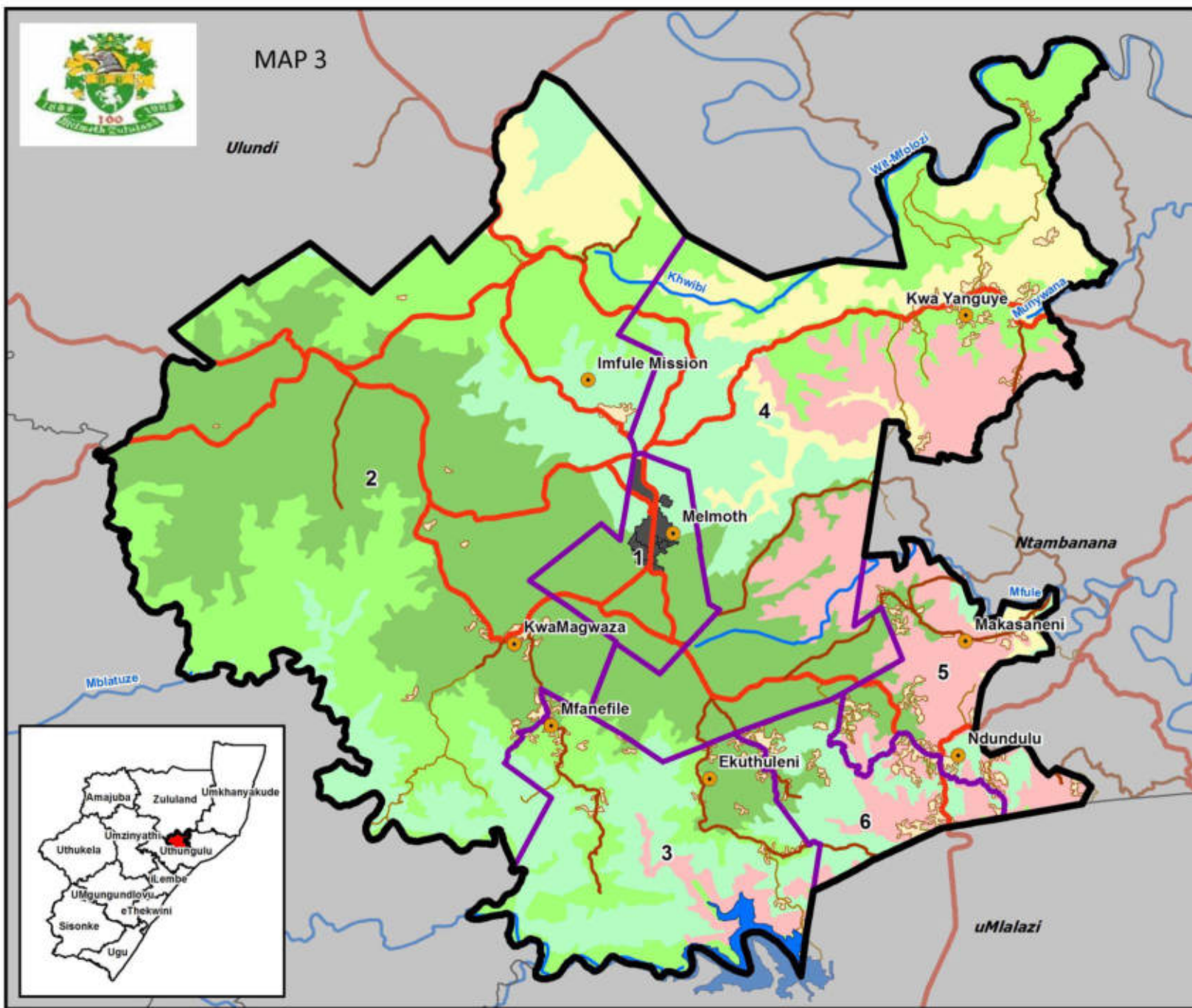
Source: Ezemvelo KZN Wildlife





MAP 3

Ulundi



## MTHONJANENI LOCAL MUNICIPALITY

### Soil Potential

#### Legend

- LM Boundary
- Places
- Wards
- Phobane Lake
- Main Rivers
- Transportation Routes**
  - Provincial Road
  - District Road
  - Local Road
  - Settlements
  - Urban Areas
- Soils Potential**
  - good soil
  - relatively good soil
  - low soil
  - poor soil
  - very poor soil



Source: Department of Agriculture

#### 4.1.3 Climate

In terms of climate, the Department of Agriculture uses the following definitions to distinguish between climate types. See table 12 below:

Table 12: Climate definitions

Climate category	Definition	Climate type
C1	Local climate is favourable for good yields for a wide range of adapted crops throughout the year.	Very High Climate
C2	Local climate is favourable for a wide range of adapted crops and a year round growing season. Moisture stress and lower temperatures increase risk and decrease yields relative to C1.	High Climate
C3	Slightly restricted growing season due to the occurrence of low temperatures and frost. Good yield potential for a moderate range of adapted crops.	Good Climate
C4	Moderately restricted growing season due to low temperatures and severe frost. Good yield potential for a moderate range of adapted crops but planting date options more limited than C3.	Relatively Good Climate
C5	Moderately restricted growing season due to low temperatures, frost and/or moisture stress. Suitable crops may be grown at risk of some yield loss.	Moderately Good Climate
C6	Moderately restricted growing season due to low temperatures, frost and/or moisture stress. Limited suitable crops which frequently experience yield loss.	Moderately to Poor Climate
C7	Severely restricted choice of crops due to heat, cold and/or moisture stress.	Poor Climate
C8	Very severely restricted choice of crops due to heat and moisture stress. Suitable crops at high risk of yield loss.	Very Poor Climate

Source: Department of Agriculture: Mthonjaneni Bioresource Units

A significant section of the Municipality running from the western boundary of the Municipality to the eastern boundary has a good climate. This includes Melmoth, Imfule Mission, Kwa Yanguye, Makasaneni and the KwaMagwaza area. There is a relatively large area of high climate running from east to west to the south of the good climate mentioned above. This encompasses the Ekuthuleni area.

The southern and northern boundaries are characterised by a moderately good climate, although the northern section also has a small portion of poor and very poor climate. Overall, the climate is favourable throughout the Municipality.

#### 4.1.4 Hydrology

Mthonjaneni falls within the Mhlathuze catchment area which is characterised by relatively high rainfall in comparison to the rest of South Africa (Mthonjaneni SEA, 2007). Rainfall varies from



600 to 800 mm in the north and south with the central band having very high rainfall of between 900 to 1100 mm per annum. These areas of very high rainfall are suitable for forestry areas which are best served by rainfall levels of over 800 mm per annum.

There are a number of perennial rivers traversing the municipal area. These include the Bululwana, Ithaka, Mfolozi Mona, Munywana, Nzimane, Sikwebezi, Swart Mfolozi, Vuna, Wit Mfolozi, Mpembeni, Kwamazuka, Mhlathuze, Nyawusane, Mvuzane, Mfule and Nseleni. A few non-perennial rivers also flow through the municipal area.

The Mhlathuze River flows through the southern section of the Municipality from west to east and is the primary drainage system (Mthonjaneni SEA 2007). The Wit Mfolozi River follows a portion of the northern boundary of the municipality and has various tributaries joining it from the northern area of the Municipality. The Mfule River flows from the central area of the Municipality towards the eastern boundary. The Mvuzane River runs along the southern boundary to the Phobane Lake.

A central band from north-west to south-east is characterised by wetlands and there is a large lake (Phobane Lake) straddling the southern boundary of the Municipality. Lake Phobane was formerly known as Goedertrouw Dam and is located south of Melmoth. Lake Phobane is the second largest dam in KwaZulu-Natal. The dam is supplied with water by four perennial rivers including the Mhlathuze and Mvuzane. The dam was originally built to supply the then developing town of Richards Bay with a steady supply of water to service its port and industrial complex. Lake Phobane is approximately 14 km long and holds 300 million m<sup>3</sup> of water. ([www.wheretostay.co.za/information/topic/3273](http://www.wheretostay.co.za/information/topic/3273))

- The ability of the Mhlathuze Catchment to meet the water needs of the municipality, especially in the dry season is an area of concern.
- Access to water is an area of concern particularly in Ndundulu and Kwa Yanguye.
- Water quality of rivers and streams may be negatively affected by run-off from commercial forestry and agriculture.
- Community access to water directly from rivers impacts on water quality and increases risks of contamination and spread of diseases.

Source: Mthonjaneni SEA 2007

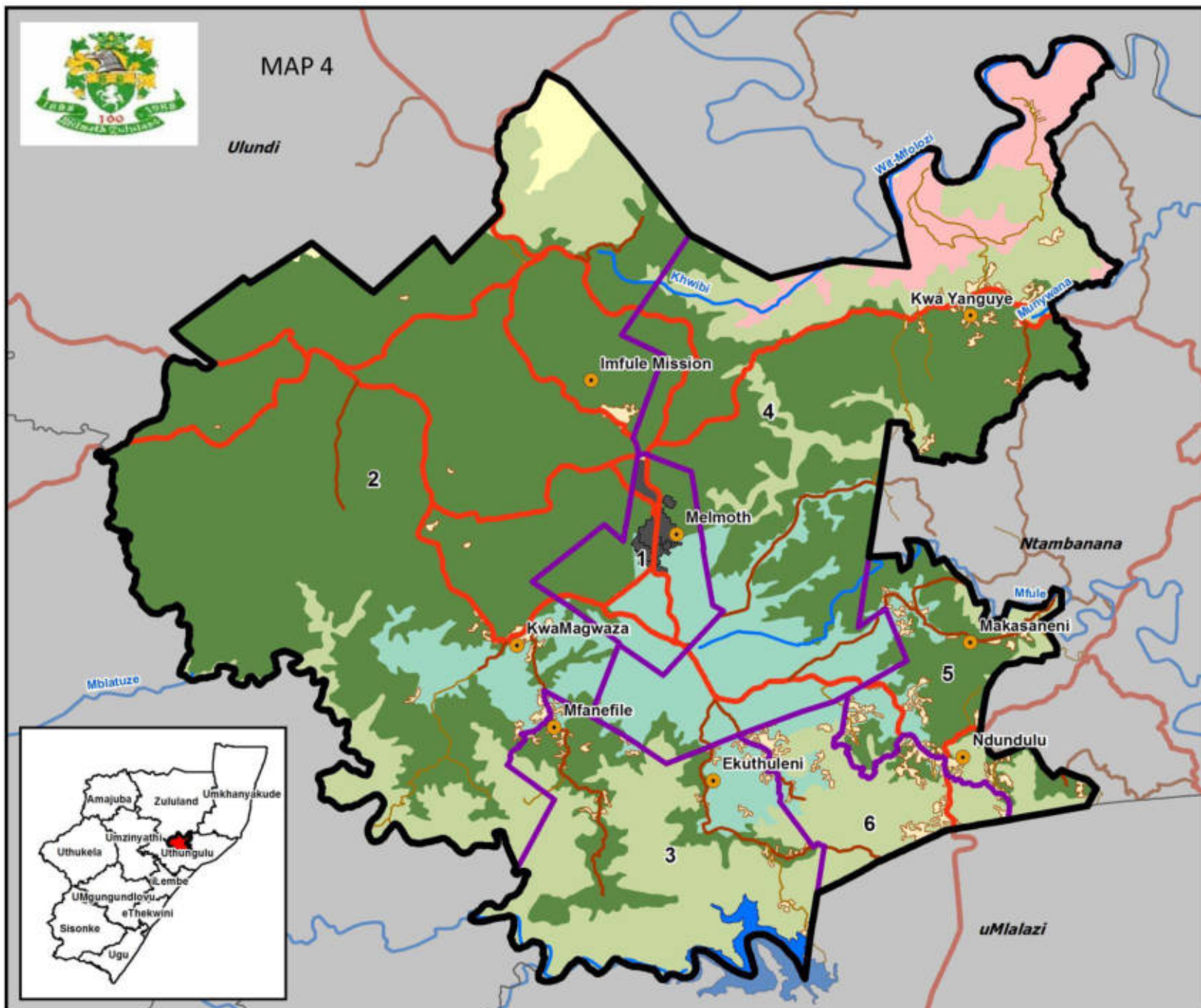
#### **4.1.5 Topography**

The Municipality is characterised by having a high elevation above sea level. There is a great diversity of relief which ranges from gently rolling slopes to steep slopes especially along drainage ways and stream valleys (Mthonjaneni SEA, 2007). A large section of the Municipality extending from the northern and western boundaries towards the central area has an elevation of over 800 meters above sea level which encompasses the areas of Imfule Mission and KwaMagwaza. The area to the north, south and east of this, ranges from 400 to 800 meters above sea level.



MAP 4

Ulundi



## MTHONJANENI LOCAL MUNICIPALITY

### Climate Potential

#### Legend

- LM Boundary
- Places
- Wards
- Phobane Lake**
  - Phobane Lake
  - Main Rivers
- Transportation Routes**
  - Provincial Road
  - District Road
  - Local Road
- Settlements
- Urban Areas
- Climate Potential**
  - high climate
  - good climate
  - moderately good climate
  - poor climate
  - very poor climate



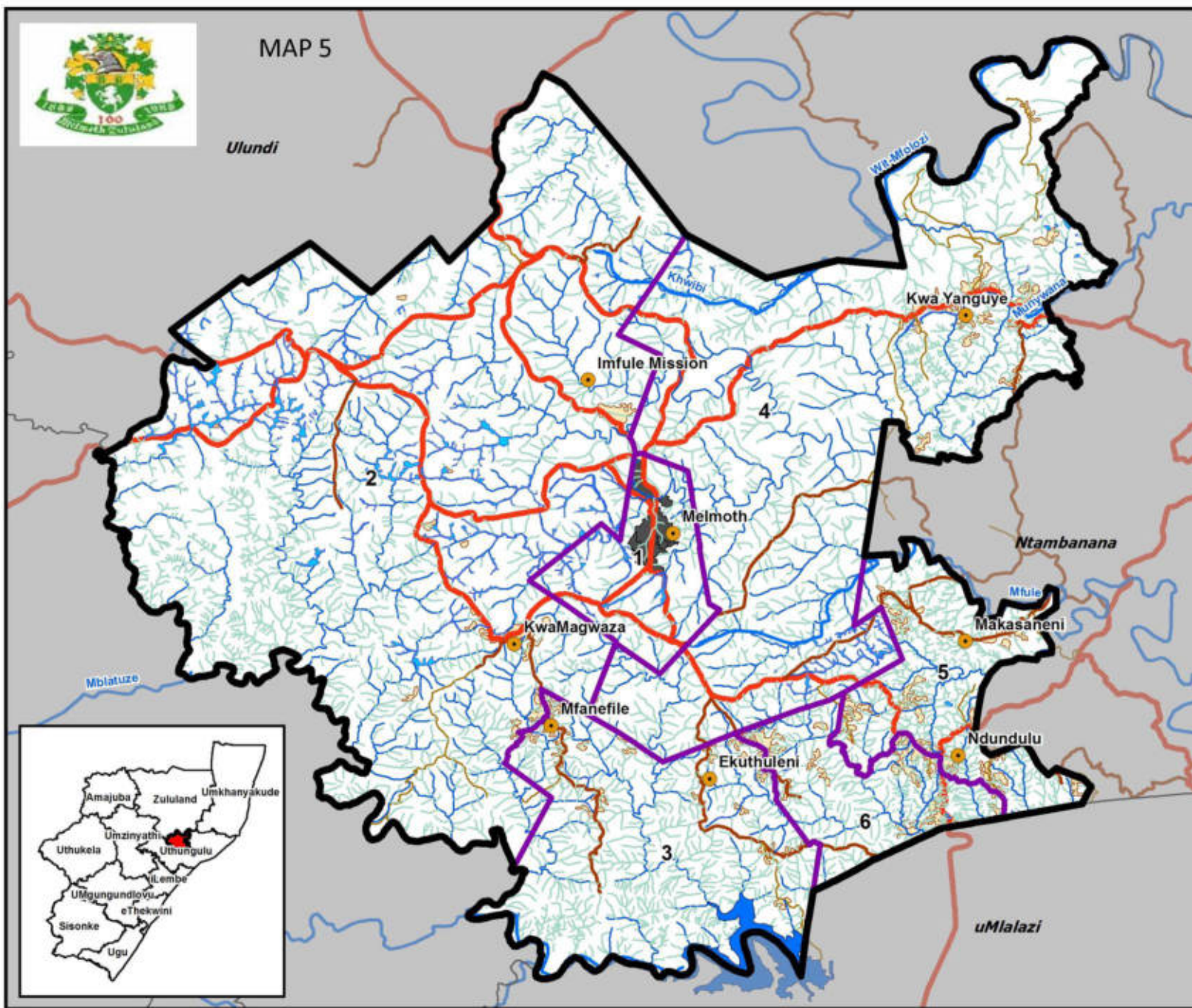
Source: Department of Agriculture





MAP 5

Ulundi



# MTHONJANENI LOCAL MUNICIPALITY

## Hydrology

### Legend

- LM Boundary
- Places
- Wards
- Phobane Lake
- Main Rivers
- Wetlands
- Rivers
  - NON-PERENNIAL
  - PERENNIAL
- Transportation Routes
  - Provincial Road
  - District Road
  - Local Road
- Settlements
- Urban Areas



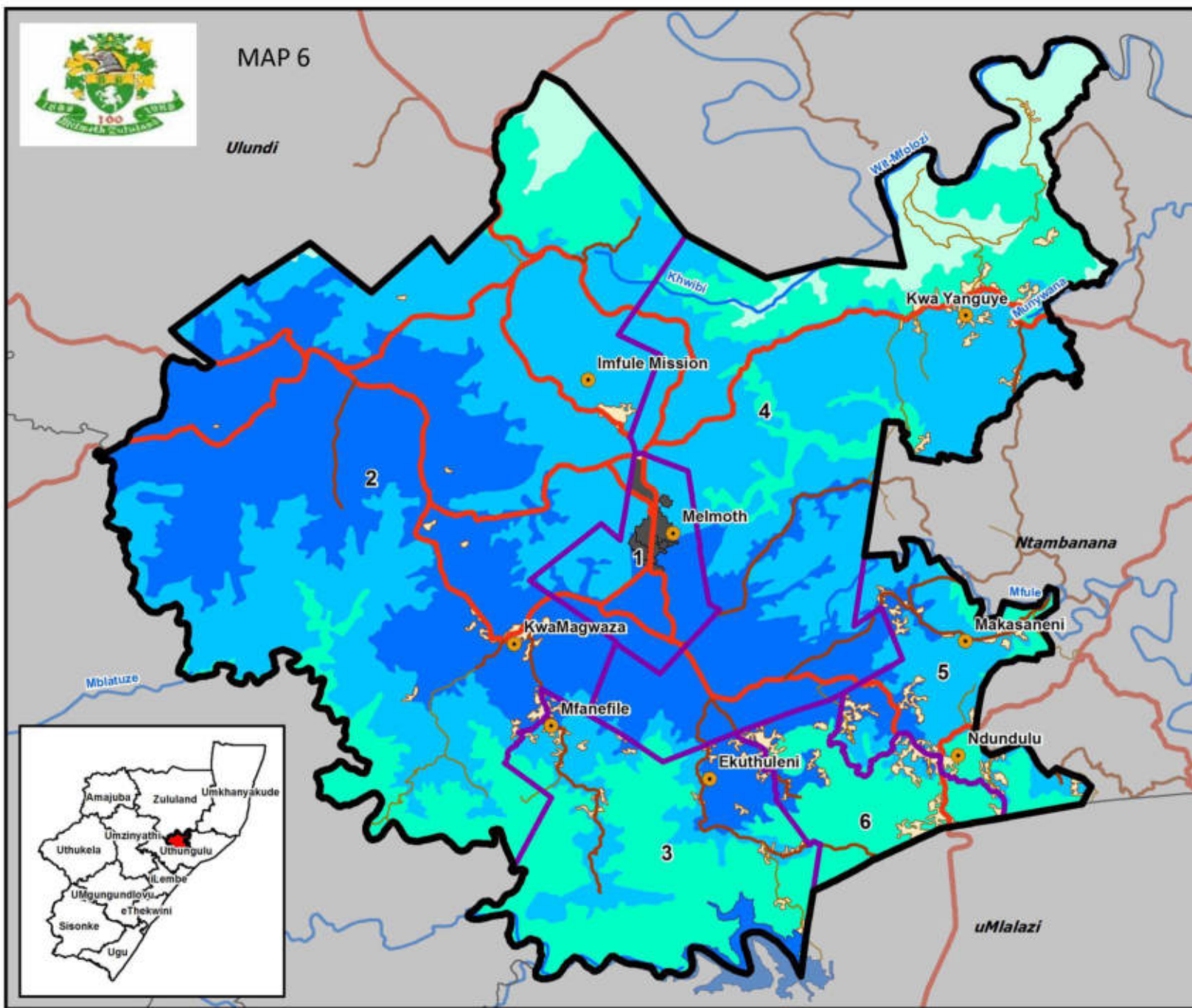
Source: Chief Directorate Survey and Mapping (Mowbray)





MAP 6

Ulundi



# MTHONJANENI LOCAL MUNICIPALITY

## Rainfall

### Legend

- LM Boundary
- Places
- Wards
- Phobane Lake
- Main Rivers
- Transportation Routes
  - Provincial Road
  - District Road
  - Local Road
- Settlements
- Urban Areas
- Rainfall (mm/per annum)
  - 600-700
  - 701-800
  - 801-900
  - 901-950



Source: Department of Agriculture

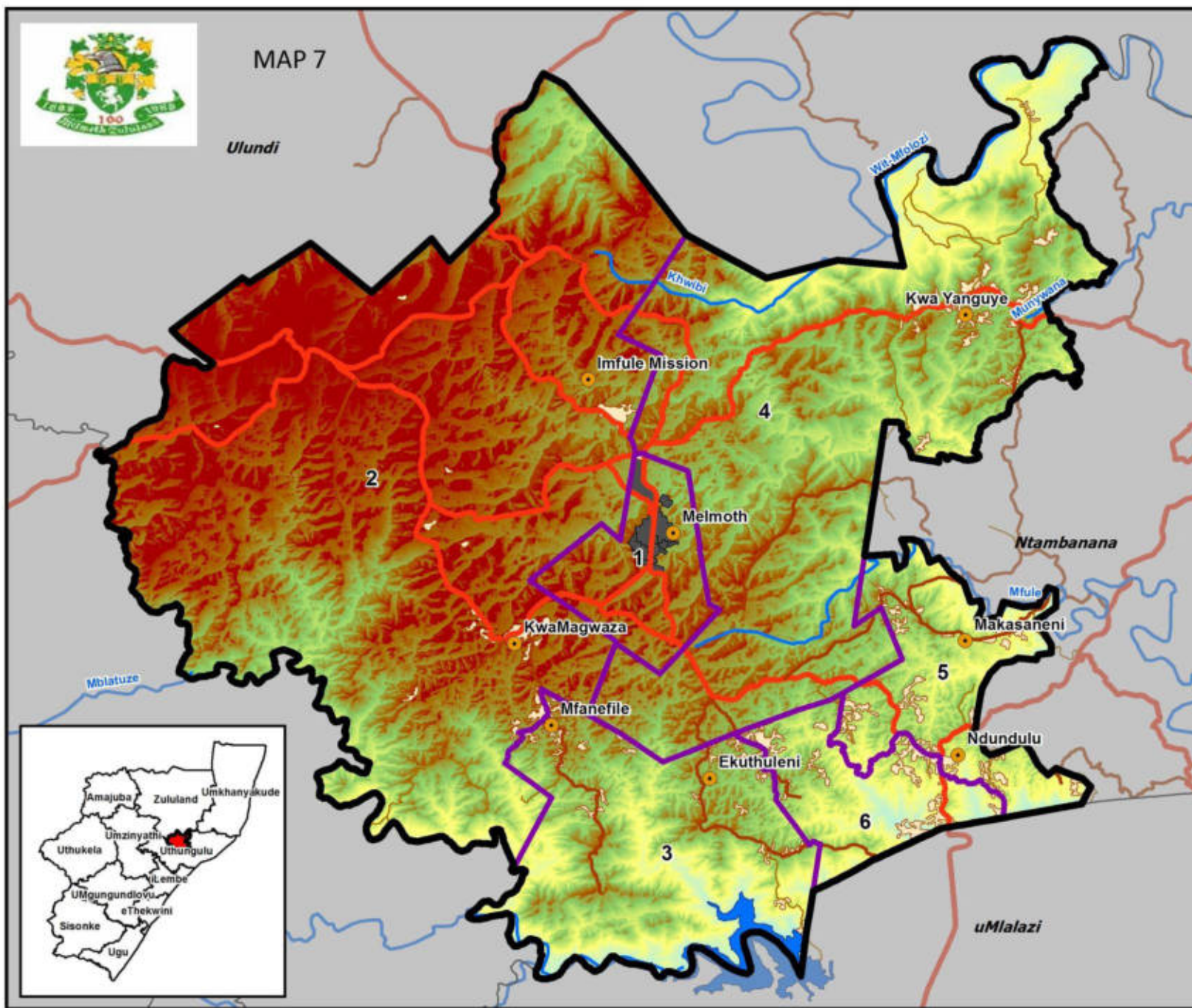






MAP 7

Ulundi



## MTHONJANENI LOCAL MUNICIPALITY

### Topography

#### Legend

- LM Boundary
- Places
- Wards
- Phobane Lake
- Main Rivers
- Transportation Routes
  - Provincial Road
  - District Road
  - Local Road
- Settlements
- Urban Areas
- Altitude (m)
  - Value
  - 1286.38
  - 983.897
  - 681.414
  - 378.931
  - 76.4475



Source: Chief Directorate Survey and Mapping (Mowbray)

#### 4.1.6 Agriculture

The agricultural potential within Mthonjaneni Municipality is very favourable. The agricultural potential is determined by factors such as climate, vegetation, soils, water supply and topography (Mthonjaneni SEA 2007). There is a very large area covering the majority of Ward 2 and part of Ward 1 (south-west of Melmoth) as well as corridors in Wards 3 and 4 (incorporating Kwa Yanguye) which have good agricultural potential. There is also a large area of high potential which stretches from the south-west of Ward 2 into Wards 1, 4, 5 and 6. It incorporates the towns of KwaMagwaza and Ekuthuleni and is in close proximity to Melmoth and Ndundulu.

There are areas of low potential along the northern and eastern boundaries of the Municipality. The south-east boundary has an area of very low potential. There is also restricted potential north of Melmoth and in the southern section of the municipality.

The Landcover map indicates that there are large areas of Commercial Crops primarily in the central band running from the north-west to the south-east. These follow transportation corridors and there is a concentration in the area to the north and south of Melmoth. There is a very large portion of this central band that is Commercial Forestry. The Commercial Forestry and Farming cover the area that has been identified as 100% transformed. It also ties in with the Agricultural Potential map in that it overlays the areas classified as having good potential and high potential.

##### (a) Commercial Agriculture:

The predominant commercial farming activity is sugarcane and this together with commercial forestry forms the base of the region's economy. Other farming includes citrus, vegetables, beef and dairy and small clusters of tropical fruit farmers. Sugarcane is able to be grown even in areas of restricted agricultural potential. (Mthonjaneni SEA 2007)

##### (b) Commercial Forestry:

A large portion of the area has rainfall of over 800 mm per annum. This is highly favourable for the growing of commercial forests. Commercial forestry is predominantly found in non-tribal areas. (Mthonjaneni SEA 2007)

##### (c) Traditional Agriculture:

A large portion of the community is engaged in subsistence agriculture which includes peasant farming and small-scale livestock husbandry. Subsistence agriculture is the most significant land use practice and functions as a survival mechanism in the traditional authority areas and other rural areas. (Mthonjaneni SEA 2007)

- Land degradation has occurred in some areas as a result of poor agricultural practices.
- Agriculture and commercial forestry has impacted negatively on water quality and quantity.

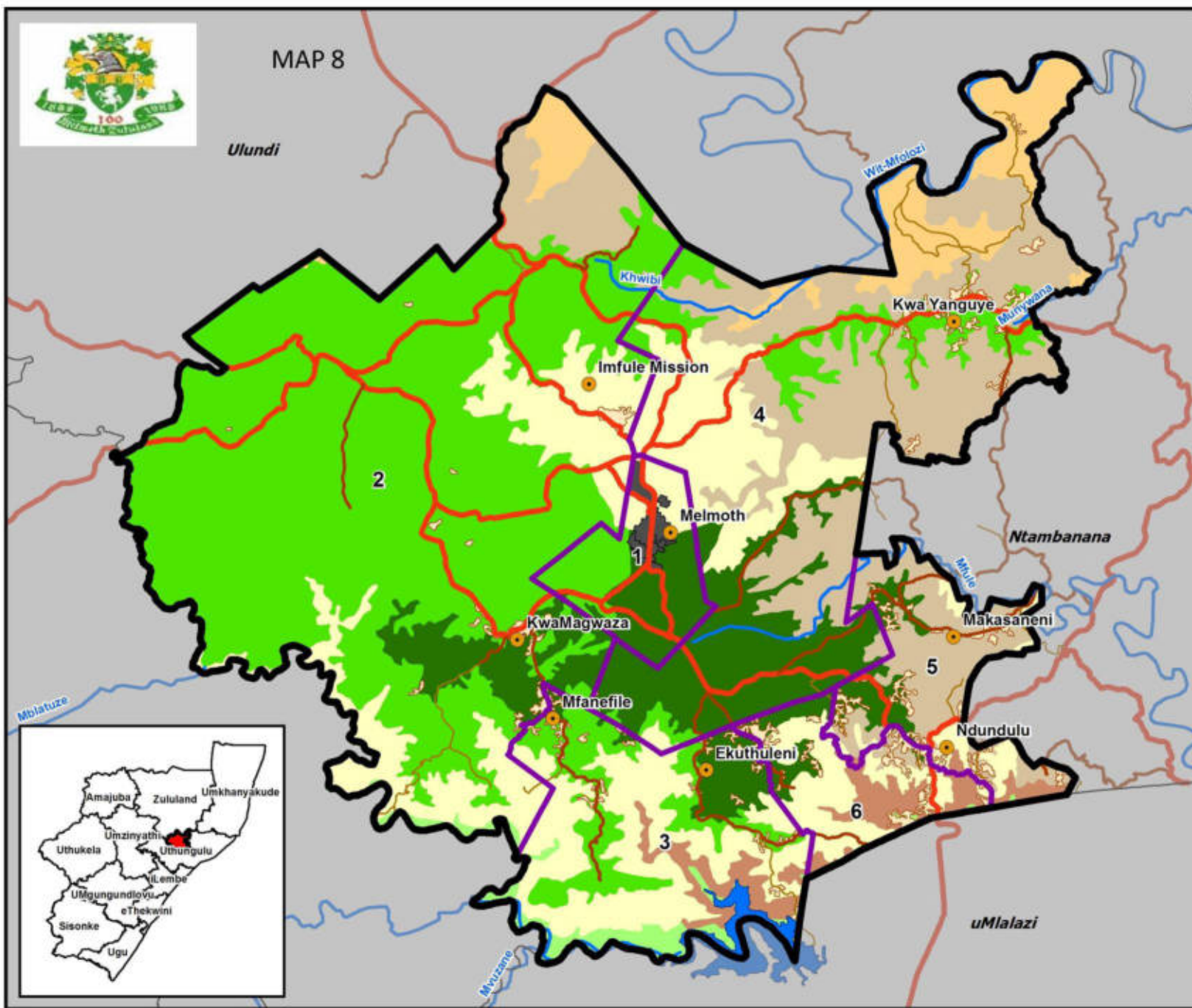
Source: Mthonjaneni SEA 2007





MAP 8

Ulundi



# MTHONJANENI LOCAL MUNICIPALITY

## Agricultural Potential

### Legend

- LM Boundary
- Places
- Wards
- Phobane Lake
- Phobane Lake
- Main Rivers
- Transportation Routes
- Provincial Road
- District Road
- Local Road
- Settlements
- Urban Areas
- Agricultural Potential
- High Potential
- Good Potential
- Moderate Potential
- Restricted Potential
- Very Restricted Potential
- Low Potential
- Very Low Potential



Source: Department of Agriculture



#### **4.1.7 Vegetation**

A band from the south-western boundary through the interior to the eastern boundary is primarily moist Ngongoni Veld and south of this is an area of dry Ngongoni Veld. Ngongoni Veld comprises primarily grassland. Areas on the northern boundary are classified as Zululand Lowveld and comprise mainly bushland.

A large area of land extending eastwards from the western boundary and a small area on the eastern boundary is classified as Northern Zululand Sourveld. This vegetation type generally comprises bushed grassland and bushland, however, in the Mthonjaneni Municipality the area has been transformed and is now commercial forestry and commercial crops. The southern boundary is an area of Eastern Valley Bushveld which comprises primarily bushland and bushland thicket.

#### **4.1.8 Land Cover**

In terms of land cover, as mentioned in section 4.2.6 above, there are large areas of Commercial Crops primarily in the central band running from the north-west to the south-east. These follow transportation corridors and there is a concentration in the area to the north and south of Melmoth. There is a very large portion of this central band that is Commercial Forestry. The Commercial Forestry and Farming cover the area that has been identified as 100% transformed (see Transformation map). In terms of agricultural potential map it falls within areas classified as having good to high potential. Soil, climate and rainfall are also favourable in these areas.

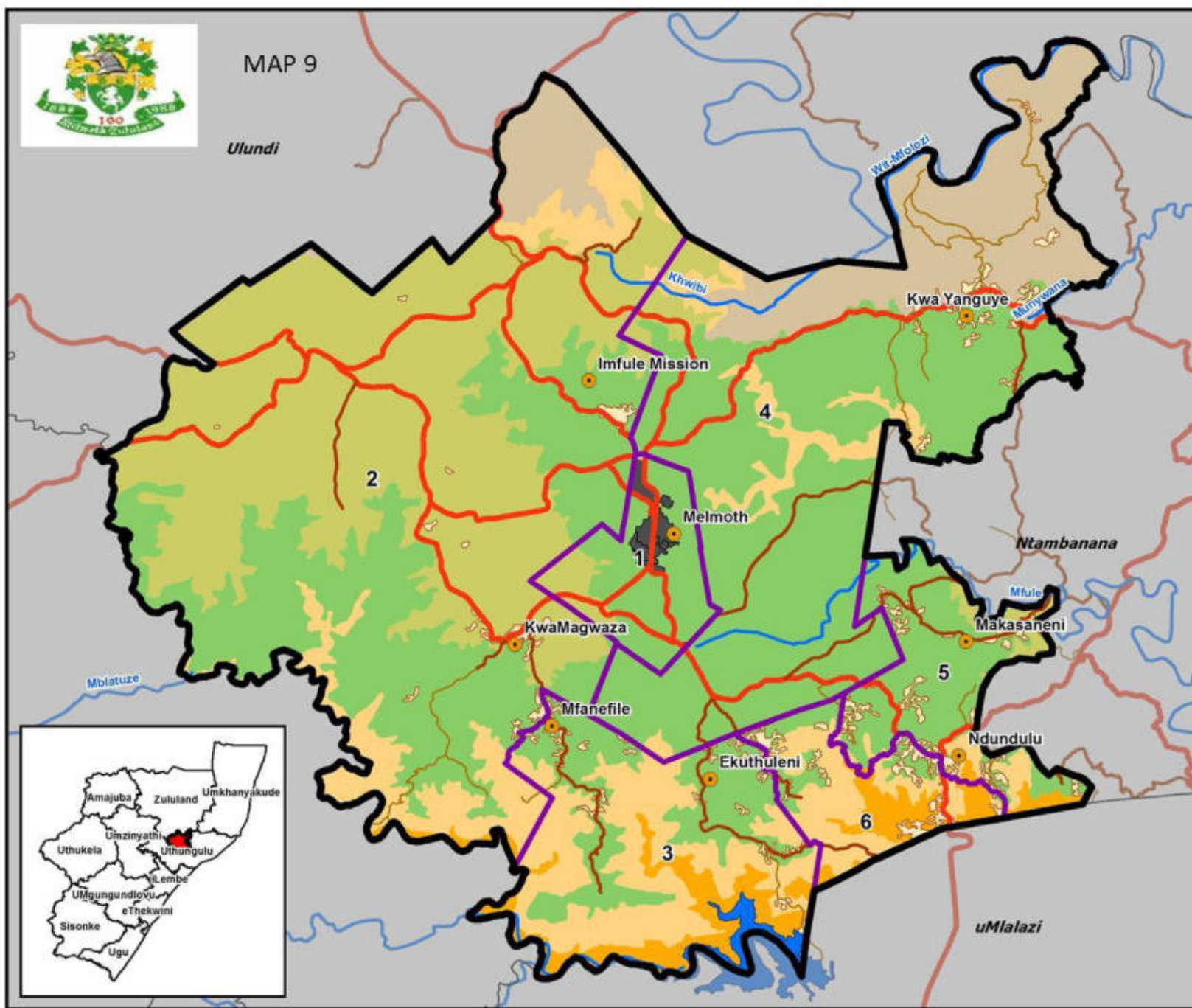
The southern area of the municipality is primarily grassland and bushland with a few areas of subsistence rural agriculture mainly around settlements and the Ndundulu and Ekuthuleni area. The northern area of the municipality is primarily characterised by grassland and scattered bushland areas. Subsistence rural agriculture is located around the settlements surrounding Kwa Yanguye. There is significant bare rock/erosion areas amongst and surrounding the subsistence rural agricultural land use.





MAP 9

Ulundi



## MTHONJANENI LOCAL MUNICIPALITY

### Vegetation

#### Legend

- LM Boundary
- Places
- Wards
- Phobane Lake
- Main Rivers
- Transportation Routes**
  - Provincial Road
  - District Road
  - Local Road
  - Settlements
  - Urban Areas
- Vegetation**
  - Dams
  - Dry Ngongoni Veld
  - Eastern Valley Bushveld
  - Moist Ngongoni Veld
  - Northern Zululand Sourveld
  - Zululand Lowveld



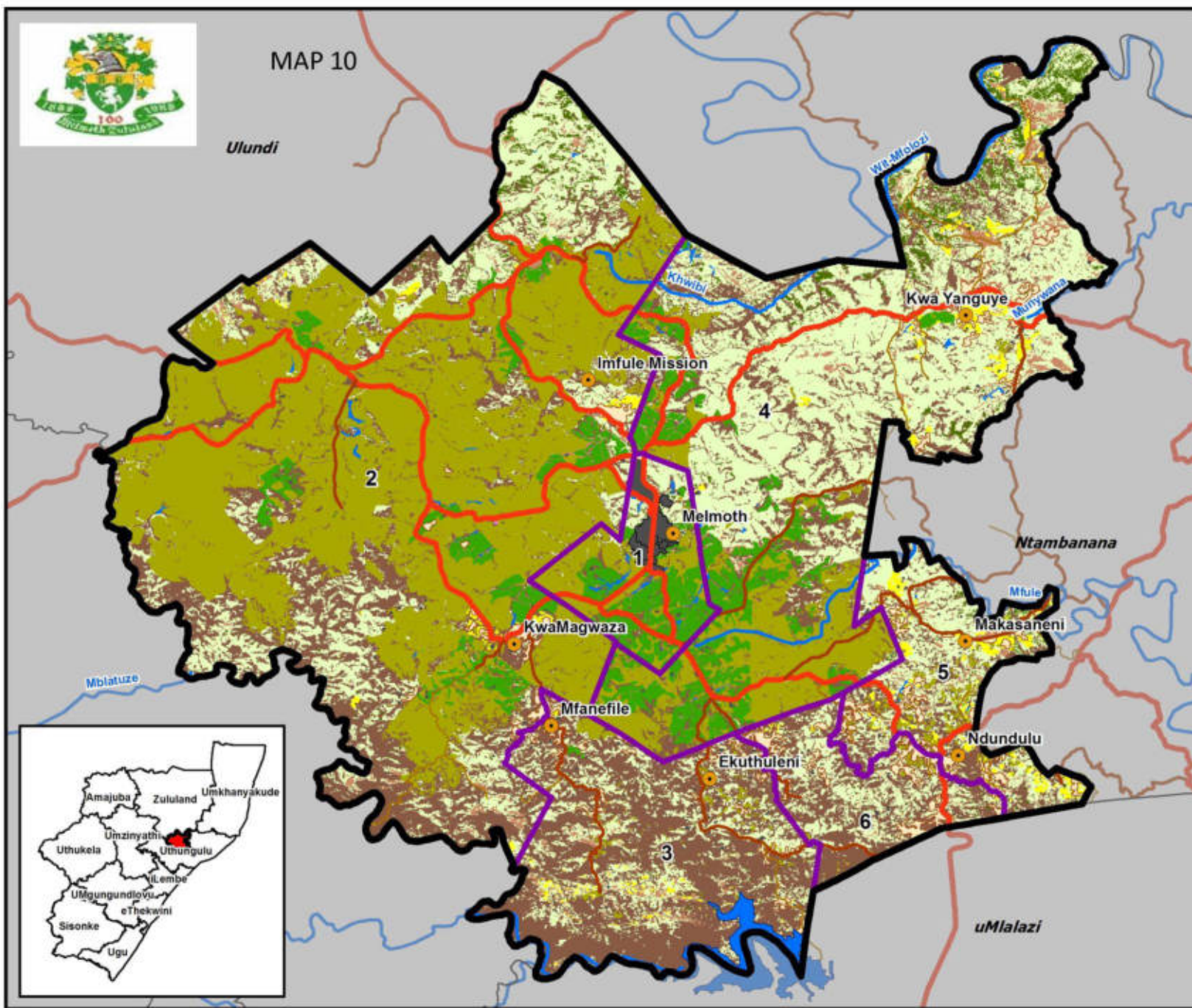
Source: Ezemvelo KZN Wildlife





MAP 10

Ulundi



## MTHONJANENI LOCAL MUNICIPALITY

### Landcover

#### Legend

- LM Boundary
- Places
- Wards
- Phobane Lake
- Main Rivers
- Transportation Routes**
  - Provincial Road
  - District Road
  - Local Road
  - Settlements
  - Urban Areas
- Landcover**
  - Bare Rock / Erosion
  - Bushland
  - Commercial Crops
  - Commercial Forestry
  - Dams and Wetlands
  - Degraded Areas
  - Golf courses
  - Grassland
  - Indigenous Bush
  - Settlements
  - Subsistence (rural)



Source: Ezemvelo KZN Wildlife

#### **4.1.9 Biodiversity**

According to the National Environmental Management: Biodiversity Act, No. 10 of 2004, biodiversity means the variability among living organisms from all sources including, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part and also includes diversity within species, between species, and of ecosystems (Biodiversity Sector Plan for Uthukela District: Technical Report).

South Africa has ratified the International Convention on Biological Diversity which aims to develop and implement a strategy for the conservation, sustainable use and equitable sharing of biodiversity elements.

The Biodiversity Bill requires that a Bioregional Plan be developed for the Province. This must ensure that a minimum area of each bioregion with all its representative ecosystems is protected. Ezemvelo KZN Wildlife are the nature conservation agency for the province and are therefore key in managing biodiversity and ensuring that the bioregional plans are prepared and implemented.

The core functions of Ezemvelo KZN Wildlife are:

- Biodiversity conservation
- Wise and sustainable use of natural resources
- Provision of affordable eco-tourism destinations (Biodiversity Sector Plan for Uthukela District: Technical Report)

Ezemvelo KZN Wildlife is currently in the process of preparing bioregional plans for each district in the province. The Biodiversity Sector Plans for Uthukela and Zululand have been completed, however the uThungulu Plan is still in the process of being prepared. The mapping and data is available and has been utilised in this instance.

The Biodiversity Sector Plans look at both “terrestrial and aquatic features in the landscape that are critical for conserving biodiversity and maintaining ecosystem functioning” (Biodiversity Sector Plan for Uthukela District: Technical Report p 11). It is intended to serve as an informant or guideline for multi-sectoral planning and decision making.

##### **4.1.9.1 Terrestrial (Minset)**

Minset identifies a “minimum set” of planning units that will assist in meeting conservation targets. The Minset map indicates areas that are already protected, areas of transformation, and areas of biodiversity priority.

**(a) Protected Areas**

Protected Areas are areas that have been declared or proclaimed as such in terms of either the KwaZulu-Natal Nature Conservation Management Act (No 9 of 1997) or the National Environmental Management: Protected Areas Act (No 57 of 2003). Protected Areas play a key role in conservation and meeting biodiversity targets.

**(b) Transformation**

The latest Land Cover data (2005) is intended to be utilised to demarcate areas of transformation. Map 10 shows transformed and untransformed land. Table 13 below gives an indication of the rationale used to determine transformation. Areas of transformation are areas that have already changed to such an extent that biodiversity is of little significance.

Table 13: Land Classifications used in the Transformation Layer

Category	Notes
Cultivation, commercial, annual crops, dryland	These areas are considered transformed.
Cultivation, commercial, annual crops, irrigated	
Cultivation, subsistence, dryland	
Dams	
Erosion	
Golf courses	
KZN Main & District Roads	
KZN National Roads	
Mines & Quarries	
Old Fields (previously bushland)	
Old Fields (previously grassland)	
Orchards -permanent, irrigated, banana's and citrus	
Orchards -permanent, dryland, cashew nuts	
Orchards -permanent, dryland, pineapples	
Plantation	
Plantation -clearfelled	
Rural dwellings	These areas are considered transformed. Rural dwellings were also buffered by 600m. The impact of goats, cattle, wood harvesting, hunting and disturbance around rural settlements has a significant negative impact on biodiversity.
Smallholdings -grassland	These areas are considered transformed.
Sugarcane, commercial, irrigated & dryland	
Sugarcane, semi-commercial, emerging farmer, irrigated & dryland	
Urban / Built-up	
Dams	
Additional areas of transformation (from aerial photographs)	Areas that are immediately obvious from spot imagery.
Known approved developments.	These areas are considered transformed.

Source: Biodiversity Sector Plan for Uthukela District: Technical Report

(c) **Biodiversity Priority Areas**

Table 14: Biodiversity Priority Areas

<b>Biodiversity Priority Area 1:</b> The BPA1 designated planning units contain one or more features within an irreplaceability = 1. This means that there are no other localities which we have been able to identify as alternates to try and meet the conservation target for this feature(s). The distribution of this/these features is not always applicable to the entire extent of the Planning Unit however (except in the case of certain grassland vegetation types), but is more often than not confined to a specific niche habitat e.g. a forest or wetland. Should this be the case, and special mitigation measures have been considered to safeguard this feature, then the potential for development (dependant on its nature of course) could be permitted in the area. Obviously this is dependent on a site by site, case by case basis. This distribution dynamics outlined above are the same for all 3 BPA's indicated in the Minset.
<b>Biodiversity Priority 2:</b> BPA2 indicate the presence of one (or more) features with a very high irreplaceability score. In practical terms, this means that there are alternate sites within which the targets can be met, but there aren't many. This site was chosen because it represents the most optimal area for choice in the systematic planning process, meeting both the target goals for the features concerned, as well as a number of other guiding criteria such as high agricultural potential area avoidance, falls within a macro-ecological corridor etc. Whilst the targets could be met elsewhere, the revised reserve design (derived through Minset) would more often than not be slightly more 'land-hungry' in an effort to meet its conservation objectives. The scarcity of the Biodiversity features contained within is, however, still the primary driver for this Planning Units selection in Minset.
<b>Biodiversity Priority 3:</b> BPA3 indicate the presence of one (or more) features with a low irreplaceability score. Derived in the same way as outlined for BPA2 described above, the determination vision of these Planning Units is driven primarily by the guiding layers.

Source: Draft Terrestrial Systematic Conservation Plan, July 2011

Map 11 indicates that there is an existing protected area on the northern boundary in Ward 4. This forms part of the Northern Interior Corridor. In terms of Biodiversity Priority Area 1, there is a large Biodiversity priority area in the north-east corner of Ward 4 and smaller priority areas to the south of Kwa Yanguye in Ward 4, west of Imfule Mission and south of KwaMagwaza in Ward 2. These areas have high biodiversity value and would be protected as far as possible.

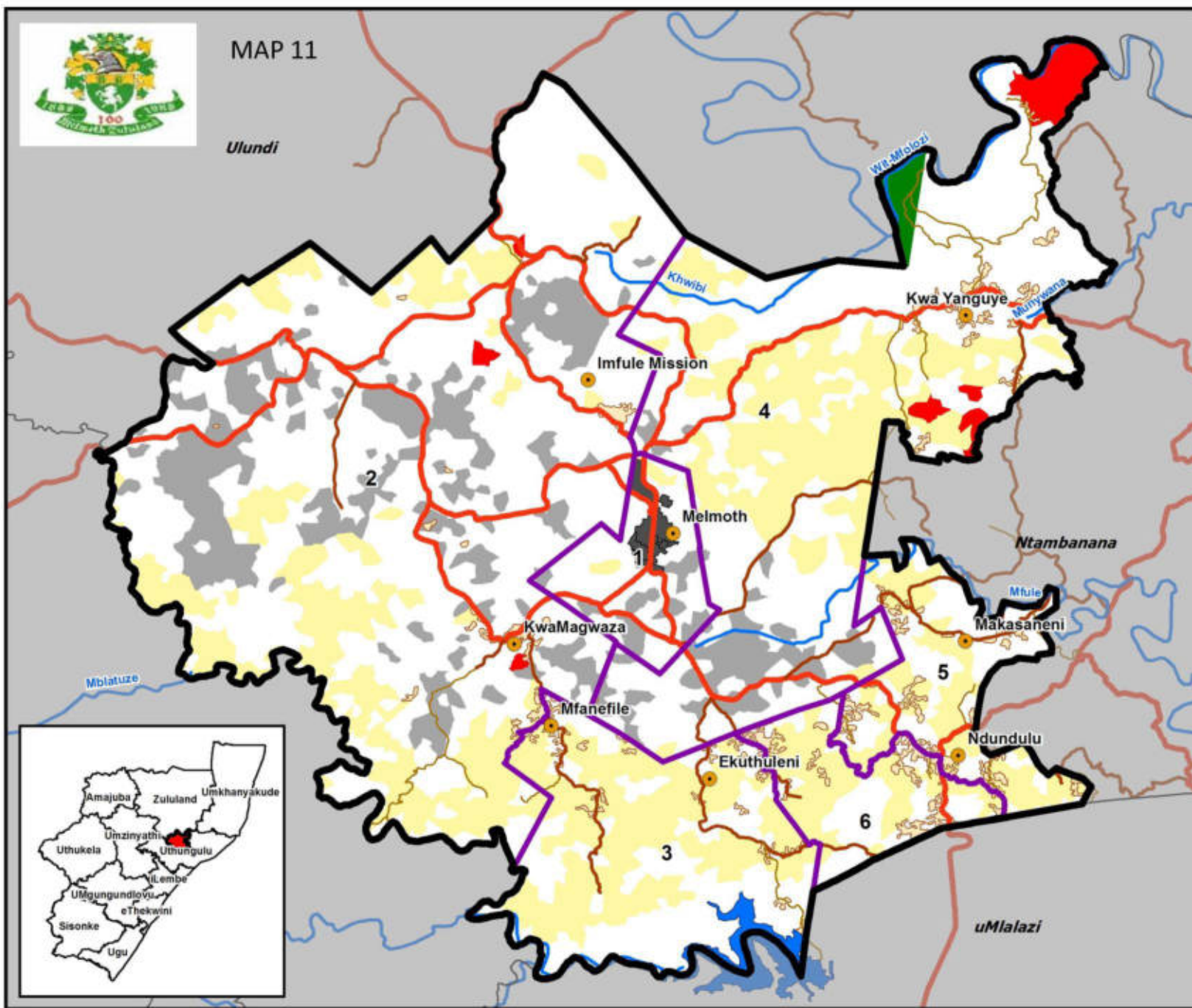
The central band from the north-west boundary towards the south-east boundary falls into an area identified as 100% transformed and includes a large portion of Ward 2, the majority of Ward 1 and the southern portion of Ward 4. Areas to the north and south of this band fall under Biodiversity Priority Area 3 and therefore have low biodiversity importance.





MAP 11

Ulundi



## MTHONJANENI LOCAL MUNICIPALITY

### Minset

#### Legend

- LM Boundary
- Places
- Wards
- Phobane Lake
- Main Rivers
- Transportation Routes**
  - Provincial Road
  - District Road
  - Local Road
  - Settlements
  - Urban Areas
- Minset**
  - Existing Protected Area Network
  - 100% Transformed (2005 LC)
  - Biodiversity Priority Area 1
  - Biodiversity Priority Area 3



Source: Ezemvelo KZN Wildlife

#### 4.1.9.2 Ecological Corridors

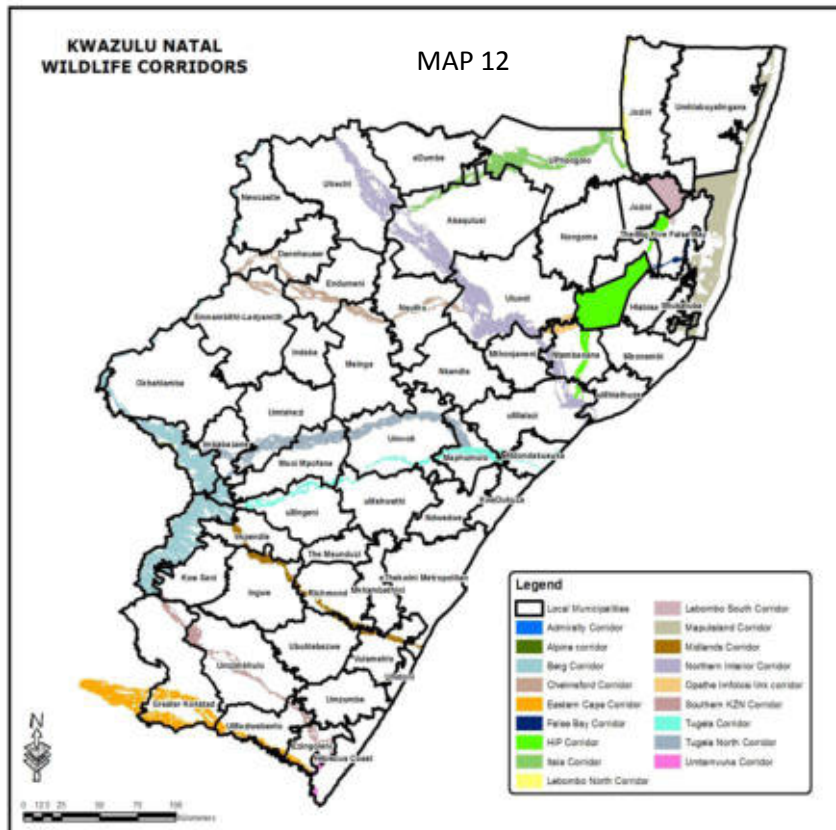
The maintenance of connectivity is essential to a number of movement-related ecological processes, including species migrations, seasonal and altitudinal dispersal, and range displacement in response to climate change.

Two Ezemvelo KZN Wildlife corridors have been identified in the Mthonjaneni Municipality (Map 12). The Northern Interior corridor runs along the northern boundary of the municipality and then southwards to the southern boundary of Ward 4. It also encompasses a small section on the eastern boundary of Ward 5. The Opathe Imfolosi link corridor is in the north-west of the municipality (Ward 4). Both corridors are linked and meet up in the north-east of the municipality

The Ophathe Game Reserve was proclaimed in 1991 and is situated on the southern banks of the Wit Mfolozi River. The reserve is 8 825 ha in extent and the majority falls within the Ulundi Municipality however a significant portion extends into Mthonjaneni specifically through both Traditional Authority areas near Kwa Yanguye and the Emakhosini Valley. The Emakhosini Ophathe Heritage Park encompasses the joint development of the Emakhosini Valley and Ophathe Game Reserve. This is primarily on Ingonyama Trust land.

“This park opens the way to realising a rare combination of opportunities, linking a rich historical and cultural heritage site with a Game Reserve, assembling a significant area of land (approx. 24 000 ha) which can be proclaimed as a single protected area, the potential for further expansion into a park that displays significant biodiversity. Emakhosini Ophathe Heritage Park extends from an altitude of 1200 m above sea level in the west, through the moist mist belt grasslands and ngongoni grasslands, into valley bush veld below 300m. This covers a substantial range of riparian, wetland, woodland and grassland. The east-west altitude difference also represents a strong climatic gradient (principally rainfall and temperature). Together with the geology, this has resulted in a protected area covering a wide range of faunal and floral communities, the beta diversity of which is regarded as significant and sufficient large in area to carry the *big five*” ([www.kznwildlife.com/old/index.php?/Emakhosini-Ophathe-Heritage-Park](http://www.kznwildlife.com/old/index.php?/Emakhosini-Ophathe-Heritage-Park))

The Emakhosini Valley is of significant cultural heritage and protected by AMAFA. A more detailed description is outlined in section 4.2.1 below.



#### 4.1.9.3 Aquatic

Aquatic systems such as rivers, wetlands, dams and lakes are dealt with and mapped separately to the terrestrial system. Minset criteria do not apply to aquatic systems. Map 13 table

(Aquatic Corridors) shows areas of importance in terms of aquatic systems.

The Ezemvelo KZN Wildlife aquatic conservation plan for the District is shown by the Earmarked areas. In this context Earmarked is a term used to show irreplaceable areas. The aquatic conservation plan identifies those portions of land that should be protected from a biodiversity point of view.

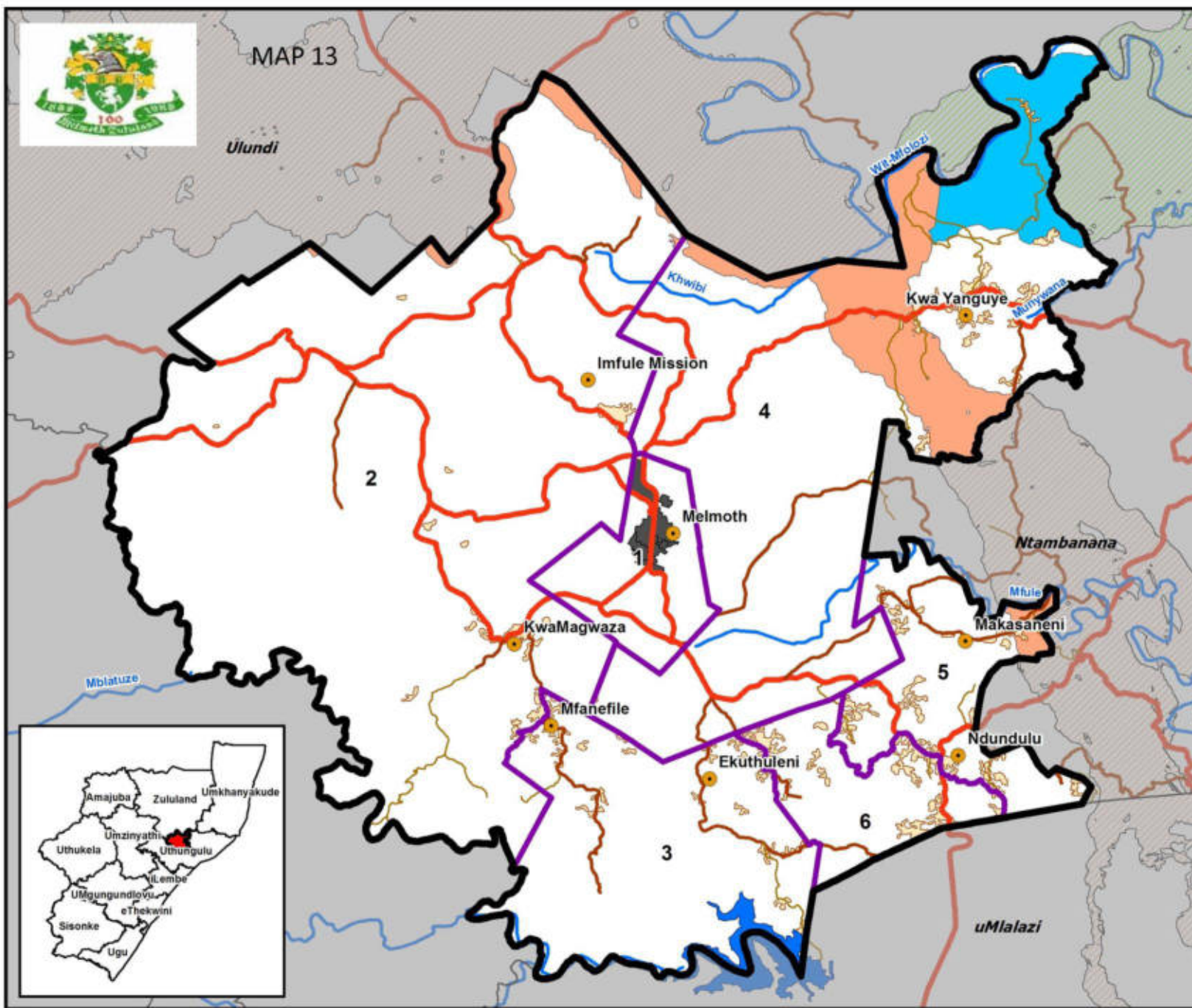
There are Earmarked areas south of KwaMagwaza falling under Ward 2 and 3, on the north-west boundary and near the western boundary of Ward 2. The north-east boundary of Ward 4 is also Earmarked for Conservation and follows the Wit Mfolozi River. It incorporates both the Northern Interior corridor and the Opathe Imfolosi link corridor.





MAP 13

Ulundi

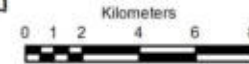


**MTHONJANENI LOCAL MUNICIPALITY**

**KZN Wildlife:  
Corridors**

**Legend**

- LM Boundary
- Places
- Wards
- Phobane Lake
- Main Rivers
- Transportation Routes**
  - Provincial Road
  - District Road
  - Local Road
- Settlements
- Urban Areas
- Corridors**
  - Northern Interior
  - Opathe Imfolosi link



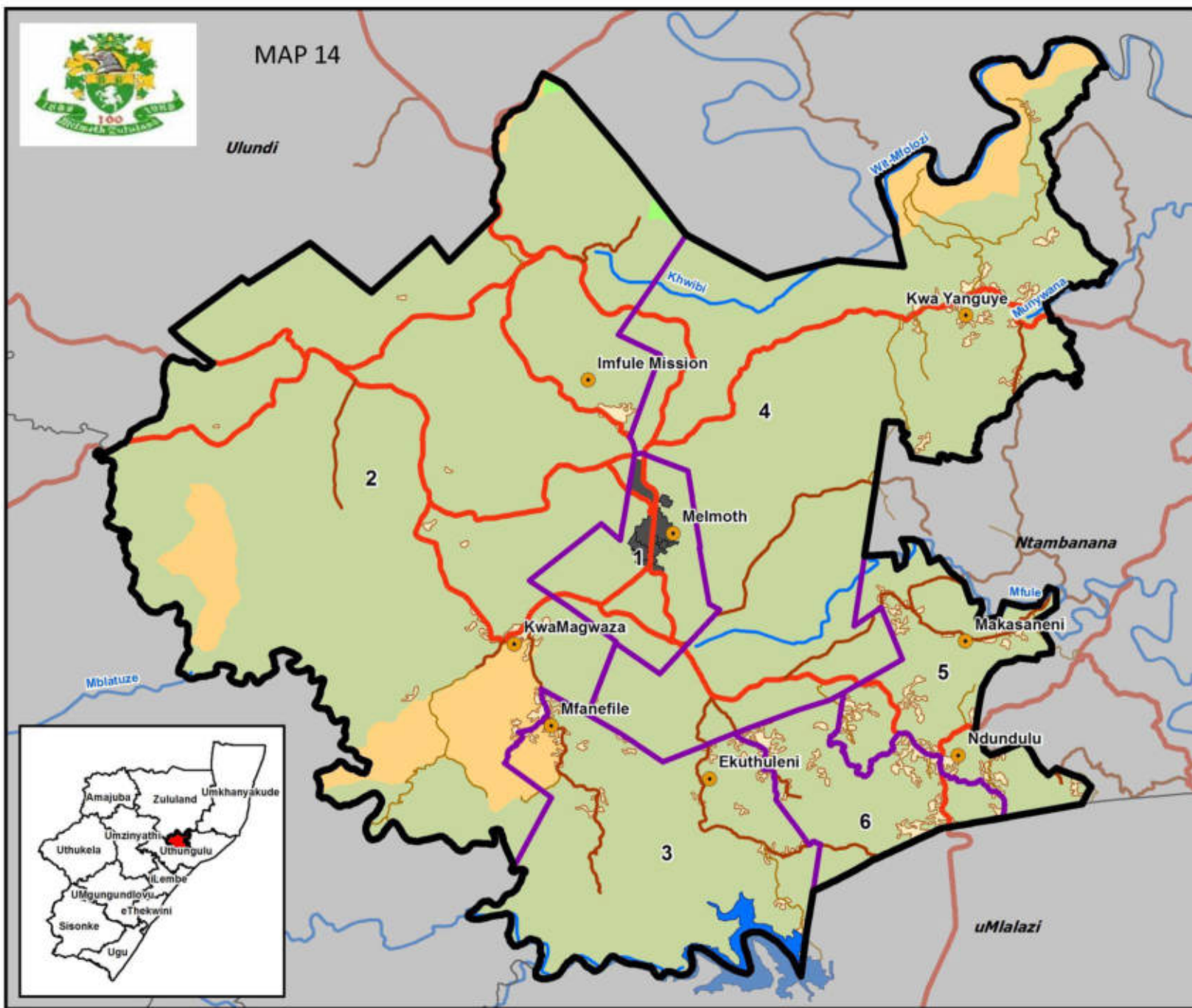
Source: Ezemvelo KZN Wildlife





MAP 14

Ulundi



# MTHONJANENI LOCAL MUNICIPALITY

## KZN Wildlife: Aquatic Corridors

### Legend

- LM Boundary
- Places
- Wards
- Phobane Lake
- Main Rivers
- Transportation Routes
  - Provincial Road
  - District Road
  - Local Road
- Settlements
- Urban Areas
- Aquatic Corridors
  - No Aquatic Conservation Concerns
  - Conserved
  - Earmarked for Conservation



Source: Ezemvelo KZN Wildlife





## **4.2 SOCIO-ECONOMIC CONDITIONS**

### **4.2.1 History and Heritage**

The cultural heritage and history of the municipality is an important factor to take into account in spatial structuring. The Cultural Heritage Interpretation for Spatial Planning guideline (eThembeni Cultural Heritage, 2009) looks at the importance of cultural heritage and ways to mainstream it in order link it with the biophysical landscape and local economic development. Firstly, heritage sites need to be identified and thereafter it needs to be determined whether they need to be protected or whether tourism is feasible. Issues of good road infrastructure and safety and security need to be considered. Below are some of the key historical and heritage sites within Mthonjaneni.

#### **(a) Melmoth**

Melmoth is the main town within Mthonjaneni. The town was established after the annexation of Zululand by the United Kingdom in 1887. It was named after Sir Melmoth Osborn. Large wattle plantations were set up and a wattle bark factory was established in 1926 (Wikipedia). Forestry is still a prominent land use within the Municipality.

#### **(b) Dingane's Spring**

On a high ridge outside Melmoth is a spring where approximately 2000 maidens gathered every day to collect fresh water supplies. These were then carried in clay pots balanced on their heads for 8 kms down into the valley known as Emakhosini where King Dingane built his capital, Mgungundlovu. According to legend, if the water was dirty when it reached the King's homestead, the maidens were thrown off a cliff to feed the vultures. During the reign of King Dingane, a garrison of warriors was stationed at the Mthonjaneni spring to protect it and ensure it was not poisoned.

The spring is now known as Dingane's Spring. This site has been declared a National Monument and guided tours can be taken to the spring which is about 150 m from Mtonjaneni Lodge. ([www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites](http://www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites))

#### **(c) Fort Mthonjaneni**

During the Anglo-Boer War of 1879 no major action took place near Melmoth. A circular earthwork was constructed by Lord Chelmsford's British forces on the Mthonjaneni Ridge and is known as Fort Mthonjaneni. ([www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites](http://www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites))

#### **(d) Mtonjaneni Zulu Historical Museum**

In the grounds of the Mtonjaneni Lodge adjacent to site of the fort is Mtonjaneni Zulu Historical Museum which houses an excellent private collection of memorabilia and artefacts relating to

the Anglo-Zulu War of 1879. The displays are done according to what has been collected on each battlefield and includes weapons, carbine bullets, snuff containers, dagga pipes and uniforms. ([www.visitzululand.co.za/activities/mthonjaneni\\_museum](http://www.visitzululand.co.za/activities/mthonjaneni_museum))

**(e) Emakhosini Valley of the Kings**

King Shaka was born in the Valley of the Kings in 1785 and the first royal residence of the Zulu Kingdom, Mgungundlovu (Place of the Elephant) was established here. The Voortrekker leader, Piet Retief, was executed in the valley and his grave can be visited. Seven Zulu Kings (Unkosinkulu, Zulu, Phunga, Mageba, Ndaba, Jama and Senzangakhona) are buried in the Emakhosini valley. A monument called the Spirit of Emakhosini was built to honour the Zulu Kings and it overlooks the valley. It was officially opened by His Majesty King Zwelithini kaBhekuzulu in 2003.

([www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites](http://www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites) and [www.kznwildlife.com/old/index.php?/Emakhosini-Ophathe-Heritage-Park](http://www.kznwildlife.com/old/index.php?/Emakhosini-Ophathe-Heritage-Park))

**(f) KwaMagwaza**

An Anglican Mission was established in 1859. It expanded in 1907 to include an orphanage, a high school, a teachers training centre and the St Elizabeth's College of Nursing. The buildings have since changed in use and are now utilised as a Diocesan Conference Centre and also cater for tourism, an educational training centre and community development programmes. KwaMagwaza is approximately 10 km from Melmoth. ([www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites](http://www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites))

**(g) Queen Nandi**

The Emkhindini kraal on the R66 near "Oom Wessel se Winkel" was built for Nandi, the mother of King Shaka after they had been driven away from Senzangkhona's kraal. When Queen Nandi moved to a new kraal in the Umhlatuze Valley, the Emkhindini kraal was presided over by King Shaka's sister, Nomcoba. ([www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites](http://www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites))

- Tourism is relatively underdeveloped in Mthonjaneni.

#### **4.2.2 Demographic Profile**

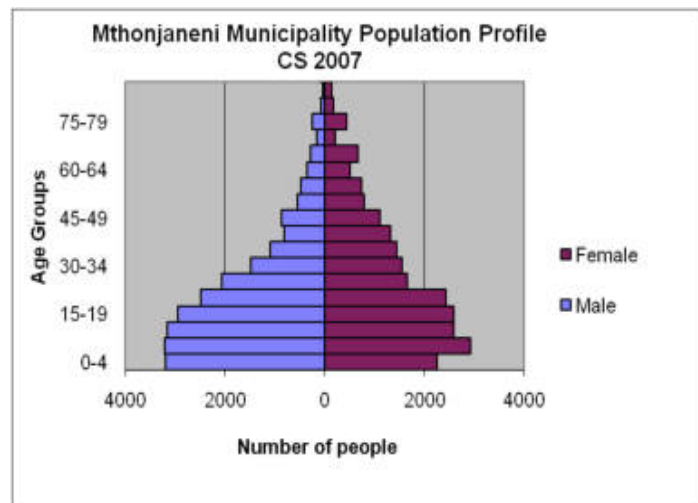
Although the 2011 Census has been conducted the results are not yet available. The 2001 Census and 2007 Community Survey data will be utilised as the official statistics for the area. According to the Community Survey, 2007, Mthonjaneni has a total population of 47 003. Mthonjaneni has a large number of children (22 838) under the age of 19 which is almost 50% of the population. In terms of gender distribution, the male/female ratio is very balanced with 23 446 males and 23 561 females.

Table 15: Population

Age	Male	Female	Total
0 - 4	3 184	2 250	5 434
5 - 9	3 202	2 922	6 124
10 - 14	3 160	2 584	5 744
15 - 19	2 949	2 587	5 536
20 - 24	2 482	2 432	4 914
25 - 29	2 067	1 651	3 718
30 - 34	1 473	1 552	3 025
35 - 39	1 098	1 450	2 548
40 - 44	809	1 329	2 138
45 - 49	868	1 114	1 982
50 - 54	543	797	1 340
55 - 59	474	743	1 217
60 - 64	351	519	870
65 - 69	285	677	962
70 - 74	151	204	355
75 - 79	245	441	682
80 - 84	77	171	248
85 +	28	138	166

Source: Stats SA: Community Survey 2007

Figure 1: Population Profile



#### 4.2.3 Ward Statistics

Mthonjaneni has six wards which all have very different dynamics.

Table 16: Ward Information

WARD	TOTAL POPULATION (2001)	TOWNS/SETTLEMENTS	PRIMARY LAND USE
Ward 1	6 957	This ward comprises the town of Melmoth and the associated settlement of Thubalethu.	Settlements, commercial farmland, forestry, grasslands.
Ward 2	6 502	Ward 2 is very large in terms of area but very sparsely populated. It includes the settlements of KwaMagwaza and Imfule Mission.	Settlements, forestry and grasslands on the steeper slopes. Small scale commercial agriculture, traditional agriculture and bushland around KwaMagwaza
Ward 3	11 194	Ward 3 includes the Ekuthuleni area and a large portion of settlements surrounding Imfule Mission	Settlements, small scale agriculture, grassland and bush
Ward 4	10 533	Ward 4 includes the Kwa Yanguye settlement which is based the Biyela/Kwa Yangule Traditional Authority area.	Settlements, commercial agriculture, traditional agriculture, grasslands, bushlands,
Ward 5	9 319	Ward 5 includes the settlements of Makasaneni and Ndundulu which both fall within the Zulu/Enthembeni Traditional Authority area.	Settlements, subsistence agriculture, grassland, bushlands
Ward 6	5 877	Ward 6 contains large portions of both the Ekuthuleni and Ndundulu settlements.	Settlements, subsistence agriculture, grassland, bushlands

Source: Mthonjaneni Draft IDP 2012/13 to 2016/17, Ezemvelo KZN Wildlife

#### 4.2.4 Population Density

The majority of the municipality in particular the northern, southern and central area stretching from the western boundary is primarily sparsely populated with a population density of less than 50 people per square kilometre.

Concentrations of people are found surrounding the town of Melmoth, KwaMagwaza, Ekuthuleni, Ndundulu, Makasaneni and Kwa Yanguye. In particular the area south of Ndundulu has concentrations of 200 to 400 people per square kilometer and Thubalethu, north of Melmoth has concentrations of between 401 and 3 500 people per square kilometer (Stats SA). In terms of service delivery, the provision of services will be more cost effective in the more densely populated areas and economic opportunities could also be enhanced in these areas.

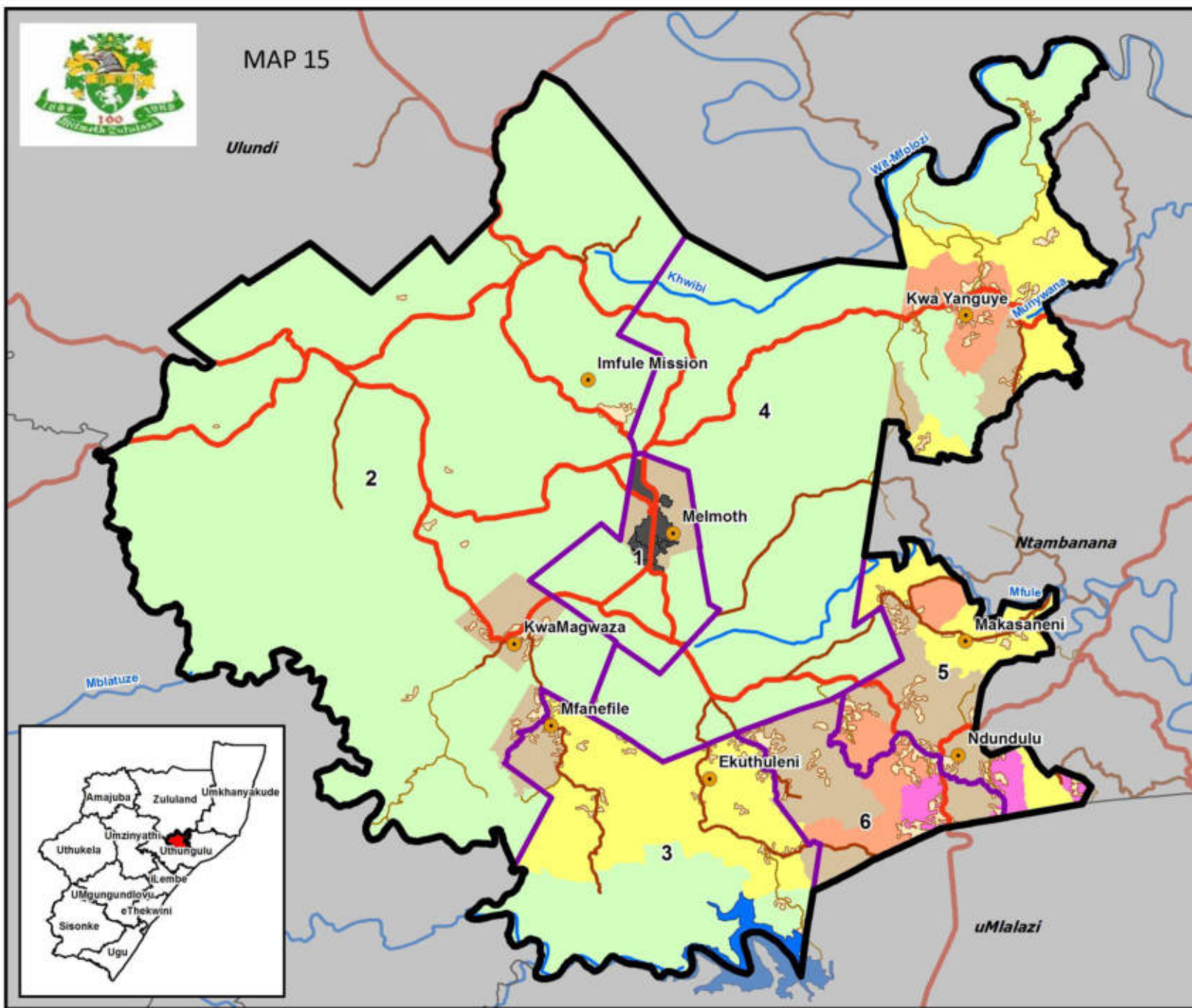
- There is a high percentage of youths, particularly in the Kwa Yanguye and Ndundulu areas.
- Mthonjaneni is an area of rapid population growth.

Source: Mthonjaneni SEA 2007



MAP 15

Ulundi

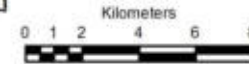


# MTHONJANENI LOCAL MUNICIPALITY

## Population Density

### Legend

- LM Boundary
- Places
- Wards
- Phobane Lake
- Main Rivers
- Transportation Routes
  - Provincial Road
  - District Road
  - Local Road
- Settlements
- Urban Areas
- No. of People/Km2
  - 0-50
  - 51-100
  - 101-150
  - 151-200
  - 200-400
  - 401-3500



Source: Statistics South Africa







MAP 16

Ulundi

W. Mfolozi

Khwibi

Kwa Yanguye

Munywana

Imfule Mission

4

Melmoth

1

KwaMagwaza

Ntambanana

Mfule

Makasaneni

5

Mfanefile

Ekuthuleni

Ndundulu

3

6

uMlalazi

# MTHONJANENI LOCAL MUNICIPALITY

No of Households per grid

## Legend

LM Boundary

Places

Wards

Phobane Lake

Main Rivers

### Transportation Routes

Provincial Road

District Road

Local Road

Settlements

Urban Areas

### 5x5km Grid

0-50

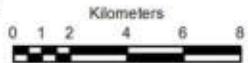
51-100

101-500

501-1000

1001-2000

<2001



Source: Statistics South Africa



#### 4.2.5 Poverty

The Human Sciences Research Council (HSRC) and University of Oxford utilised components of the 2001 census data from Statistics South Africa (Stats SA) to determine different levels of deprivation. The Multiple Deprivation Index is a multi-dimensional approach. Five domains of deprivation were identified and utilised to form an index of multiple deprivation for each province.

The domains are as follows:

- Income and Material Deprivation,
- Employment Deprivation,
- Health Deprivation,
- Education Deprivation, and
- Living Environment Deprivation.

Two key elements underpin the Multiple Deprivation Index. Firstly deprivation refers to peoples' unmet needs, whereas poverty refers to the lack of resources required to meet those needs. Secondly, multiple deprivation as an accumulation of single deprivations (The Provincial Indices of Multiple Deprivation for South Africa 2001, 2006 report). The Multiple Deprivation Index therefore looks at issues of poverty from a broader perspective than just low income and low expenditure. It provides a more realistic view of poverty in terms of lack of access to services and opportunities. It also enables comparison between wards within a municipality, between municipalities and between provinces.

Table 17: Defining the Deprivation Domains

<b>Income and material deprivation</b> looks at two key elements, firstly in terms of income, two thresholds were utilised: a low income of less than R4 800 per annum and a very low income of less than R1 488 per annum. With regards to material deprivation, three household durables were utilised to indicate deprivation - a refrigerator, radio and television.
The <b>employment domain</b> looks at unemployment within the economically active population (15 – 65 year age group).
The <b>health deprivation domain</b> identifies areas with relatively high rates of people who die prematurely.
<b>Education deprivation</b> looks at levels of education. Deprivation is measured in terms of lack of education qualifications in the 18 to 65 year age group, in particular no schooling at a secondary level or above.

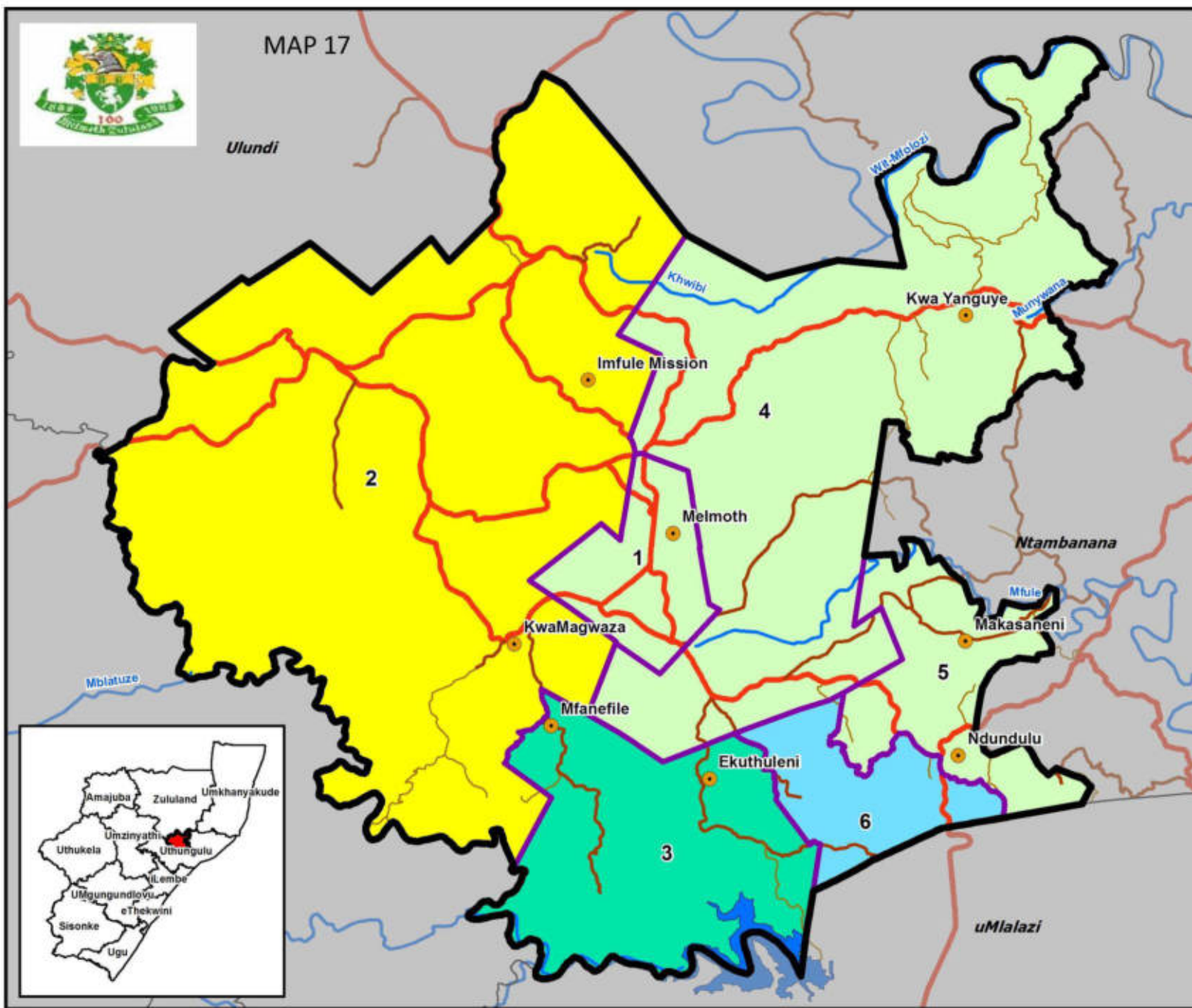
**Living environment deprivation** looks at deprivation relating to the poor quality of the living environment. This domain considers factors such as piped water to the dwelling or within 200 metres; access to high levels of sanitation, ie: a pit latrine with ventilation or flush toilet; access to electricity for lighting; access to a telephone; number of people living in a household that is a shack; and households with two or more people per room.

Source: The Provincial Indices of Multiple Deprivation for South Africa 2001



MAP 17

Ulundi



# MTHONJANENI LOCAL MUNICIPALITY

## Multiple Deprivation Index (2001)

### Legend

- LM Boundary
- Places
- Wards
- Phobane Lake
- Phobane Lake
- Main Rivers
- Transportation Routes
  - Provincial Road
  - District Road
  - Local Road
- Deprivation Index (2001)
  - Most Deprived
  - Least Deprived



Kilometers  
0 1 2 4 6 8

Source: Statistics South Africa



#### **4.2.6 Traditional Authority Areas**

There are two Traditional Authority areas within the Mthonjaneni Municipality. Both Traditional Authority areas are solely owned by Ingonyama Trust. The Biyela-Kwanguye Traditional Authority is located to the north-east of the municipality and incorporates the Kwa Yanguye area and surrounding settlements.

The Zulu-Entembeni Traditional Authority is located to the south-east of the municipality and incorporates Makasaneni and Ndundulu and surrounding settlements.

#### **4.2.7 Land Reform**

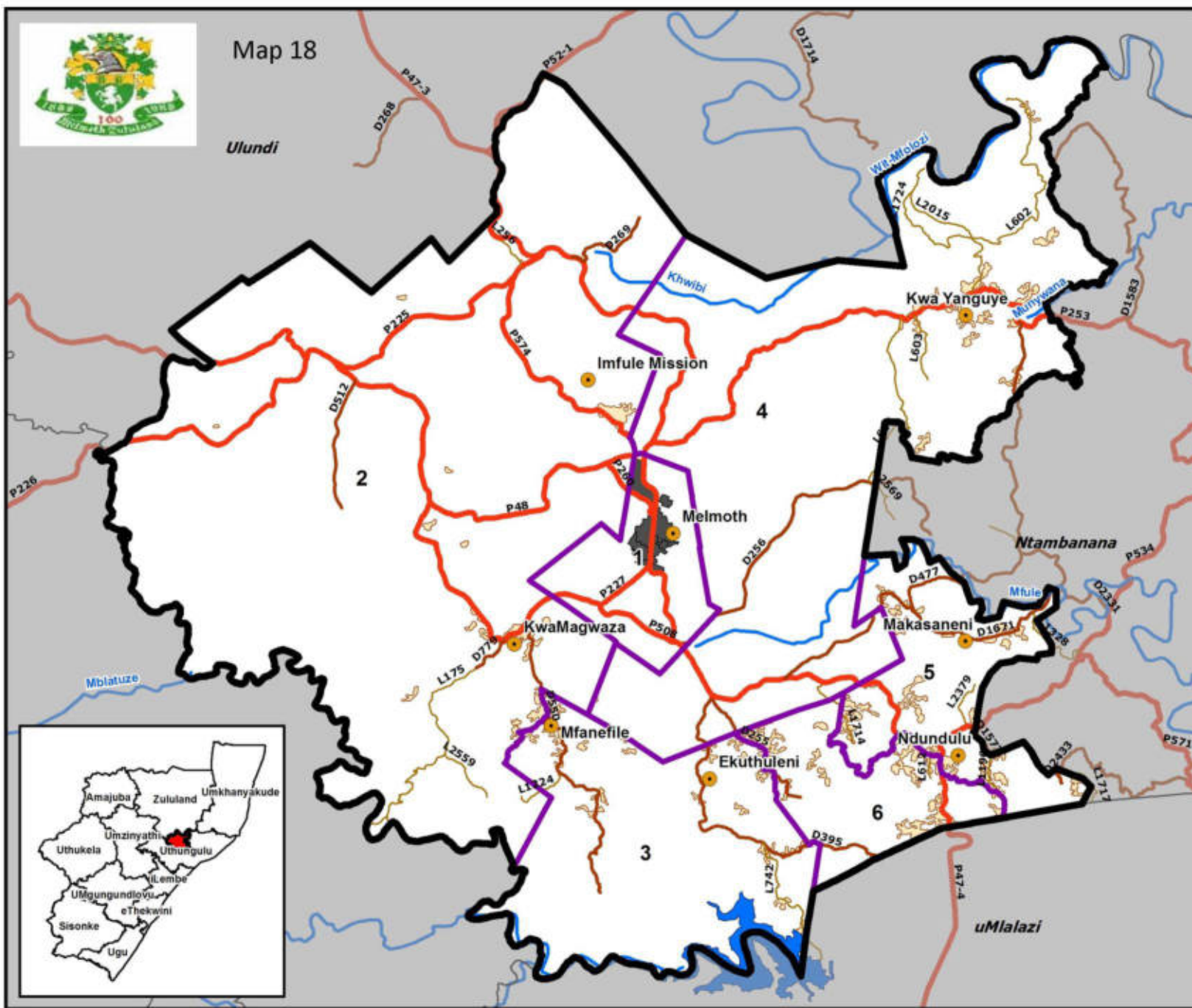
The central and southern bands have a large number of Gazetted Land Restitution Claims. The central band runs from the north-west boundary to the south-east and is 100% transformed land which is under commercial forestry and commercial cropping. There are a few Labour Tenant Claims in the area south of KwaMagwaza. In terms of Transferred Projects this includes the northern area of the municipality, a small portion south of KwaMagwaza and the area surrounding Ekuthuleni.

Ekuthuleni was a 1 160-hectare farm with approximately 231 households. Ownership of the land was transferred to the community in 2004. ([www.afra.co.za](http://www.afra.co.za))



Map 18

Ulundi



# MTHONJANENI LOCAL MUNICIPALITY

## Settlements

## Legend

- LM Boundary
- Places
- Wards
- Phobane Lake
- Main Rivers
- Transportation Routes
  - Provincial Road
  - District Road
  - Local Road
- Settlements
- Urban Areas



Kilometers  
0 1 2 4 6 8

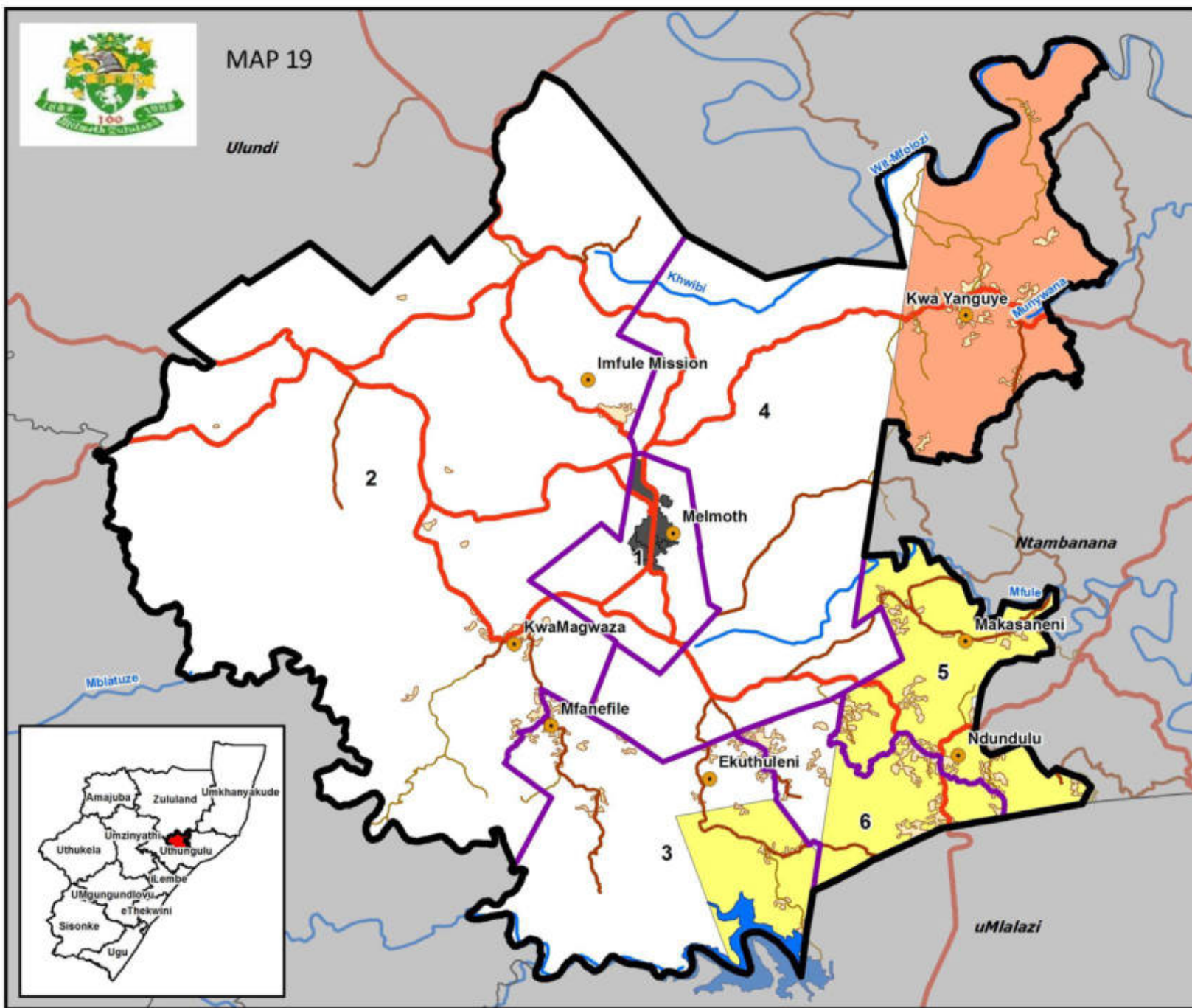
Source: Department of Rural Development & Land Reform





MAP 19

Ulundi



## MTHONJANENI LOCAL MUNICIPALITY

### Traditional Authorities

#### Legend

- LM Boundary
- Places
- Wards
- Phobane Lake
- Main Rivers
- Transportation Routes**
  - Provincial Road
  - District Road
  - Local Road
  - Settlements
  - Urban Areas
- Traditional Authorities**
  - BIYELA-KWANGUYE
  - ZULU-ENTEMBENI



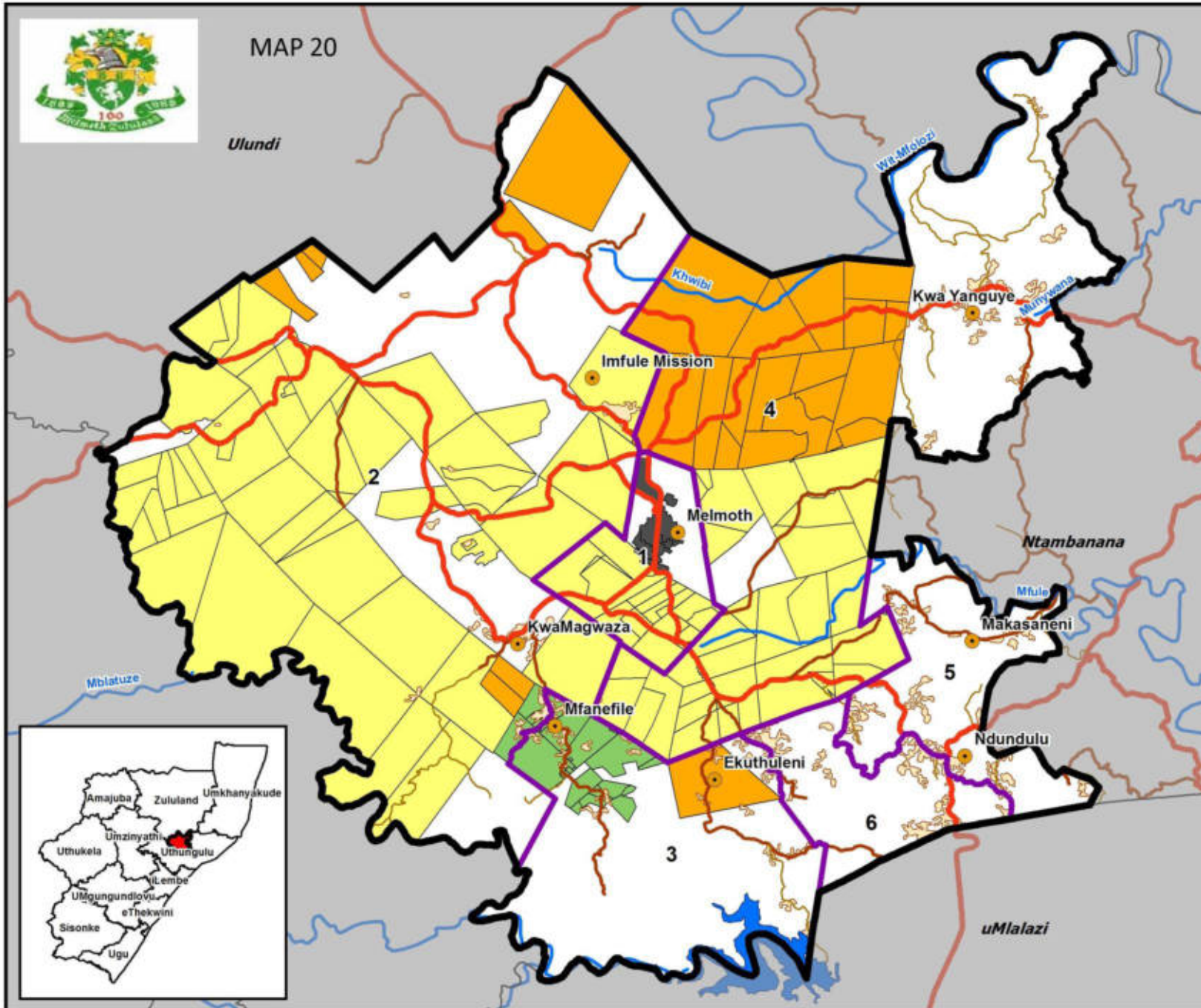
Source: Department of Rural Development & Land Reform





MAP 20

Ulundi



## MTHONJANENI LOCAL MUNICIPALITY

### Land Reform

#### Legend

- LM Boundary
- Places
- Wards
- Phobane Lake
- Main Rivers
- Transportation Routes
  - Provincial Road
  - District Road
  - Local Road
- Settlements
- Urban Areas
- Gazetted Restitution
- Transferred Projects
- Labour Tenant Claims



Kilometers  
0 1 2 4 6 8

Source: Department of Rural Development & Land Reform

#### **4.2.8 Social facilities**

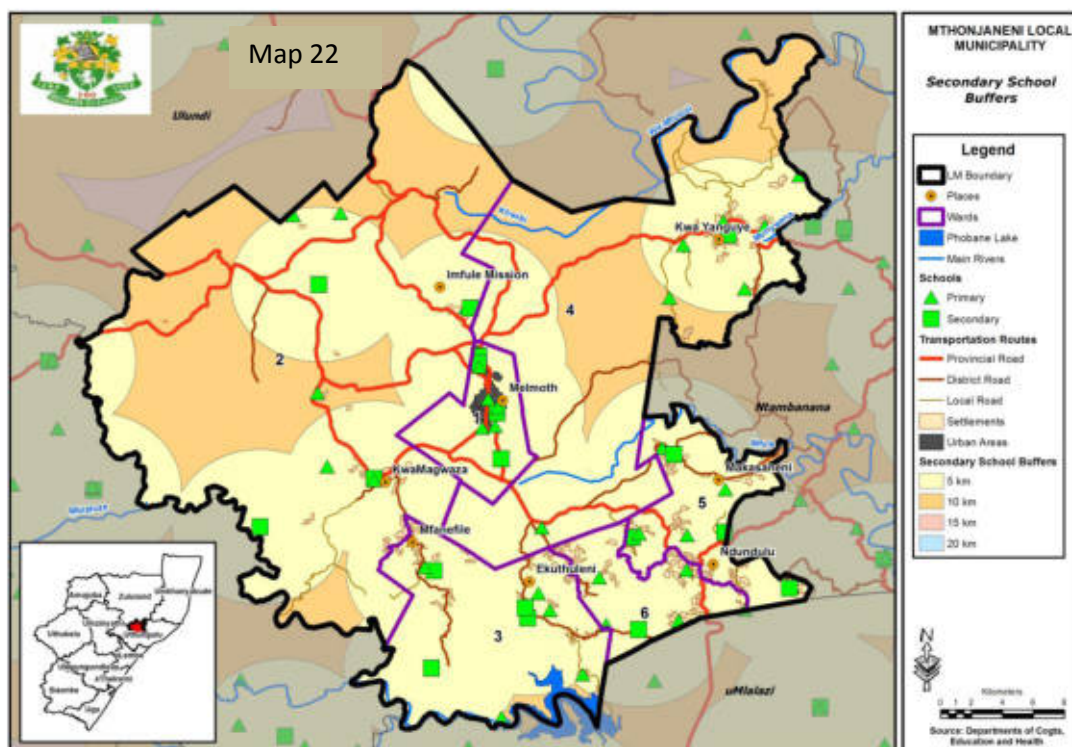
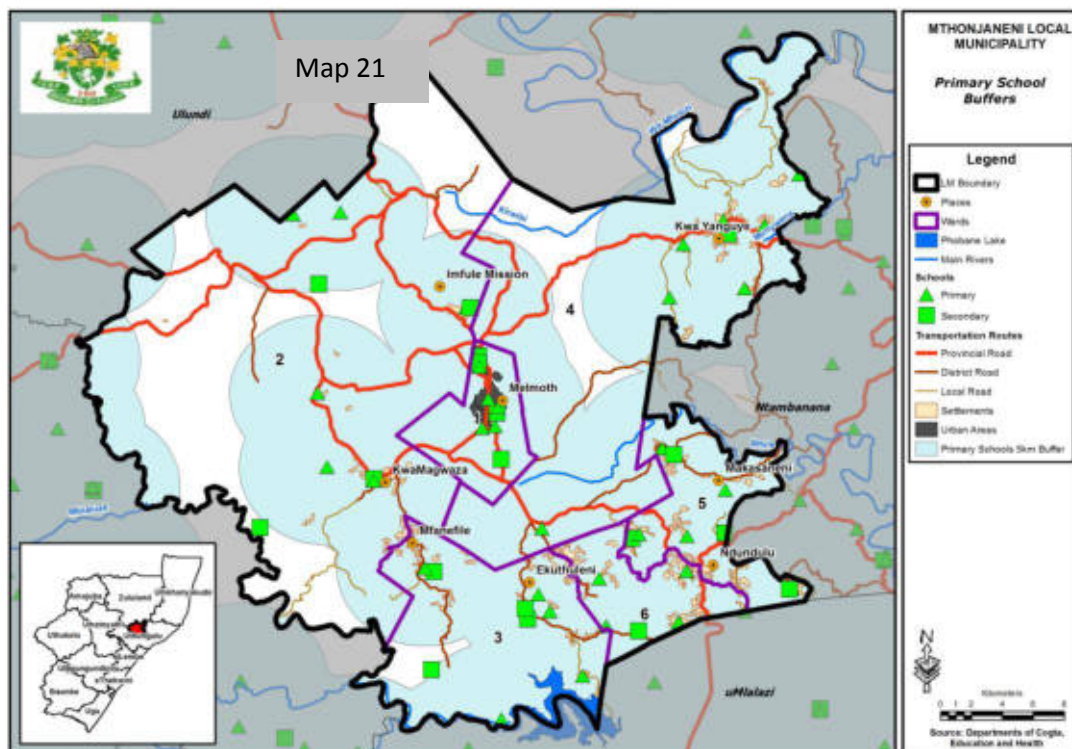
The social facilities follow the settlement patterns.

##### **(a) Education**

There are a number of schools in the settlements surrounding Melmoth, Imfule Mission, Kwa Yanguye, KwaMagwaza, Ekuthuleni, Ndundulu and Makasaneni. Education is a key factor in poverty alleviation and the upliftment of rural communities and is especially significant in Mthonjaneni Municipality due to the large number of children under the age of 19.

In terms of primary schools the municipality is very well serviced as all settlements and towns have a primary school within 5 km of the community.

In terms of high schools the municipality has adequate coverage. Most settlements and towns have a high school within 5 km of the community, with only one settlement north-west of KwaMagwaza being within the 10 km buffer and thus having further to walk. An area of concern is the Kwa Yanguye area to the south-east of the municipality is densely populated and only has one high school. Since this area is identified as a secondary node it is a priority need. The area adjoining this in Ntambanana has been identified as an area of “greatest need” in their SDF. Spin-offs from any development could assist in alleviating poverty in both areas.

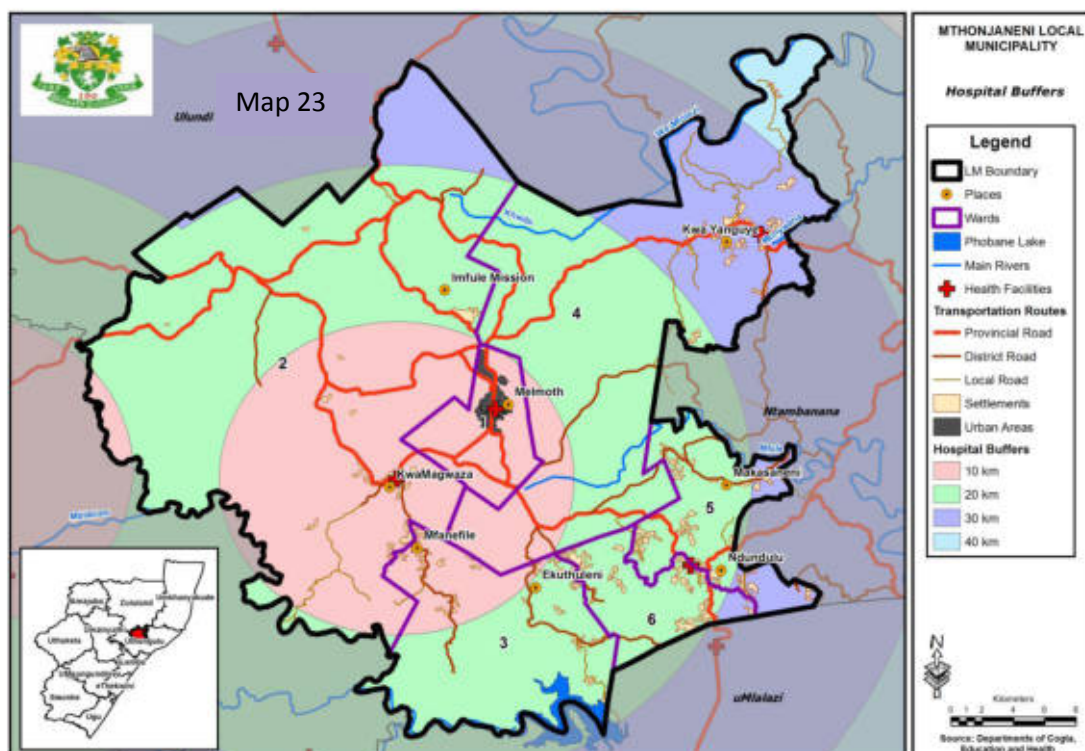


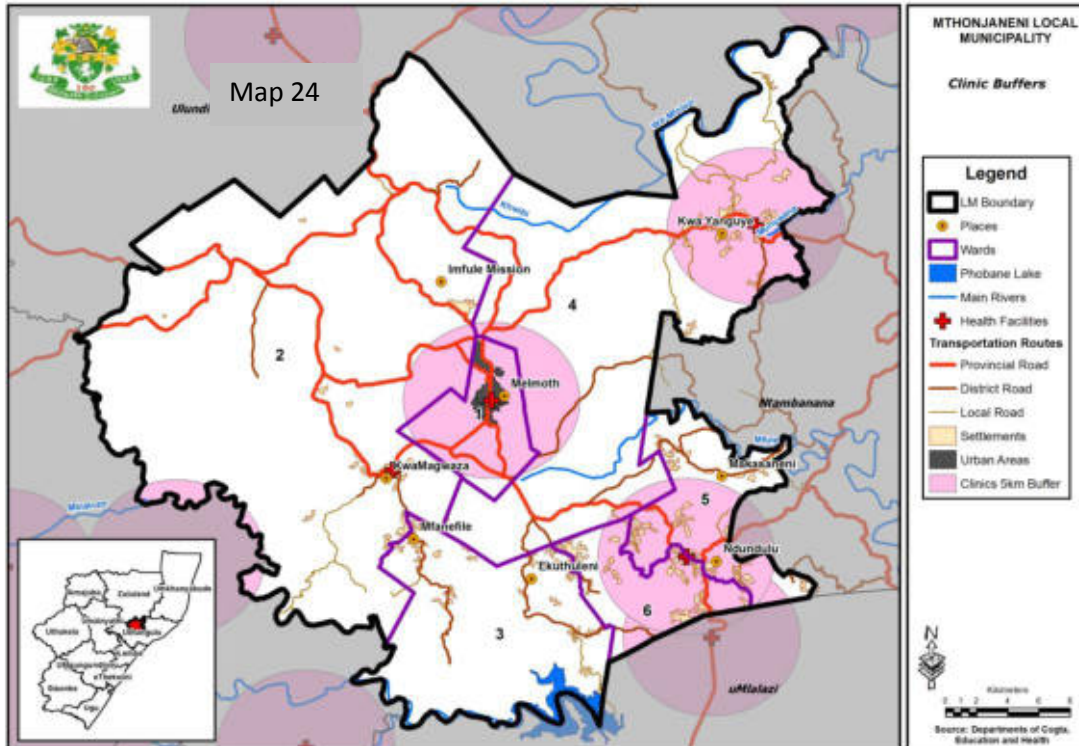


## (b) Health

In terms of health facilities, the area is serviced by a regional hospital, St Mary's, at KwaMagwaza. The hospital is approximately 9 km from Melmoth and is easily accessible to the community as KwaMagwaza is located along a provincial road and the majority of the towns and settlements are within a 20 km radius of the hospital. The area of Kwa Yanguye and surrounding settlements have longer to travel being within 30 to 40 km of the hospital.

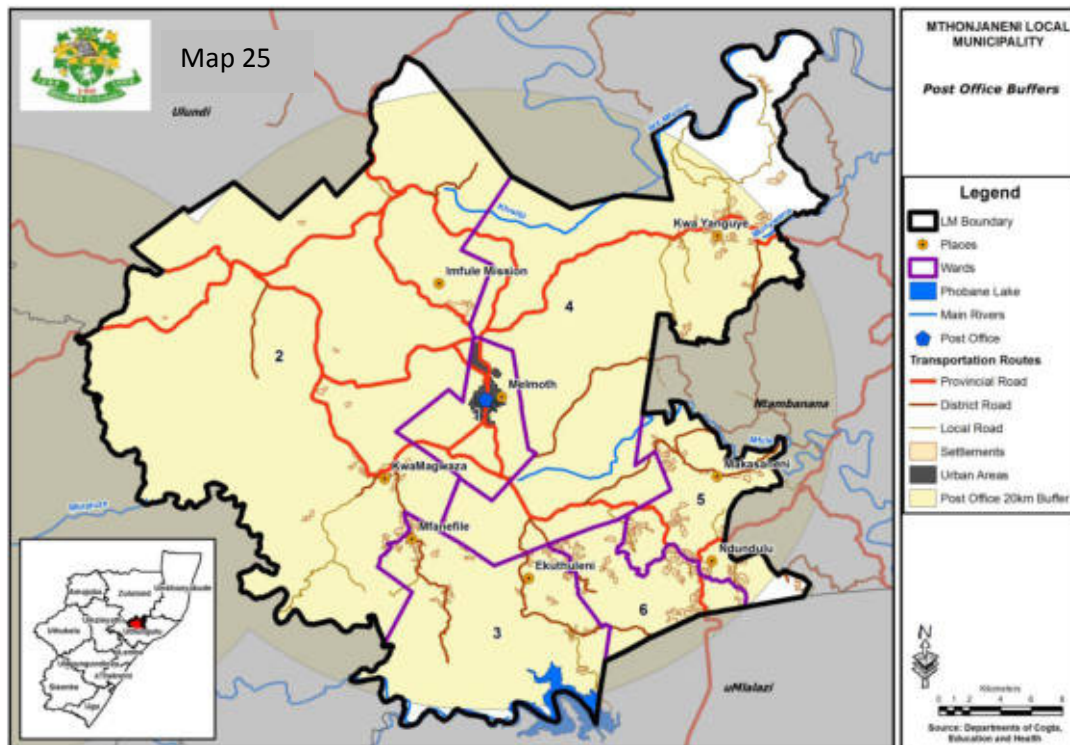
With regard to clinics there are three clinics which are found at Melmoth, Ndundulu and Kwa Yanguye. This provides good coverage within a 5 km radius of these clinics, however, there are gaps in that Makasaneni, settlements south of KwaMagwaza, and the Ekuthuleni area have no clinic in close proximity to their communities. A mobile clinic is based at KwaMagwaza and may service these communities but this information is not readily available. There are also areas of the Kwa Yanguye settlement that fall outside of the 5 km radius of the existing clinic. The Mthonjaneni LUMS highlighted this as a concern and raised the issue of another clinic to service the area. This would be a good option, given that the Kwa Yanguye area is located between 30 and 40 km from the hospital at KwaMagwaza with some settlements situated even beyond the 40 km buffer.





**(c) Post Office**

A post office is located in Melmoth and services the entire municipal area. Most communities are within a 20 km distance of this facility.



**(d) Police Stations**

A police station is located in Melmoth. This is not adequate coverage for the entire Municipality. Satellite police stations should be located within the secondary nodes of Ndundulu and Kwa Yanguye (Mthonjaneni SEA, 2007) and KwaMagwaza.

**(e) Traditional Courts**

There are two Traditional authority areas. The Ntembeni Tribal Court is located in Ndundulu which falls under the Zulu/Enthembeni Traditional Authority. The Yanguye Tribal Court is located in Kwa Yanguye which falls under the Biyela/Kwa Yanguye Traditional Authority

**(f) Cemeteries**

In terms of cemeteries the uThungulu District Municipality is responsible for regional cemeteries and the Mthonjaneni Municipality is responsible for local cemeteries.

There is an existing cemetery in Melmoth, KwaMagwaza, Mfanefile, Ekuthuleni and at Imfule Mission as well as a cemetery adjacent to the church in Kwa Yanguye.

Previous studies identified that there is insufficient capacity and it was recommended that:

- the cemetery in Melmoth be extended by an additional 4 hectares in order to provide 6 400 burial sites;
- the Imfule Mission cemetery be extended by 5 hectares to provide 8 500 burial sites; and
- a new cemetery be developed in Ndundulu.

The Melmoth cemetery has been partially extended with an additional 2 000 sites and is trying to source funding to address the other identified cemetery needs. (Mthonjaneni Draft IDP 2012/13 to 2016/17, uThungulu District Community Facilities Plan, 2006)

- There is a need for adequate policing in secondary nodes.
- Health and school facilities need to be re-evaluated for adequacy in light of the above findings.
- Access to cemeteries is an area that requires constant evaluation and pre-planning to ensure adequate access to the facilities particularly in urban and rural centres.

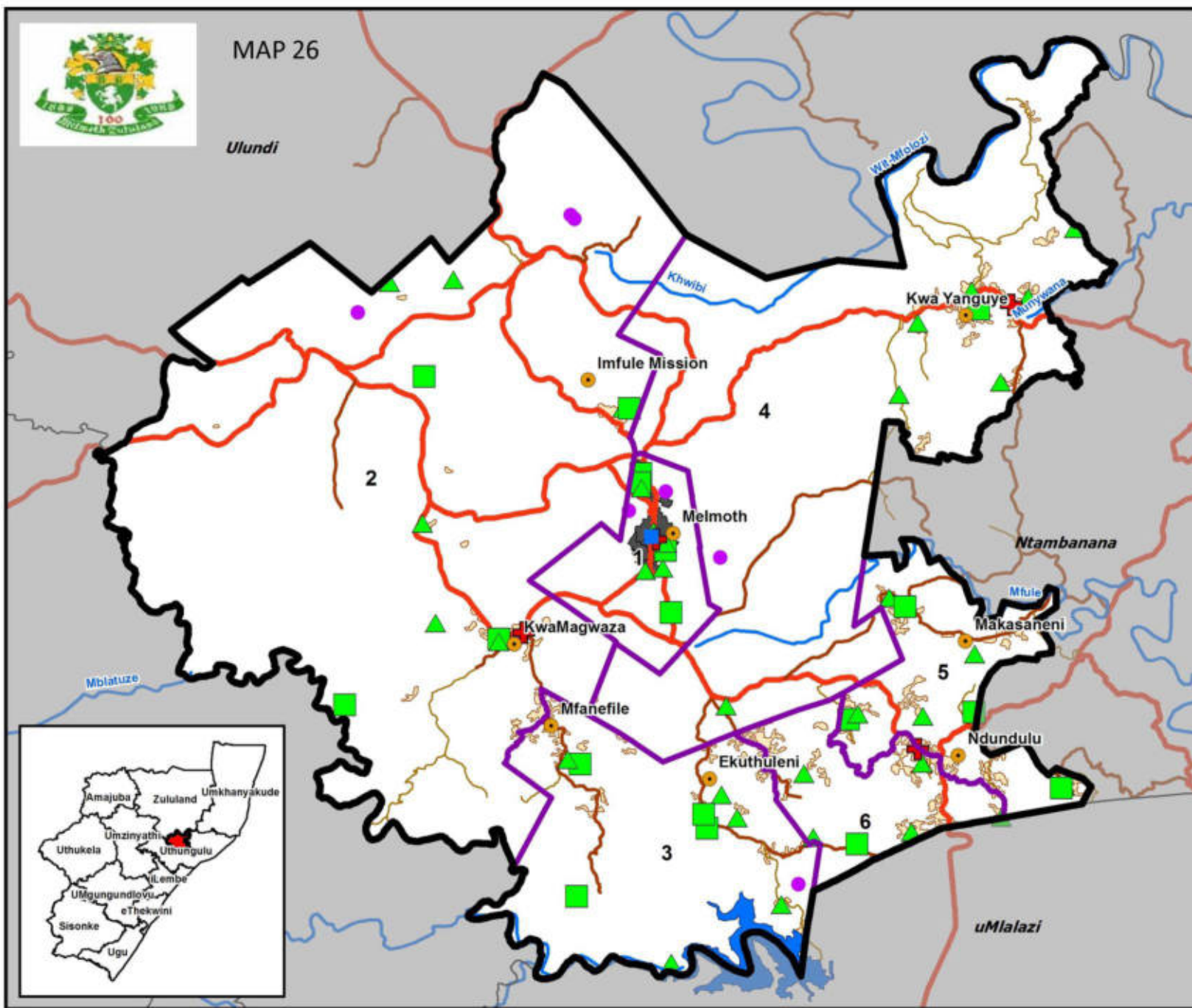
Source: Mthonjaneni SEA 2007





MAP 26

Ulundi



## MTHONJANENI LOCAL MUNICIPALITY

### Social Facilities

#### Legend

- LM Boundary
- Places
- Wards
- Phobane Lake
- Main Rivers
- Post Office
- Health Facilities
- Schools**
  - Primary
  - Secondary
  - Places of Interest
- Transportation Routes**
  - Provincial Road
  - District Road
  - Local Road
  - Settlements
  - Urban Areas

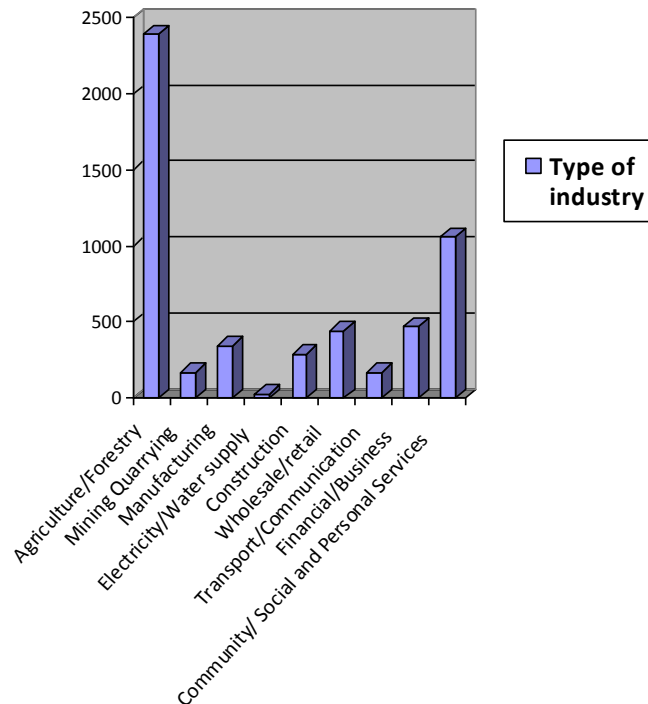


Source: Departments of Cogta,  
Education and Health

#### 4.2.9 Employment Sectors

The key employment sectors within Mthonjaneni relate to agriculture and forestry, followed by community, social and personal services.

Figure 2: Employment Industry (15 – 65 year age group)

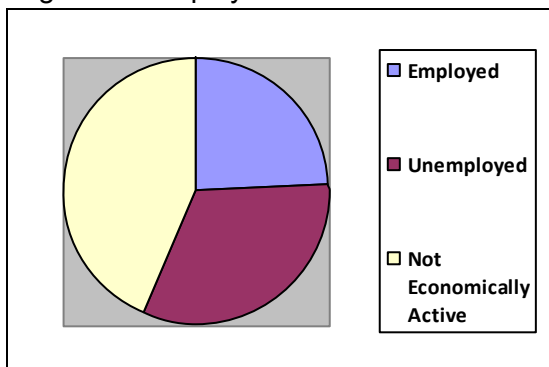


Source: Stats SA – Community Survey 2007

#### 4.2.10 Employment

According to the Community Survey (2007), 6 503 people are employed, 8 482 are unemployed and 11 732 are not economically active in Mthonjaneni Municipality.

Figure 3: Employment



Source: Stats SA – Community Survey 2007

#### 4.2.11 Income Distribution

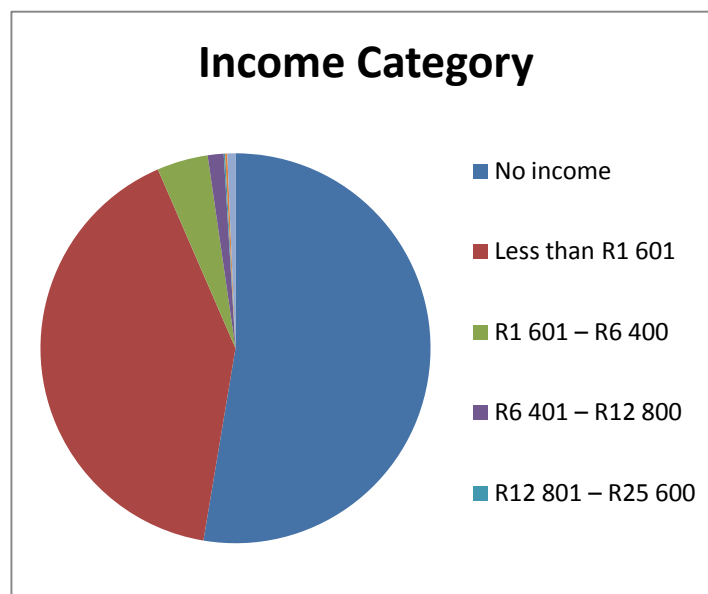
According to the Community Survey 2007, levels of income within Mthonjaneni are very low, with the majority of the population having either no income or earning less than R1 600 per month.

Table 18: Income Category

Income Category	Gender		Total
	Male	Female	
No income	11 826	12 049	23 875
Less than R1 601	8 826	9 705	18 531
R1 601 – R6 400	1 262	656	1 918
R6 401 – R12 800	335	264	599
R12 801 – R25 600	51	0	51
R25 601 upwards	51	30	81
Response not given	762	544	1 306

Source: Stats SA - Community Survey 2007

Figure 4: Income Category



Stats SA: Community Survey 2007

- Education levels at Ndundulu and Kwa Yanguye are an area of concern as it is unlikely that the communities have the necessary education levels and skills base to facilitate economic growth and development.
- Income levels are a major concern, particularly in outlying areas.
- High levels of unemployment and economic inactivity are of concern.

Source: Mthonjaneni SEA 2007

### 4.3 BUILT ENVIRONMENT

#### 4.3.1 Water

##### (a) Piped Water

In terms of water, a suitable standard of water supply is to have access to piped water either to the dwelling or at least within 200 metres of the dwelling. According to the 2007 Community Survey, 66.1% of the households of Mthonjaneni have access to piped water. This is a marked improvement on the 2001 Census data which indicated only 43.8% of households had access

to piped water. Access to piped water is one of the key indicators utilised in the Multiple Deprivation Index.

Table 19: Access to Piped Water

Access to water	2001 Census: Total (%)	CS 2007: Total (%)
Piped water inside the dwelling	15.5	18.5
Piped water inside the yard	20.9	27.4
Piped water from access point outside the yard	7.4	20.2
No piped water	56.2	33.9

Stats SA: Census 2001, Community Survey 2007

Figure 5: Access to Piped Water

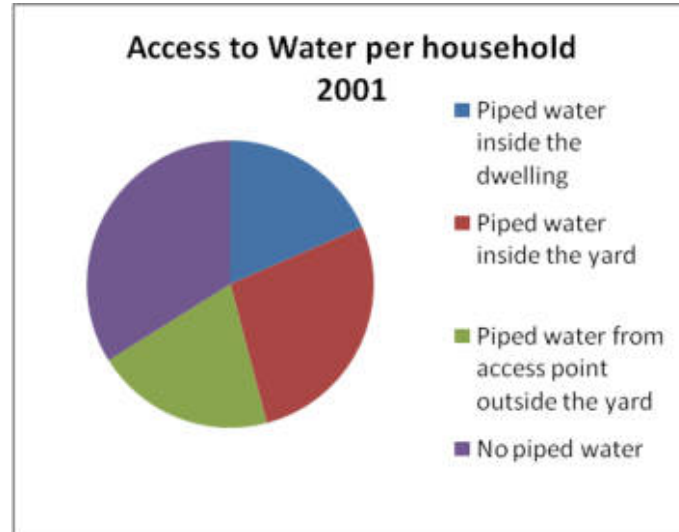
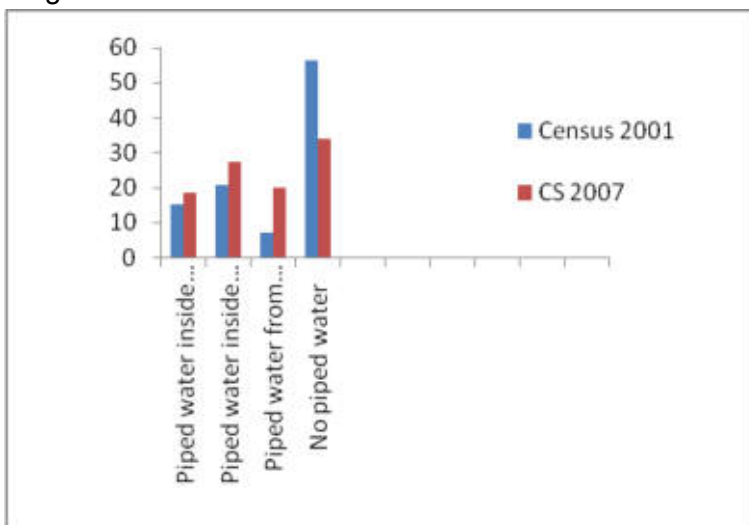


Figure 6: Access to water 2001 and 2007



Stats SA: Census 2001, Community Survey 2007

## (b) Alternative water supply

In the absence of piped water, communities and settlements do make use of alternative water supplies, for instance boreholes, rivers and springs. In some instances even if piped water is available at a standpipe, significant distances have to be walked to access that water.

The Assessment of the Scope for Alternative Technologies and Potential for Expanding the Resource Base guideline (PPT, 2009) looks at alternative technology to ensure a sustainable supply of water to households that do not have piped water.

Rainwater harvesting can be effectively utilised in both residential households and public facilities. The Mthonjaneni Municipality is well endowed with water resources in terms of rivers and has an above average rainfall which makes rainwater harvesting a viable and sustainable option.

#### **4.3.2 Sanitation**

In terms of sanitation, Mthonjaneni has high levels of inadequate sanitation. According to the Community Survey 2007, 55% of households utilise a pit latrine and 22.6% have no toilet facilities. This means that effectively 77.6% of households do not have adequate sanitation facilities.

#### **4.3.3 Refuse Removal**

According to the Community Survey 2007, although 34% of households have refuse removed by the local authority, there is a huge gap in that 40.2% of households have no refuse removal at all.

#### **4.3.4 Energy**

##### **(a) Formal electricity supply**

The Multiple Deprivation Index utilises the supply of electricity for lighting purpose as a key indicator. It is not used as an indicator for cooking or heating as households may have a preference for another mode of energy supply. In terms of the Community Survey 2007, 38.5% of households use electricity for lighting which is an improvement on the 2001 Census which recorded 29.9% of households using electricity for lighting. Approximately 29% of households use electricity for cooking and heating.

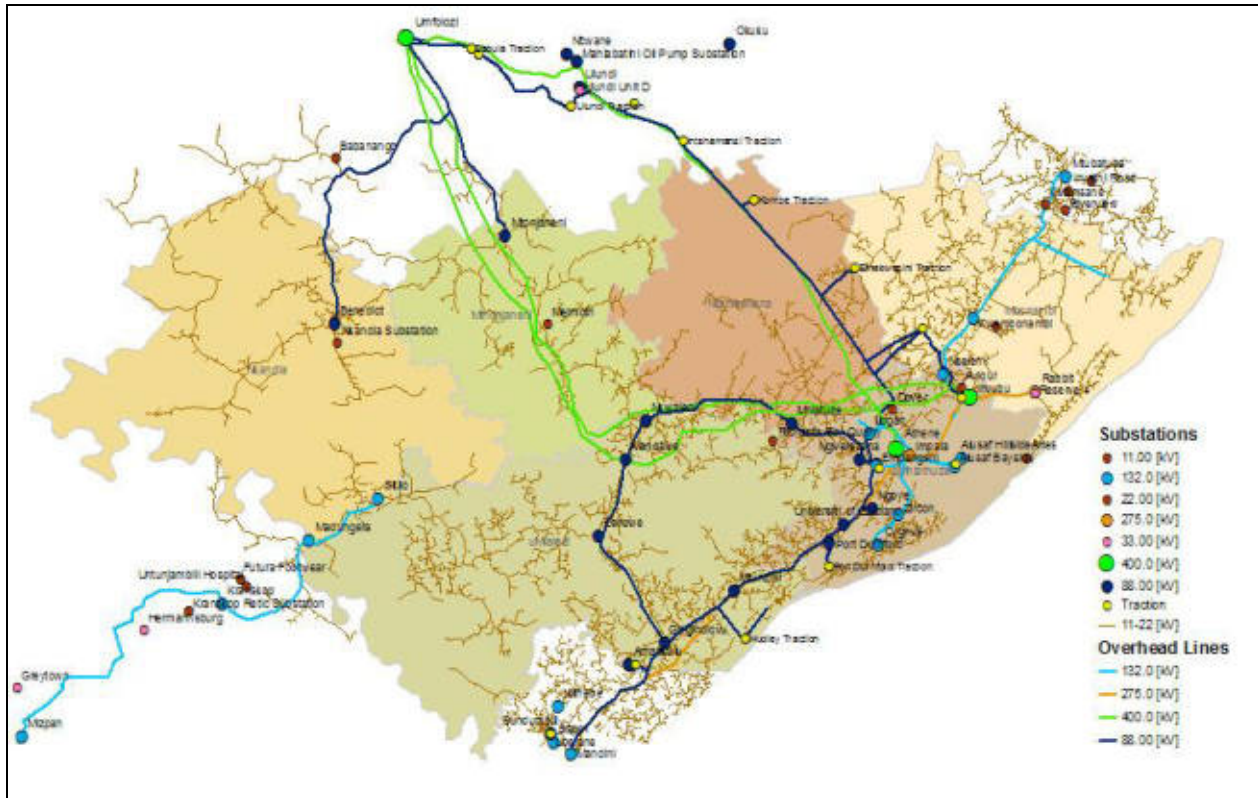
Map 32 shows the electrification network in the Mthonjaneni Municipality. The map shows that the central band is well capacitated but that there are huge gaps in the eastern section of the municipality. There are a number of sub-stations and powerlines which service Imfule Mission, KwaMagwaza, Melmoth/Thubalethu, Ekuthuleni and Ndundulu. Makasaneni and Kwa Yanguye to the east of the municipality have limited access to formal electricity supply.

What is significant is that just outside of the eastern boundary, running through Ntambanana and Ulundi, near the Kwa Yanguye area is an existing electrical network which could possibly be expanded to supply this area.

The Uthungulu Energy Sector Plan shows intended expansion of the network and prioritisation thereof. The Melmoth/Thubalethu and Imfule Mission area are prioritised, followed by the area

to the west of it which incorporates KwaMagwaza. There is also an indication that the Kwa Yanguye area will be getting a 400kV overhead line. Although this does not provide adequate supply to the area considering its status as a secondary node, it is an improvement.

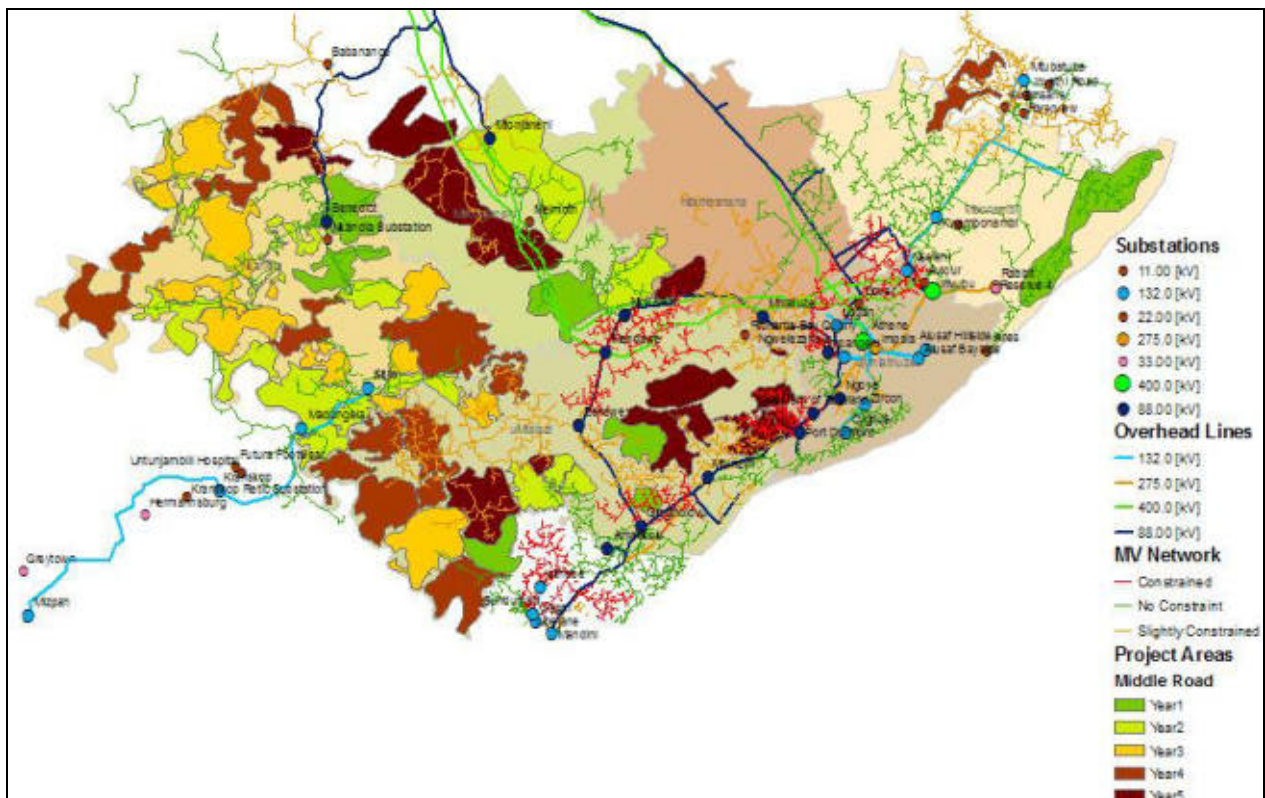
## Eskom Electrical Network Overview 2009



Source: Uthungulu Energy Sector Plan (2009)



## Prioritisation Model Results (Middle Road Scenario)



Source: Uthungulu Energy Sector Plan (2009)

### (b) Alternative Energy

The draft Uthungulu Energy Sector Plan Review (2009) looks at renewable and alternate energy sources and identified the need to do feasibility studies and pilot projects on Micro Hydro, Wind and Bio-Gas generation and Solar Water Heating.

The Assessment of the Scope for Alternative Technologies and Potential for Expanding the Resource Base guideline (PPT, 2009) looks at the utilisation of alternative technology to help address basic needs of the poor and marginalised. In terms of Mthonjaneni this primarily relates to the dispersed rural settlements. There are areas such as Kwa Yanguye and Makasaneni which are off the Eskom grid and therefore need to utilise other resources. Recommended technologies include safer and more efficient cookers such as gas fuel and more efficient and sustainable use of woodfuel at a household level. At a social facility level, such as at schools or community halls, solar water heaters, solar power and biogas are viable options.



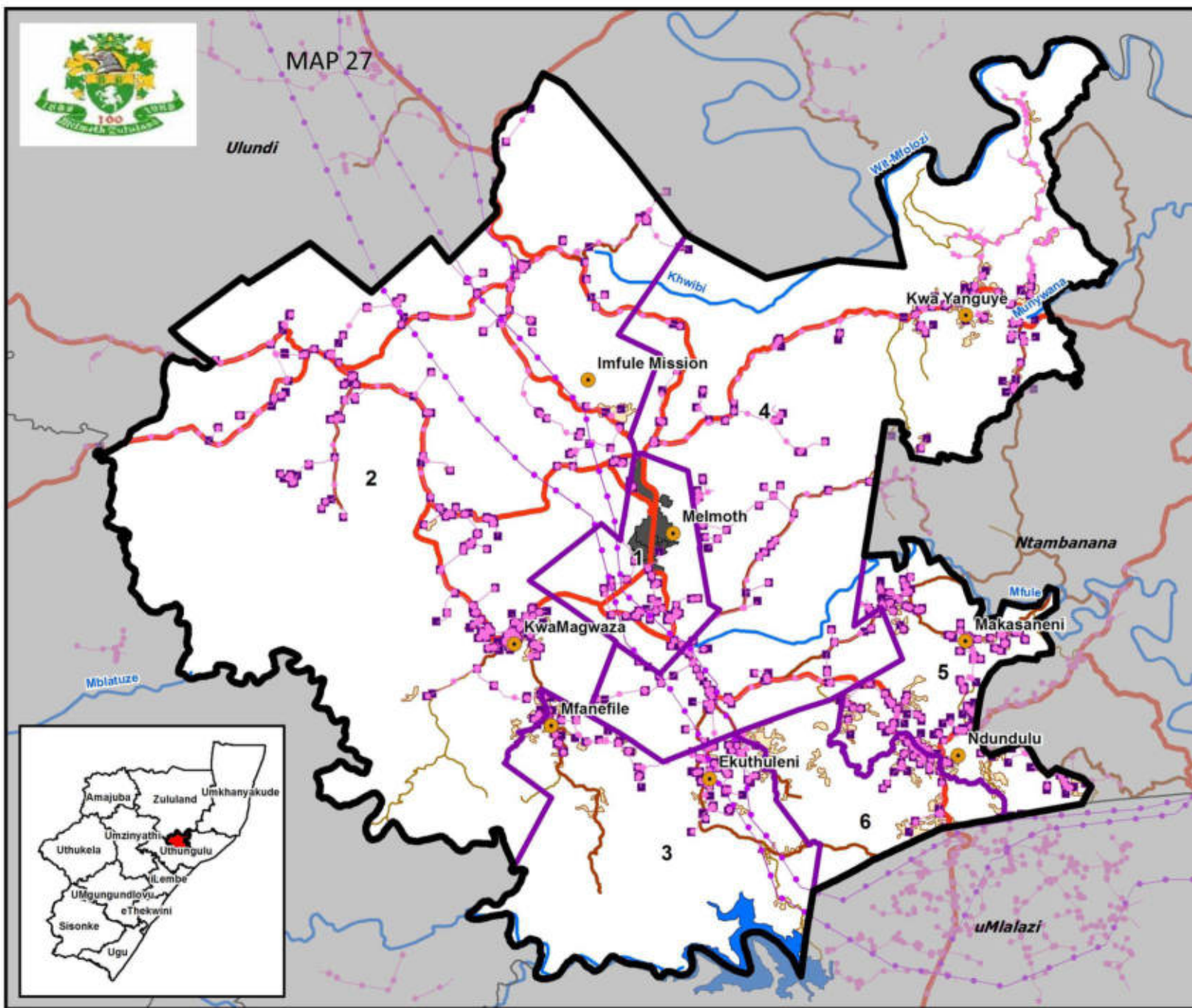
- Access to water in secondary nodes is an area of concern particularly in the dry season. Water shortages are prevalent and impact in terms of access to borehole and river water.
- Access to basic services such as electricity and sanitation is required for all households particularly in identified nodes.

Source: Mthonjaneni SEA 2007



MAP 27

Ulundi



## MTHONJANENI LOCAL MUNICIPALITY

### Electrification Network

#### Legend

- LM Boundary
- Places
- Wards
- Phobane Lake
- Main Rivers
- Eskom HV Lines
- Eskom MV Lines
- Eskom Substations
- Transportation Routes**
  - Provincial Road
  - District Road
  - Local Road
  - Settlements
  - Urban Areas



Source: Eskom

#### **4.3.5 Transportation**

Mthonjaneni Municipality has a well established road network servicing all settlements. No national roads run through the municipality. There are a number of key provincial roads which service the area.

The central band is well serviced by provincial roads and there are links from north to south and east to west. The R66/R34 runs from the south east corner of the Municipality, through Ndundulu and Melmoth/Thubalethu and up towards the north. Lower level roads branch off the R66/R34 and provide access to Makasaneni, Ekuthuleni, Mfanefile, KwaMagwaza and Imfule Mission. It provides linkages with the Empangeni, Richards Bay area in the south and Ulundi and Nongoma in the north.

The R68 runs through Kwa Yanguye in the east, then through Melmoth to the western boundary. It provides linkages with Ntambanana in the east and Nkandla and Babanango in the west.

##### **(a) Road Classification**

Four types of road classes have been identified according to the KwaZulu-Natal Department of Transport database. This classification is as follows:

##### National Roads

These roads denoted with the prefix 'N' e.g. N11 and are primarily the responsibility of the Department of Transport and are maintained through the South African National Roads Agency.

##### Provincial Main Roads

These are higher order provincial roads all with the prefix 'P' e.g. P47-3. There is a further breakdown of this class into types of main roads, each type meeting certain requirements pertaining to traffic volumes, freight requirements and so forth and hence not all main roads are surfaced roads. The Department of Transport also uses another classification system and therefore some provincial roads are also referred to as Routes (R). In the case of Mthonjaneni, the P47-3 is also referred to as the R66, and the P253 and P48 as the R68.

##### Provincial District Roads

All these roads are the responsibility of the Department of Transport and the majority are not surfaced. Again there is a further breakdown into types of district roads, each allocated different design and maintenance specifications. These roads normal have a prefix 'D' e.g. D550.

##### Provincial Local Roads

Formerly, these were known as “Community Access Roads” and are classified as third order roads with minimum design requirements. In this class there is a further breakdown into two types, namely gravel and earth roads (tracks). These roads generally have a prefix ‘A’.

Table 20: Strategic Functional Road Classification System

<b>Class</b>	<b>Strategic Function</b>	<b>Nature of Roads</b>	<b>Implications for Mthonjaneni SDF</b>
1 Primary distributor	High mobility roads with limited access for rapid movement of large volumes of people, raw materials, manufactured goods and agricultural produce of national importance.	Public roads: <ul style="list-style-type: none"> <li>• between, through and within regions of national importance.</li> <li>• between, through and within provincial capitals and key cities.</li> <li>• between, through and within major city nodes, which have significant economic or social road traffic.</li> <li>• between South Africa and adjoining countries which have significant national economic or social transport interaction.</li> <li>• providing access to major freight and passenger terminals including major ports and airports.</li> </ul>	The N2 is the Primary distributor within the Uthungulu District Municipality. The N2 falls outside of Mthonjaneni, however it still has implications in terms of economic and social interaction.
2 Regional distributor	Relatively high mobility roads with lower levels of access for the movement of large volumes of people, raw materials, manufactured goods, and agricultural produce of regional importance in rural and urban areas.	Public roads: <ul style="list-style-type: none"> <li>• between, through and within centres of provincial importance.</li> <li>• between, through and within provincial capitals, large towns and municipal administration centres.</li> <li>• between class 1 roads and key centres which have a significant economic, social, tourism or recreational role.</li> <li>• between South Africa and adjoining countries which carry limited economic or social road traffic.</li> <li>• providing access to economic and transport hubs of regional importance, including specific networks such as the Strategic Secondary Road Network and the Strategic Public Transport Network.</li> </ul>	There are two regional distributors within Mthonjaneni Municipality, namely the R66 and R68. The R66 serves as the Primary Corridor for the municipality and links Richards Bay, Eshowe, Melmoth and Ulundi.  The R68 is the alternative route to Richards Bay through Ntambanana.
3 District distributor	Moderate mobility with controlled higher levels of access for the movement of people,	Public roads: <ul style="list-style-type: none"> <li>• through and within centres and towns and linking with rural residential areas and villages.</li> </ul>	Within Mthonjaneni, District distributor roads would include: <ul style="list-style-type: none"> <li>• R66 which links</li> </ul>

	raw materials, manufactured goods, agricultural produce in rural and urban areas of regional importance.	<ul style="list-style-type: none"> <li>through and within centres and town and linking with industrial/farming areas.</li> <li>between residential areas and local industrial/commercial areas.</li> <li>between, through and within large residential areas.</li> <li>that provide linkages between Class 2 and/or Class 1 routes.</li> <li>that provide linkages between centres, towns, rural residential, industrial/farming areas, and Class 2 or Class 1 routes including specific networks such as the Strategic Secondary Road Network and the Strategic Public Transport Network.</li> </ul>	<p>Melmoth to Ndundulu and Imfule Mission</p> <ul style="list-style-type: none"> <li>R68 which links Melmoth to Kwa Yanguye.</li> <li>P227 which links Melmoth to KwaMagwaza.</li> </ul>
4 District Collector	High levels of access and lower levels of mobility for lower traffic volumes of people, raw materials, manufactured goods, agricultural produce in rural and urban areas of local importance.	<p>Public roads:</p> <ul style="list-style-type: none"> <li>between, through and within villages, farming areas and scattered rural settlements, which provide access to social services and markets.</li> <li>within commercial, residential and industrial areas.</li> <li>linking Class 3 roads.</li> <li>with limited direct access to property in an urban context.</li> </ul>	<p>Within Mthonjaneni, District collector roads would include:</p> <ul style="list-style-type: none"> <li>D395 which links KwaMagwaza to Ekuthuleni.</li> <li>D550 which links KwaMagwaza to Mfanefile.</li> </ul>
5 Access roads	High access and very low mobility routes for the movement of people and goods within urban and rural areas.	<p>Public roads:</p> <ul style="list-style-type: none"> <li>within a residential area.</li> <li>Between Class 3 or 4 type roads and residential areas.</li> <li>that provide direct access to industries and businesses.</li> <li>that provide access to specific destinations such as heritage sites, national parks, mines, forests, etc.</li> <li>that accommodate safe mobility of pedestrians and other non-motorised transport systems.</li> </ul>	<p>This includes public access roads within the urban and rural centres of Melmoth, KwaMagwaza, Ndundulu and Kwa Yanguye. Interventions will be addressed during the LUMS process.</p>
6 Non-Motorised access ways	Public rights of way for non-motorised transport providing basic and dedicated movement.	<p>Public right of way:</p> <ul style="list-style-type: none"> <li>that provides safe dedicated access and mobility for pedestrians, cyclists and animal drawn transport.</li> <li>that provides dedicated</li> </ul>	<p>In terms of Mthonjaneni this aspect has not been addressed. Further investigation should be undertaken during the preparation of the Land Use Management</p>

		access to social, recreational and economic areas.	System.
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Source: Road Infrastructure Strategic Framework for South Africa (2006)

## **(b) Accessibility**

A country's road network has an important role to play in economic and social development. Areas with inadequate transports systems limit access to economic and social opportunities. Without the means to generate income and improve the quality of life, such communities remain poverty stricken. Rural poverty, in particular has been linked to the isolation of communities from economic centers. There is thus a relationship between poverty and the lack of adequate transportation systems.

## **(c) Public Transport**

As many of the community do not have their own motor vehicles, public transport is essential in providing mobility and accessibility of these communities to socio-economic facilities. Transportation within the Municipality is almost exclusively achieved through the use of road vehicles. Categories of transport are as follows:

- Public Transport – Buses
- Public Transport – Taxis
- Private Transport – Passenger Vehicles
- Private Transport – Trucks

There is a widespread bus network which focuses primarily on short trips to the minor population centres. These centres include:

- Melmoth
- Imfule Mission
- Mfunefile
- Makahsanele
- Hlabatini
- Yanguye
- Mkhadlwini
- Mkwenkwe
- Nomponjwana
- Ndundulu
- Ekuthuleni
- Ndloziyana
- KwaMagwaza
- Bomvini

- Dubeni

There is also a large taxi service operating in the Municipality. This network focuses on short trips to the larger population centres and long trips to the large regional and national nodes. These include:

- Durban
- Empangeni
- Ulundi
- Babanango
- Nkandla
- Eshowe
- Thubalethu (Mthonjaneni Socio-Economic Study, 2007)

- The poor access road to Kwa Yanguye (D131 / P253) is negatively impacting on its economic and tourism potential.
- A road linkage is proposed between the Ekuthuleni and Mfanefile areas.

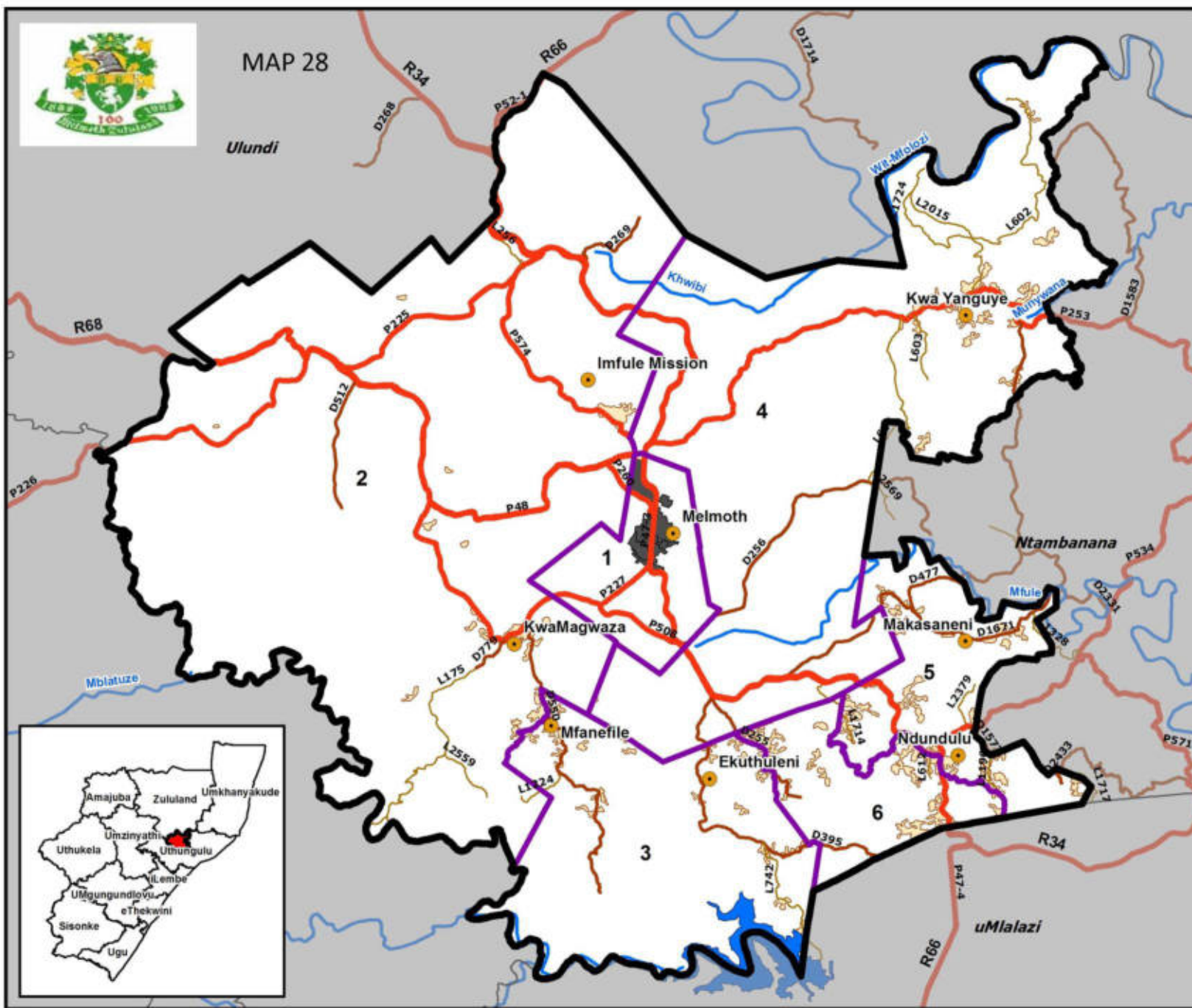
Source: Mthonjaneni SEA 2007, Mthonjaneni IDP (2012-17)





MAP 28

Ulundi



## MTHONJANENI LOCAL MUNICIPALITY

### Transportation

#### Legend

- LM Boundary
- Places
- Wards
- Phobane Lake
- Main Rivers
- Transportation Routes**
  - Provincial Road
  - District Road
  - Local Road
  - Settlements
  - Urban Areas



Source: KZN Department of Transport

#### **4.3.6 Telecommunications**

Telecommunications includes access to radio, television, telephone, cell phone and internet. Access to radio and television are key indicators in the Multiple Deprivation Index in order to show quality of life.

##### **(a) Access to Telephone/Cellphone/Internet:**

There has been a downward trend in the use of landline telephones since 2001. The CS 2007 data shows that only 265 households out of the total of 10 671 have a landline, which is a decrease from the 500 households that had one in 2001. In contrast, 5 215 households have a cellphone as at 2007, which is a significant increase from the 1 832 households which had a cellphone in 2001.

Access to the internet is related in part to owning a computer and also to having a functioning landline. Only 332 households have a computer as at 2007 and only 137 households have access to the internet.

##### **(b) Access to Radio/Television**

Access to a radio for communication has decreased by approximately 10%, with 6 826 households having access in 2001 and 6 169 having access in 2007. Although access to a television has increased slightly from 2 328 in 2001 to 2 545 in 2007, it is still relatively low as only 23.9% of households have a television.

#### **4.3.7 Human Settlements**

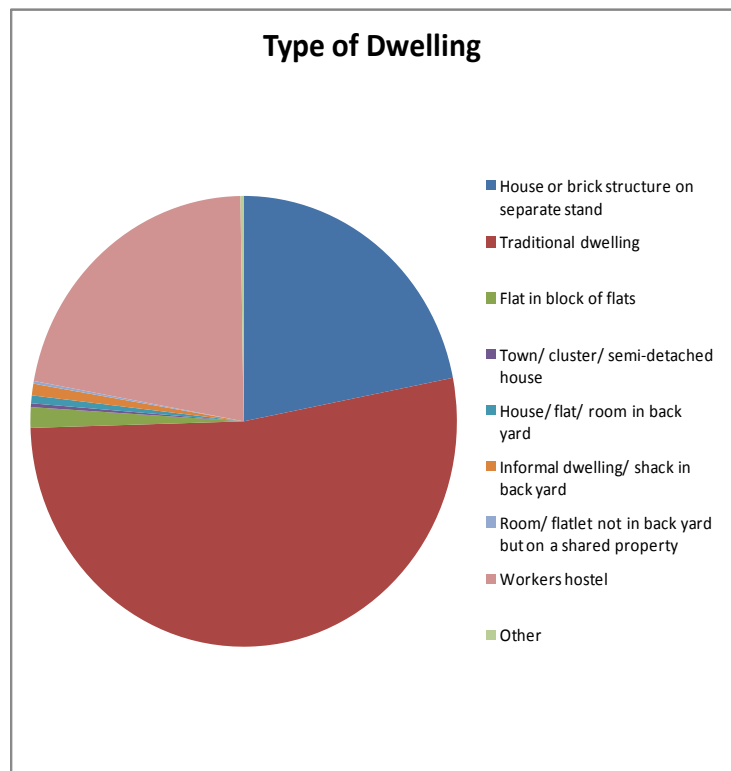
In terms of housing, more than 50% of the population reside in traditional dwellings. Workers hostels and free standing house or brick structures are the other predominant housing types at 22% each. It is significant that there are no totally informal or squatter settlements.

Table 21: Type of Dwelling (per household)

Type of Dwelling	Total
House or brick structure on a separate stand or yard	2 337
Traditional dwelling/ hut/ structure	5 616
Flat in block of flats	157
Town / cluster/ semi-detached house	29
House/ flat/ room in back yard	60
Informal dwelling/ shack in back yard	89
Informal dwelling/ shack not in back yard (eg in informal/ squatter settlement)	0
Room/ flatlet not in back yard but on a shared property	21
Workers Hostel	2 336
Other	172

Stats SA: Community Survey 2007

Figure 7: Type of Dwelling



#### 4.3.8 Tourism

Tourism is an important factor to look into in planning for the municipality. In terms of the Revised Tourism Strategy for uThungulu District Municipality (2009), there are a number of key priority areas:

##### (a) Route 66 'Zulu Cultural Heritage Route' Linkage to Emhakhosini

The plan for Route 66 is a key focus for the District and has huge implications for tourism within Mthonjaneni given that the R66 is the primary corridor and runs through or near a number of towns and settlements. According to the Tourism Strategy, "Route 66 is operational, and pamphlets advertising the route have been distributed throughout the tourism offices in the province. The route is a success from the perspective of cross municipality cooperation and whilst it is in the early stages of operation, the route provides access to some to KwaZulu-Natal's best cultural attractions and historic sites. The route brings many of the strategic objectives of the municipal tourism master plan to the fore and has the potential to become the premier cultural route in South Africa. Certainly the Route would offer tourist experiences just as

diverse as those of other successful routes such as the Cape Wine Routes, the Garden Route and the Midlands Meander.” (p 14)

**(b) Eshowe / Nkandla / Kranskop / Babanango / Melmoth Tourism Route**

This route looks at the western portion of the uThungulu District which is predominantly rural and will have an impact on Mthonjaneni as the route will move through the municipality. The intention is to showcase “significant scenic, cultural and heritage assets” (p 15). The route has not been developed and the focus remains on Route 66 which has more attractions and tourism infrastructure than this proposed route.

**(c) Simunye Project**

The Simunye Project is a land reform project which aims to establish a community owned game reserve on land in Mthonjaneni Municipality. As part of the project, 6,000 hectares of community owned land has been fenced and registered as a game reserve with Ezemvelo KZN Wildlife. Another 6,300ha of beneficiary land has yet to be fenced but will be incorporated into the game reserve. Ultimately the intention is to link this area with Opathe Game Reserve and Emakhosini Heritage Park as well as the proposed Royal Zulu Game Reserve near the Hluhluwe/Umfolozu Game Reserve, creating a singular game reserve 38 000ha in extent. Simunye Lodge is a renowned cultural village; and a partnership is in place with a reliable private sector provider (Protea Hotels).

An area that will need to be addressed is to have a tarred road into Simunye which is currently only accessible by ox wagon, horseback or 4×4. This limits the visitor/tourism base for Simunye Lodge and restricts future growth. A tarred road to Simunye Lodge is critical to the development of the Simunye Project Game Reserve.

## CHAPTER 5: SPATIAL DEVELOPMENT PROPOSALS

### 5.1 SPATIAL TOOLS

#### 5.1.1 Hierarchy of nodes

The approach adopted is similar to the Rural Service System concept. The Rural Service System concept entails the identification of a hierarchy of nodes and different levels of services and facilities within each type of node.

There are three types of nodes:

Primary Node: Administrative and Economic Centre

The following broad planning principles apply in the Primary Node:

- It must offer a full range of Social, Community and other Services and facilities.
- It will be the focus of Urban employment opportunities.
- The full range of permanent residential options will be encouraged, keeping in mind the existing character, natural attributes and attractions.
- Inside the node, mixed use corridors and areas of a more flexible and general land use nature are proposed, as opposed to only agriculture and residential. The intention is to encourage non-polluting, environmentally friendly urban employment opportunities.
- The Primary Corridor should offer development opportunities, these are to be restricted to suitable Mixed uses within the Primary Node and the Opportunity Points.

Source: Mthonjaneni IDP 2011/12

Secondary Node: Distribution and co-ordination point

The following planning principles shall apply in the Secondary Nodes:

- The primary aim is densification and upgrading of existing services.
- They are lower order Service Centres to serve the surrounding rural community.
- Services such as a schools, hospital, clinics and pension payout point are provided.

Source: Mthonjaneni IDP 2011/12

Tertiary Node: Supplementary services

The following planning principles shall apply in the Tertiary Node:

- The primary aim is providing access to services.
- They are lower order services mainly in the form of mobile services, serve the surrounding densely populated rural community.
- Services such as schools, clinics and mobile clinics, and pension payout point are provided.

Source: Mthonjaneni IDP 2011/12

The primary node has a threshold of 10 km and the secondary and tertiary nodes have thresholds of 5 km each. These thresholds indicate the communities/settlements serviced by the nodes.

Table 22: Level of services/facilities within each node

<b>Primary Node</b>	<b>Secondary Node</b>	<b>Tertiary Node</b>
Municipal Offices Hospital Welfare Offices Primary – High Schools Tertiary Training Facility Permanent Information Centre Post Office + Post Boxes Banks Bus and Taxi Terminals Police Station Magistrates Court Home Affairs Offices Municipal Hall Wholesalers/Stores/Shops	Satellite Police Station Clinic Primary School High School Tribal Court (where applicable) Rural Service Information Centre Post Boxes Regular Bus Service Community Halls Stores/Shops	Routine Police Patrol Weekly Mobile Clinic Primary – secondary schools Weekly Mobile Welfare Services Regular Bus Service Post Boxes Meeting Places Shops

Source: Mthonjaneni Draft IDP 2012/13 to 2016/17

In terms of roads, there are three levels of road network which differentiate between the higher order and lower order roads as well as the functions of the different levels of roads:

- Primary Corridor
- Secondary Corridor
- Minor Linkages/Corridor (Mthonjaneni Draft IDP 2012/13 to 2016/17)

## 5.1.2 Identification of Nodes in Mthonjaneni

### 5.1.2.1 Primary Node: Melmoth

Table 23: Primary Node - Melmoth

<b>Town/Settlement</b>	<b>Existing level of services/ facilities</b>	<b>Comments/requirements to ensure feasibility of node</b>
Melmoth (including Thubalethu)	Municipal Offices Clinic Welfare Offices Primary School High School Permanent Information Centre Post Office + Post Boxes Banks Library	Melmoth is most suited for a primary node in Mthonjaneni Municipality. It has adequate facilities and meets most of the requirements in terms of level of services/ facilities for a primary node. It does not have a hospital but does have a clinic. KwaMagwaza hospital is

	Bus and Taxi Terminals Police Station Magistrates Court Home Affairs Offices Community Hall Wholesalers/Stores/Shops Cemetery Jail Waste water treatment plant Refuse site Worship (8 Churches)	approximately 10 km away and fulfills this function. There is no high school in Melmoth itself, but there is one in Thubalethu which services that area. Another gap is a Tertiary Training Facility.
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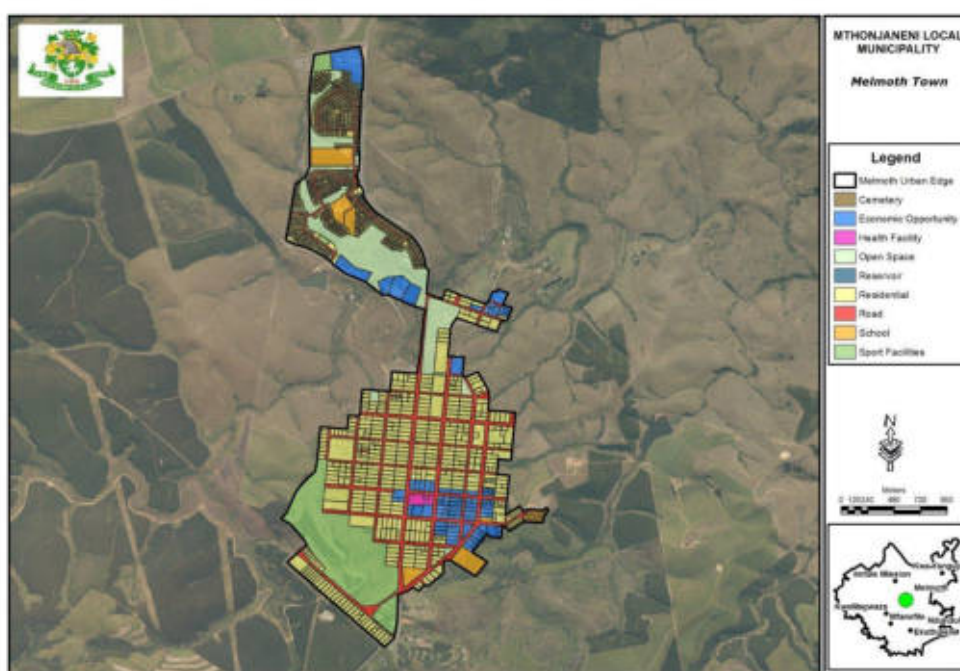
Source: Mthonjaneni Draft IDP 2012/13 to 2016/17, COGTA data, Mthonjaneni SEA 2007

Melmoth and the adjoining settlement of Thubalethu form the primary node and commercial and administrative hub of the Municipality. Located within this area are the municipal offices, provincial government offices, schools, police station, magistrate's court and various stores and shops. (Mthonjaneni Draft IDP 2012/13 to 2016/17). Melmoth has an existing Town Planning Scheme which guides land use and development within the town.

The CBD is dissected by the Primary Corridor (R66/R34) which links Melmoth and Thubalethu making them highly accessible and giving them potential for economic development. The R66/R34 is the only proposed primary corridor. The idea is to encourage mixed usage between the two areas and along the primary corridor.



Figure 8: Melmoth



#### 5.1.2.2 Secondary Nodes

Ndundulu, KwaMagwaza and Kwa Yanguye are linked by the R66 and R68 respectively and have been identified as secondary nodes. These areas play an important role as service centres to the rural communities which are further removed from the primary node. (Mthonjaneni Draft IDP 2012/13 to 2016/17).

The KwaMagwaza area is located close to the primary node and is relatively well established with a range of services and facilities. The other two areas identified as secondary nodes need further planning and development in order to adequately fulfil their function as service centres. According to the Public Capital Investment and Settlement Growth guideline (Dewar, D and Iyer, N 2009) capital investment should aim to develop support facilities and formalise the current activities. This would involve the establishment of a formal market, taxi rank and the development of a multi-purpose hall as a first step. The development of a library and resource centre is another social facility that would complement the existing facilities at the next level of development. This should be easily accessible to the existing schools.

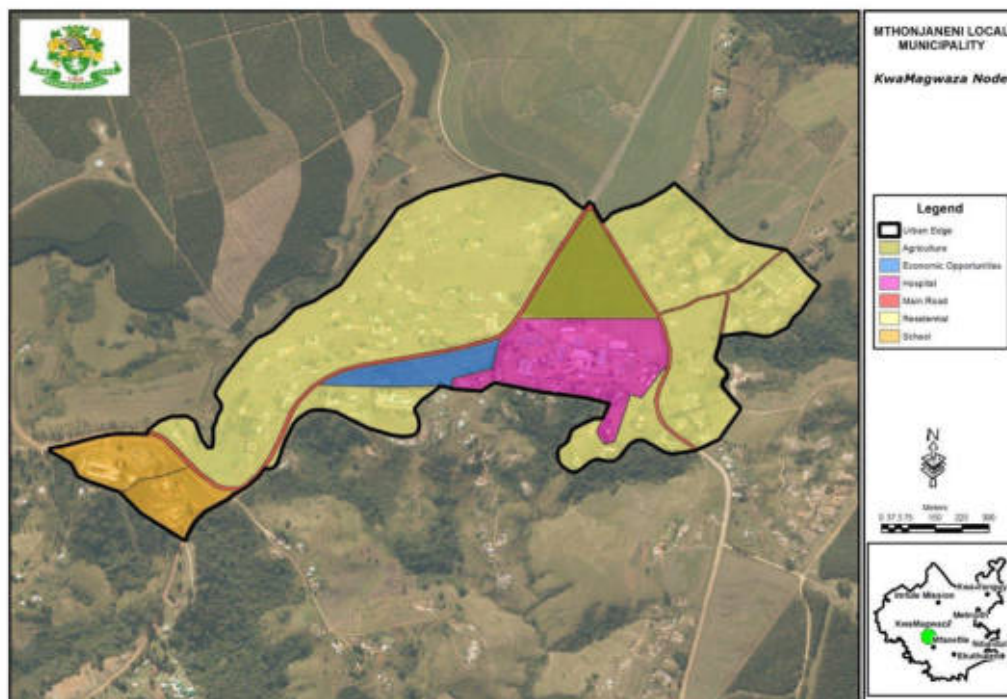
Table 22 above also outlines minimum levels of services and facilities which should be available at a secondary node. In addition to the community hall, taxi rank and formal market, a Satellite Police Station and access to post boxes will ensure feasibility of all three nodes. The Kwa Yanguye area in particular would benefit from the establishment of an additional high school and clinic.

(a) **KwaMagwaza**

Table 24: Secondary Node - KwaMagwaza

Town/Settlement	Existing level of services/ facilities	Comments/requirements to ensure feasibility of node
KwaMagwaza	Hospital Mobile Clinic Primary School High School Regular Bus Service Stores/Shops Community Hall Rural Service Information Centre	KwaMagwaza is a suitable secondary node as it has a number of facilities/ services. Gaps relate to the following:  There is no Satellite Police Station to service the area however, Melmoth is 10 km away and serves this purpose

Figure 9: KwaMagwaza

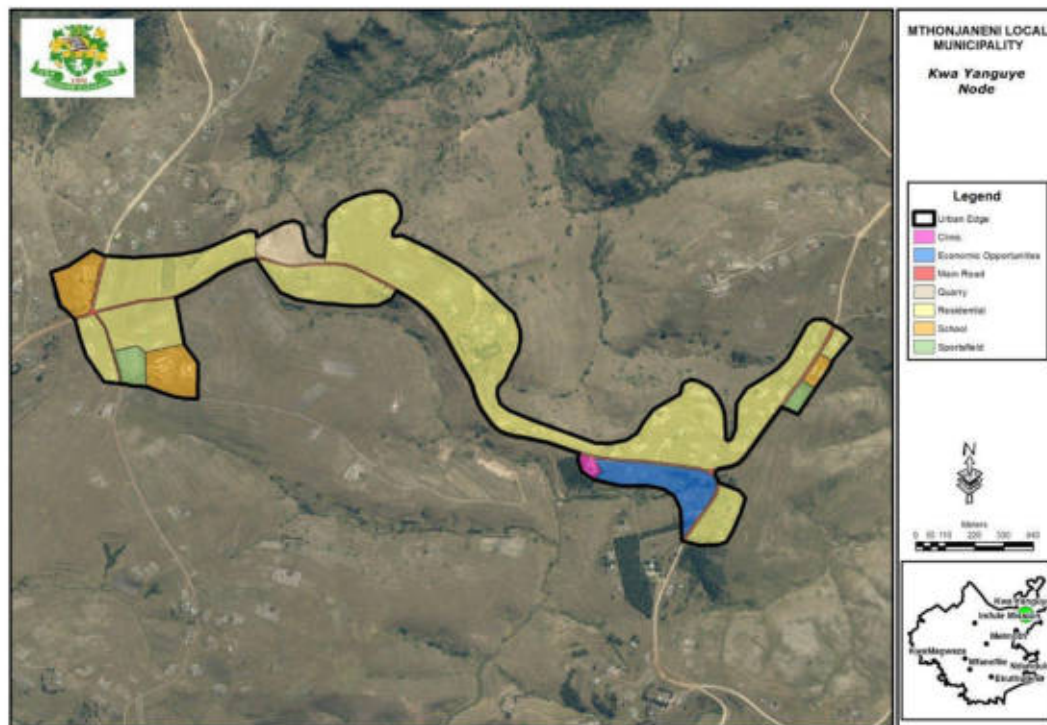


**(b) Kwa Yanguye**

Table 25: Secondary Node - Kwa Yanguye

Town/Settlement	Existing level of services/ facilities	Comments/requirements to ensure feasibility of node
Kwa Yanguye	Primary Schools High Schools Yanguye Tribal Court Informal taxi rank Post boxes Worship Cemetery Clinic	<p>This area is quite isolated and far from adequate services and facilities. If it is to be utilised effectively as a secondary node then the correct level of services/ facilities needs to be provided.</p> <p>The following are needed:            Satellite Police Station            Rural Service Information Centre            Additional clinic</p>

Figure 10: Kwa Yanguye

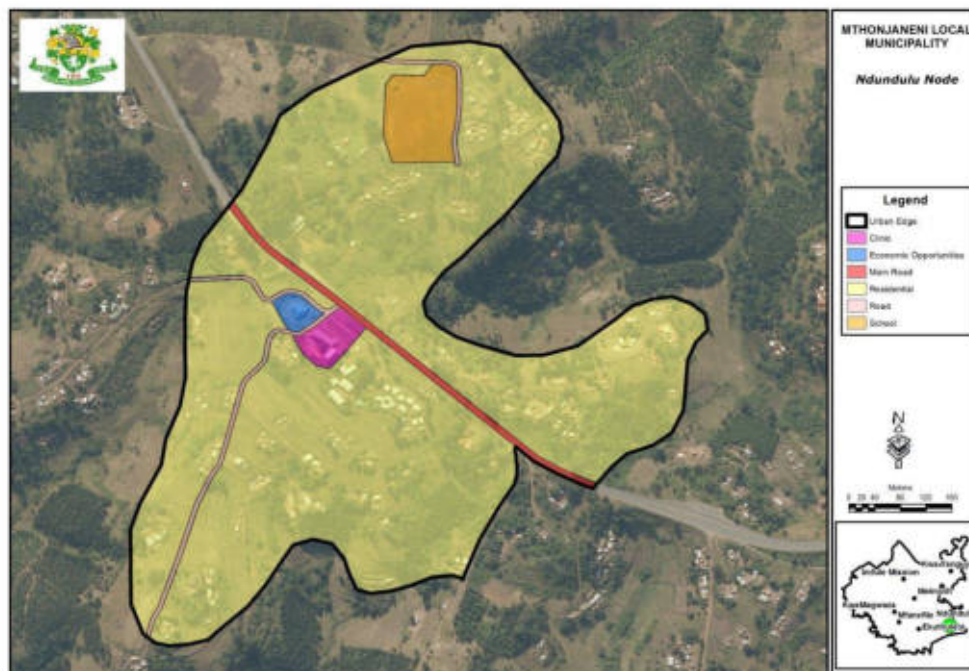


(c) **Ndundulu**

Table 26: Secondary Node - Ndundulu

Town/Settlement	Existing level of services/facilities	Comments/requirements to ensure feasibility of node
Ndundulu	Clinic Primary School High School Ntembeni Tribal Court Welfare facilities Institutions Worship	This area was not identified as a secondary node in the Mthonjaneni SEA 2007, but is identified in the draft IDP 2012/13 to 2016/17. A number of factors need to be addressed if this area is to function as an effective secondary node.  Satellite Police Station Rural Service Information Centre Post Boxes

Figure 11: Ndundulu



### 5.1.2.3 Tertiary Nodes

Table 27: Tertiary Nodes

Town/Settlement	Existing level of services/ facilities	Comments/requirements to ensure feasibility of node
Ekuthuleni	Primary school Secondary school	This area was a former land reform project. A number of issues need to be addressed to meet the requirements of a tertiary node:  Routine Police Patrol Weekly Mobile Clinic Weekly Mobile Welfare Services Regular Bus Service Post Boxes Meeting Places Shops
Imfule Mission	Primary school Secondary school Shops Cemetery	Routine Police Patrol Weekly Mobile Clinic Weekly Mobile Welfare Services Regular Bus Service Post Boxes Meeting Places
Mfanefile	Primary school Secondary school	Cognisance needs to be taken of lack of services/ facilities in the area as well as its proximity to KwaMagwaza.  Routine Police Patrol Weekly Mobile Clinic Weekly Mobile Welfare Services Regular Bus Service Post Boxes Meeting Places Shops

Source: Mthonjaneni Draft IDP 2012/13 to 2016/17, COGTA data, Mthonjaneni SEA 2007



Figure 12: Ekuthuleni



Figure 13: Imfule Mission

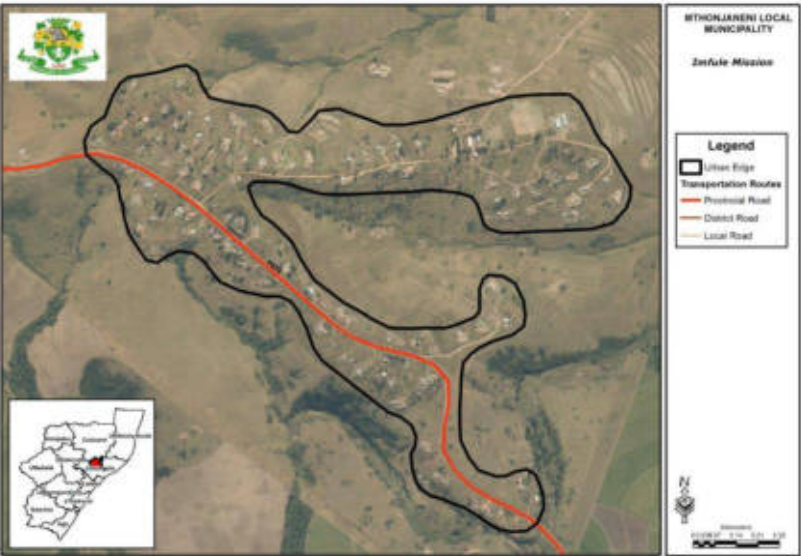


Figure 14: Mfanefile



The areas of Imfule Mission, Mfanefile and Ekuthuleni have been identified as tertiary nodes. These nodes play a role in servicing the densely populated rural communities that surround them. All three nodes are accessible via minor linkages branching off the R66. (Mthonjaneni Draft IDP 2012/13 to 2016/17)

### 5.1.3 Establishment of Markets

A key factor in ensuring sustainability of a node is ensuring that it has a viable economic base. The establishment of markets is important in facilitating this. The Spatial Planning Guideline for Promoting Local Income Circulation (Stratplan, 2009) recommends that the LED Plan looks at issues relating to local income circulation and the development of periodic markets based on one or more of the following criteria:

- Pension payout points;
- Mobile clinic stopover points;
- Existing markets;
- Settlements with potential for market place establishment.

In the case of Mthonjaneni, it makes sense to establish or enhance markets within the identified secondary and tertiary nodes as well as at Thubalethu. More intense investigation needs to be done with regard to placement of the markets and ensuring that adequate facilities and services



are provided to the site such as access to water, sanitation, trees or shelters for shade and flat concrete surfaces.

#### **5.1.4 Urban Edges**

Mthonjaneni is a predominantly rural area albeit with a number of identified town and villages which serve an urban purpose. Melmoth is an established urban centre and the primary hub of the municipality. It has an existing town planning scheme and an urban edge has been delineated. Development at the secondary and tertiary nodes needs to occur in a planned and controlled manner in order to create orderly settlements.

The guideline on Defining Limits on Settlement Expansion: The Issue of the 'Urban Edge' (Dewar, D. and Louw, P. 2009) looks at the importance of defining the urban edge. This is important in order to eradicate sprawl and promote urban compaction. Having the settlement contained within a predetermined or demarcated area promotes greater efficiency in terms of land use and service delivery. It will assist in achieving greater urban efficiency as community facilities and schools can be contained within an area of higher density which makes them more accessible to the community. Bulk infrastructure and community services can be better placed in order to supply greater numbers of households.

#### **5.1.5 Guidelines for Land Use Management**

In terms of Land Use Management, the following guidelines will apply in order to encourage orderly use of land. The following broad zones are identified, however, the Municipality must develop a formal Land Use Management System which takes the Spatial Development Framework into account.

##### **Urban**

This zone relates to the developed urban/nodal areas identified, that is, Primary, Secondary and Tertiary nodes. It is intended to make provision for the range of urban land uses and services identified per node including educational, industrial, commercial, community, government and residential.

##### **Agriculture and Tourism**

The primary use of this zone is agriculture. However, non-agricultural uses within the municipality also need to be encouraged to create employment and generate economic development. A wide range of tourism activities and facilities should be permitted that do not negatively impact on the agricultural potential. The aim of this zone is to encourage rural-based tourism land uses in association with agriculture. However, subdivision of agricultural land should only be supported if the agricultural viability of the existing farming operations can be shown to be maintained or enhanced.

## **Conservation**

The conservation zone includes all land which has special environmental status and economic value due to its function in providing an environmental service which contributes to the overall open space system through water courses, wetlands, grasslands, open spaces and other natural habitats. This zone provides for the protection and conservation of ecologically sensitive, culturally and historically important sites and the natural habitats of animals, birds, or reptile species, in accordance with national laws and policies, provincial and local guidelines, strategies and programmes. It reserves land as part of a sustainable living environment by virtue of its importance in terms of biodiversity

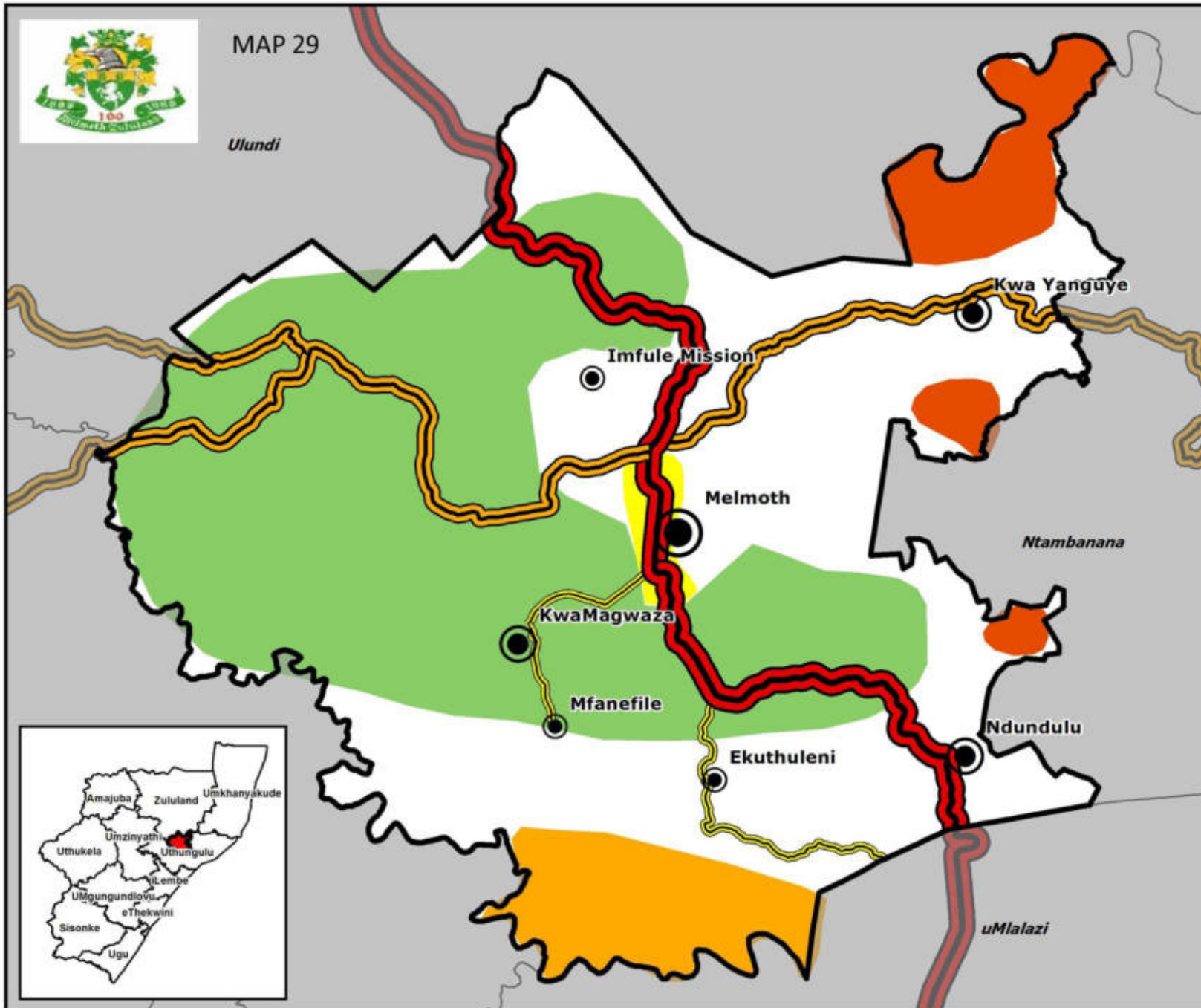
## **Traditional Settlements**

These areas fall within Traditional Authority areas under the authority of the Ingonyama Trust and the AmaKhosi and comprise land used predominantly for agricultural purposes and traditional settlement



MAP 29

Ulundi



## MTHONJANENI LOCAL MUNICIPALITY

### Conceptual Plan

#### Legend

- LM Boundary
- Nodes
  - Primary Node
  - Secondary Node
  - Tertiary Node
- Potential Areas
  - Potential Agricultural
  - Environmental
  - Opportunity Growth Area
  - Tourism
- Transportation Corridors
  - Primary/Zulu Cultural Heritage Route
  - Secondary
  - Tertiary



Kilometers  
0 1 2 4 6 8

## 5.2 INTERVENTIONS

### 5.2.1 Agriculture

Alignment	Issue	How addressed in SDF
<b>Agriculture</b>		
CRDP	Agrarian Transformation includes increasing all types of agricultural production, optimal and sustainable use of natural resources, the use of appropriate technologies, food security, and improving the quality of life for each rural household.	Map 7 identifies areas of agricultural potential. Areas of High and Good Agriculture are highlighted.
PGDS	Increase Productive Use of Land Job creation through unleashing agricultural potential. Safeguard Sustainable Livelihoods & Food Security through community development.	Map 7 identifies areas of agricultural potential.
PSEDS	The agricultural sector is key to addressing poverty in the province since most areas of poverty are rural. The PSEDS identifies those areas of high agricultural potential in the Province.	The central band within Mthonjaneni has been identified as having high agricultural potential within the provincial context.  An Agricultural Activity Corridor runs from Vryheid through Melmoth and Empangeni to Richards Bay.
Mthonjaneni IDP	To promote LED in the Municipality and create economic opportunities.	The SDF identifies areas of potential economic growth such as agriculture.
SDF Analysis	Identification of areas of good agriculture and soil potential.	Map 2 identified soil potential for agriculture. In terms of Mthonjaneni: <ul style="list-style-type: none"> <li>• The soil is generally well suited to agriculture, but has been subject to deterioration in a number of areas.</li> <li>• Soil has high erodability potential due to the topography and soil characteristics.</li> <li>• Soil erosion is found around key settlement areas due to subsistence agricultural practices.</li> </ul>
	Land degradation as a result of poor agricultural practices.	Map 9 highlights land cover within the Municipality and indicates that land degradation has occurred in some areas as a result of poor agricultural practices.
<b>Interventions:</b>		
1. Protection and rehabilitation of agricultural land through appropriate farming practices		

and appropriate land management, particularly in those areas where land degradation has occurred.
2. Large scale agriculture and commercial forestry must be limited to those areas where permits have already been awarded.
3. The land use management system must identify areas where agriculture must be encouraged as based on the SDF.
4. Promote agrarian reform through identification and development of prime land and link with processing and marketing opportunity in Primary Corridor.
5. Investigations into the development of farming infrastructure such as irrigation should be initiated.
6. Delineation of an urban edge in settlements surrounded by agricultural land to ensure protection of high potential agricultural land and promote sustainable livelihoods.

## 5.2.2 Environment

Alignment	Issue	How addressed in SDF
<b>Environment</b>		
PGDS	Responses to climate change through: <ul style="list-style-type: none"> <li>Increased Productive Use of Land</li> <li>Advanced Alternative Energy Generation</li> <li>Managing pressures on Biodiversity</li> <li>Disaster Management</li> </ul>	Maps 12 and 13 identify areas of environmental significance.
Alignment with Ulundi Municipality	There are a number of game reserves and other protected areas within the Ulundi municipal area, some under the control of Ezemvelo KZN Wildlife such as the Emakhosi Opathe Heritage Park.	The Emakhosi Opathe Park is situated on the R66, and abuts both municipalities. The SDF identifies alignment as an intervention that is needed in order to ensure proper management of areas significant to these adjoining municipalities.
Mthonjaneni IDP	To ensure environmental sustainability and proper land use management	<p>The Spatial Development Framework provides a framework within which development must occur within the Municipality.</p> <p>The SDF provides guidelines for a Land Use Management System.</p> <p>Maps 11 identifies environmentally sensitive areas for preservation and</p>

		conservation.
SDF Analysis	<p>Hydrology is a key environmental aspect which requires management taking into consideration the following:</p> <ul style="list-style-type: none"> <li>• The ability of the Mhlathuze Catchment to meet the water needs of the municipality, especially in the dry season.</li> <li>• Water quality of rivers and streams may be negatively affected by run-off from commercial forestry and agriculture.</li> <li>• Community access to water directly from rivers impacts on water quality and increases risks of contamination and spread of diseases.</li> </ul>	Map 4 shows river and wetland systems within Mthonjaneni.
<p><b>Interventions:</b></p> <ol style="list-style-type: none"> <li>1. Avoid development within sensitive areas and utilise appropriate buffer zones in order to limit the impact of development. The SDF provides a framework within which development must occur. It identifies areas for continued agricultural activities, areas that require protection from an environmental point of view and nodes where development must be encouraged.</li> <li>2. Environmental sustainability in environmentally sensitive areas which have already been developed require careful management of existing land use activities with strong discouragement of additional growth or intensification of development.</li> <li>3. Limit grazing in environmentally sensitive areas.</li> <li>4. Limit development in environmentally sensitive areas to complementary activities such as tourism and conservation.</li> <li>5. Delineation of an urban edge in settlements to ensure protection of highly sensitive environmental areas.</li> <li>6. Where not zoned for development, wetlands must be given conservation status.</li> <li>7. Wetlands should not be drained, filled or in any way artificially altered.</li> <li>8. Where the construction or dredging of canals is necessary, these be designed to minimise the degradation of wetland functions.</li> <li>9. Roads should not be constructed through wetlands, but if absolutely essential shall be elevated above wetland surfaces. If this is not possible, culvert pipes must be significantly large and spread throughout the length of the wetland to cause the least disruption to the natural system.</li> <li>10. Access to wetlands by off-road vehicles, man and livestock must be prevented.</li> <li>11. Degraded wetlands must be rehabilitated.</li> </ol>		

12. Wetland vegetation must be maintained and all exotic vegetation removed.
13. Flow or level of water must not be artificially altered.
14. Strict policing of illegal dumping must be undertaken.
15. All vegetation on the banks of rivers or streams must be protected.
16. All vegetation within 10m of the banks of the rivers or to the 1:100 year flood line, and within 3m of the banks of all streams must be conserved.
17. Pollution by toxic substances, excessive nutrients (phosphates and nitrates) and suspended particle matter is to be avoided.
18. Contamination by aquatic weeds must be avoided.
19. All natural forests are protected in terms of the Forest Act, and the felling of any trees or disturbance to any forest requires a permit from DWAF.
20. Wherever possible, patches of forest must be linked to form a continuous network to facilitate the migration of fauna and flora

### 5.2.3 Economic Development

Alignment	Issue	How addressed in SDF
<b>Economic Development</b>		
NSDP	Rapid economic growth that is sustained and inclusive as a prerequisite for the achievement of poverty alleviation.	Map 22 highlighted areas of poverty and the SDF advocates that economic growth be directed at the identified nodes.
	Government spending on fixed investment should be focused on localities of economic growth and / or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long-term employment opportunities.	The capital investment plan directs where public and private investment should occur.
	Where low economic potential exists investments should be directed at projects and programmes to address poverty and the provision of basic services in order to address past and current social inequalities.	Section 5.1 of the SDF indicates levels of services that exist within the municipality as well as service level gaps.
	In order to overcome the spatial	Section 5.1 of the SDF identifies



	distortions of Apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres in order for them to become regional gateways to the global economy.	the primary, secondary and tertiary nodes and corridors in order to redress spatial inefficiencies.
CRDP	Rural Development includes improving economic and social infrastructure.	The capital investment plan directs where public and private investment should occur.
PGDS	<p>The PGDS focuses on job creation through:</p> <ul style="list-style-type: none"> <li>• Unleashing Agricultural Potential</li> <li>• Enhancing Industrial Development through Trade, Investment &amp; Exports</li> <li>• Expansion of Government-led Job Creation Programmes</li> <li>• Promoting SMME, Entrepreneurial and Youth Development</li> <li>• Enhancing the Knowledge Economy</li> </ul>	The SDF identifies economic opportunities within the municipality in order to improve access to employment.
PSEDS	<p>The potential for industrial development in the province is anchored by the nodes of eThekweni and Umhlatuze. The corridors between these two nodes and extending up to Howick form the primary zone of industrial development in the province. The cities of Newcastle, Ladysmith and Port Shepstone serve as important secondary nodes of industrial development potential.</p> <p>The primary tourism potential within the province is in the beach tourism, cultural tourism and eco-tourism markets. The tourism products of provincial importance are:</p> <ul style="list-style-type: none"> <li>• Arts &amp; crafts routes in Midlands Meander and Albert Falls Amble</li> <li>• Durban, south coast and north coast beach tourism linked to cultural tourism in the interior</li> <li>• Drakensberg region</li> <li>• Greater St Lucia &amp; surrounding big five reserves</li> <li>• Zulu Heritage &amp; Cultural Trail</li> </ul>	<p>The benefits associated with the linkages between Mthonjaneni and the Umhlatuze industrial node has been highlighted. (Chapter 2)</p> <p>Mthonjaneni has areas of cultural significance identified at a provincial level and this provides impetus for growth in this area.</p>

	<ul style="list-style-type: none"> <li>• Battlefields Route</li> </ul>	
Alignment with Uthungulu District	The R66 has been identified as a Tourism Corridor in the Uthungulu SDF.	The Tourism Corridor has potential to attract both destination and flow through tourists and appropriate interventions are identified below in order to further develop this in Mthonjaneni.
Alignment with Ulundi Municipality	<p>The Ulundi SDF identifies that the intersection of the R34 and R66 provides opportunities for the development of a future tourism node. This node could be developed as a modal interchange for tourists or visitors to the area.</p> <p>The Ulundi Airport provides regional air access to Zululand.</p>	<p>The intersection is on the boundary of Ulundi and Mthonjaneni Municipalities and will have economic spin-offs for both municipalities.</p> <p>Melmoth is within 50 km of the airport and this opens up economic opportunities.</p>
Alignment with Umlalazi Municipality	The Goedetrou Dam has been identified as an investment area in the Umlalazi IDP.	The Goedetrou/Phobane Dam offers opportunities for potential tourism development for both municipalities such as water sports, camping and picnic sites.
Mthonjaneni IDP	To promote LED in the Municipality and create economic opportunities Identify areas of potential economic growth such as tourism and agriculture.	Various economic and tourism interventions are identified.
<b>Interventions:</b> <ol style="list-style-type: none"> <li>1. Reinforce the Primary, Secondary and Tertiary Corridors in order to strengthen economic linkages between nodes and adjacent municipalities.</li> <li>2. Promote tourism through: <ul style="list-style-type: none"> <li>• Improved access to areas with environmental, cultural and heritage significance in order to benefit from optimal use of the resources.</li> <li>• Investing in human capital in line with the requirements of the PGDS.</li> <li>• Marketing of tourism initiatives.</li> </ul> </li> <li>3. Generate economies of scale in terms of market opportunities to encourage local entrepreneurship and consequently local communities to spend their income locally.</li> <li>4. Investigation needs to be done with regard to placement of the markets and ensuring that adequate facilities and services are provided to the site such as access to water, sanitation, trees or shelters for shade and flat concrete surfaces.</li> <li>5. Promote local income circulation and reduce leakages of income to other areas through the establishment of periodic markets at identified nodes.</li> <li>6. In terms of the levels of services at the nodes, where gaps exist, capital investment must focus on addressing these deficiencies.</li> </ol>		

## 5.2.4 Access to Services

Alignment	Issue	How addressed in SDF
<b>Access to Services</b>		
NSDP	Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy, health and educational facilities) wherever they reside.	The SDF indicates levels of services that exist within the municipality as well as service level gaps.
PGDS	<p>Focus on human resource development through:</p> <ul style="list-style-type: none"> <li>• Improved Early Childhood Development, Primary and Secondary Education</li> <li>• Supporting Skills alignment to Economic Growth</li> <li>• Promoting Enhanced Youth Skills Development &amp; Life-Long Learning</li> </ul> <p>Human And Community Development through:</p> <ul style="list-style-type: none"> <li>• Poverty Alleviation &amp; Social Welfare</li> <li>• Enhancing Health of Communities and Citizens</li> <li>• Safeguarding Sustainable Livelihoods &amp; Food Security</li> <li>• Sustainable Human Settlements</li> <li>• Enhancing Safety &amp; Security</li> <li>• Advancing Social Cohesion</li> <li>• Promoting Youth, Gender and Disability Advocacy &amp; the Advancement of Women</li> </ul>	<p>The SDF identifies educational facilities in the municipality.</p> <p>The SDF highlights areas of poverty and directs investment at key nodes in order to improve quality of life through service delivery. It also directs spending at improving human capital through access to health, education and social welfare.</p>
Mthonjaneni IDP	<p>To expand the provision of municipal services to all households in Mthonjaneni in terms of national standards</p> <p>To promote access to community facilities.</p>	The SDF identifies existing service levels and facilities and the interventions below identify off-grid services which will assist in providing feasible alternatives.
<b>Interventions:</b> <ol style="list-style-type: none"> <li>1. Ensure investment is directed towards nodes in order to strengthen their sustainability and impact rather than in areas where less of an impact will be made.</li> <li>2. Ensure that settlement is contained within urban edges to reduce the cost of services and optimise capital investment.</li> <li>3. Infrastructure and services within the identified nodes should be primarily grid services and alternative technologies will need to be investigated for settlements outside the nodes, such as:</li> </ol>		

- Solar heating
- Rainwater harvesting

4. Hierarchy of nodes and corridors must direct investment in order to improve human capital through access to health, education and social welfare.

### 5.2.5 Capital Investment Framework

Table 28: Capital Projects

Capital Projects	Ward	12/13	13/14	14/15
Greater Mthonjaneni SSA2 Water Provision	2,3,4			16 351 497.00
Yanguye Water Project	4			
Mthonjaneni Tanker Reduction: Makhasaneni	5			
Mthonjaneni Tanker Reduction: Sizanani Extension	4			
Mthonjaneni Tanker Reduction: Nqekwane Extension	4			
Mthonjaneni Tanker Reduction: Zululiyaduma Extension	4			
Mthonjaneni Tanker Reduction: Candolo Extension	4			
285 -3-VIP Sanitation Project	2,3 Infill 4,5,6	2 605 622.00		
Upgrade of Access Road to the Mthonjaneni Landfill	1	900 000.00		
Urban Roads	1	8 205 000.00		

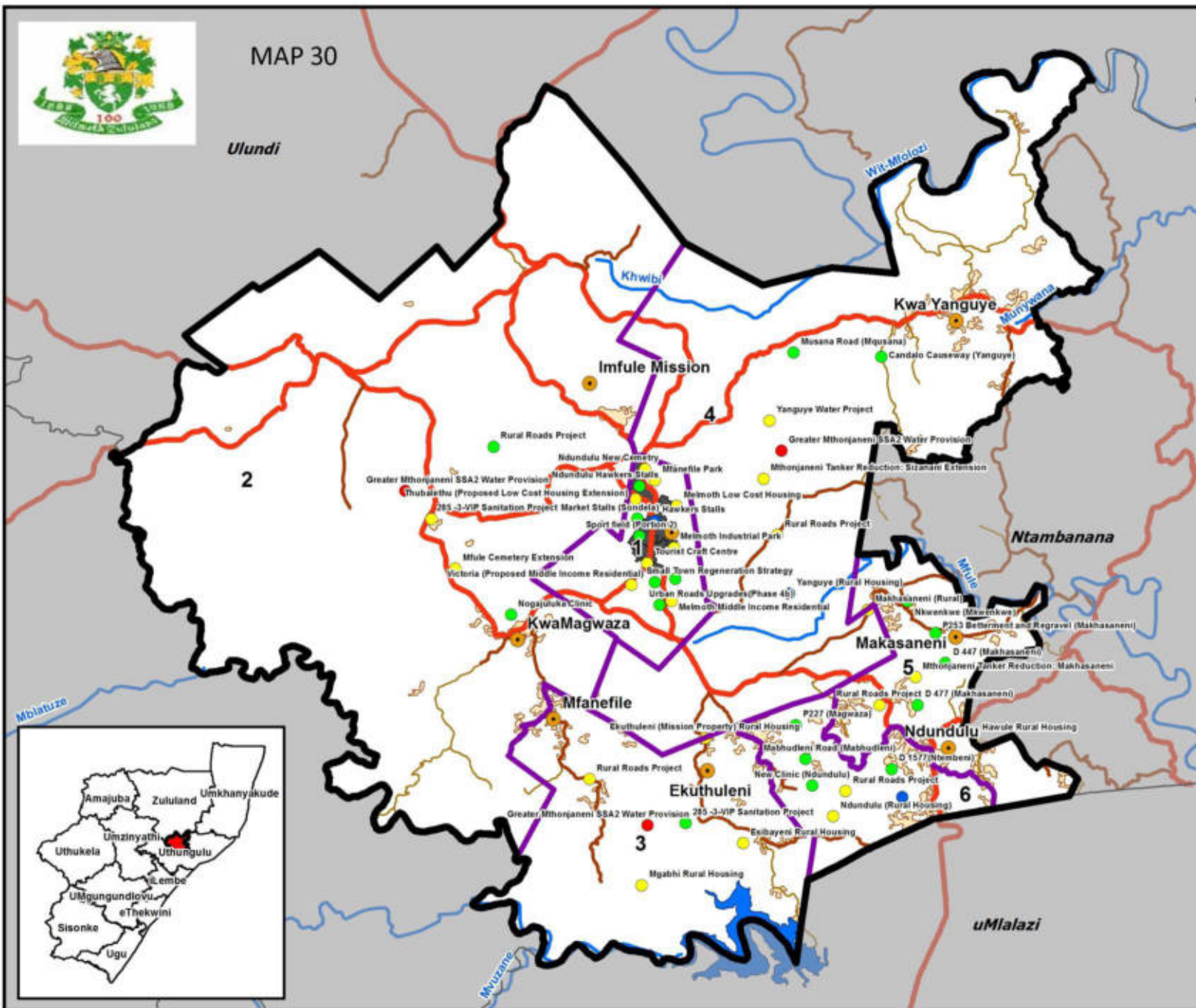
Upgrades(Phase 4b)				
Rural Roads Project	2,3,4,5,6	21 000 000.00		
Musana Road (Mqusana)	4	1 715 000.00		
Mabhudleni Road (Mabhudleni)	6	1 665 000.00		
Candalo Causeway (Yangye)	4	870 000.00		
P253 Betterment and Regravel (Makhasaneni)	5	1 280 000.00		
Nkwenkwe (Mkwenkwe)	5	450 000.00		
D 447 (Makhasaneni)	5	490 000.00		
D 477 (Makhasaneni)	5	610 000.00		
D 1577(Ntembeni)	6	1 150 000.00		
P227 (Magwaza)	6	1 080 000.00		
Thubalethu (Proposed Low Cost Housing Extension)	1			
Victoria (Proposed Middle Income Residential)	1			
Mgabhi Rural Housing	3			
Ekuthuleni (Mission Property) Rural Housing	3			
Yanguye (Rural Housing)	4	12 624 540.00	12 323 380.00	12 328 830.00
Makhasaneni (Rural)	5			
Esibayeni Rural Housing	3			
Ndundulu (Rural Housing)	6			
Dubeni / Mabhung	6	12 074 320.00	12 079 320.00	12 079 320.00

Housing Project				
Sport field (Portion 2)	1	4 850 000.00		
Electricity Provision	ALL	15 000 000.00		
Electricity Provision	ALL	12 495 00.00		
Extended Public Works Programme	ALL	1 100 000.00		
Mfule Cemetery Extension	2			
Ndundulu New Cemetery	1			
Melmoth Industrial Park	1			
Tourist Craft Centre	1			
Hawkers Stalls	1	1 800 000.00	1 890 000.00	1 985 000.00
Ndundulu Hawkerc Stalls	1	4 000 000.00		
Market Stalls (Sondela)	1	1 800 000.00		
Mfanefile Park	1			
Small Town Regeneration Strategy	1	10 000 000.00	-	-
New Clinic(Ndundulu)	6	1 000 000.00		
Nogajuluka Clinic	TBC	1 000 000.00		



MAP 30

Ulundi



## MTHONJANENI LOCAL MUNICIPALITY

### Capital Investment Projects

#### Legend

- LM Boundary
- Places
- Surrounding\_lm
- Wards

#### Capital Investment Projects

- 2013
- 2013-2014
- 2013-2015
- 2014-2015

- Phobane Lake
- Main Rivers

#### Transportation Routes

- Provincial Road
- District Road
- Local Road
- Settlements
- Urban Areas



Kilometers  
0 1 2 4 6 8





MAP 31

Ulundi

Linkages to  
Ulundi and  
Nongoma

Linkages to  
Babanango

Linkages to  
Nkandla

Imfule Mission

Kwa Yanguye

Linkages to  
Buchanana

Melmoth

Ntambanana

KwaMagwaza

Mfanefile

Ekuthuleni

Ndundulu

uMlalazi

Linkages to  
Empangeni and  
Richards Bay

## MTHONJANENI LOCAL MUNICIPALITY

### Spatial Development Framework

#### Legend

- LM Boundary
- Nodes
  - Primary Node
  - Secondary Node
  - Tertiary Node
- Transportation Corridors
  - Primary/Zulu Cultural Heritage Route
  - Secondary
  - Tertiary
  - Environmental Priority Areas
- Potential Tourism Sites
- Heritage Park
- Wetlands
- Traditional Authorities
  - BIYELA-KWANGUYE
  - ZULU-ENTEMBENI
- Potential Agricultural Areas
  - High Potential
  - Good Potential
  - Moderate Potential
  - Restricted Potential
  - Very Restricted Potential
  - Low Potential
  - Very Low Potential



Kilometers  
0 1 2 4 6 8



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# **DEVELOPMENT OF MTHONJANENI SPATIAL DEVELOPMENT FRAMEWORK**

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## **INCEPTION REPORT**

March 2021

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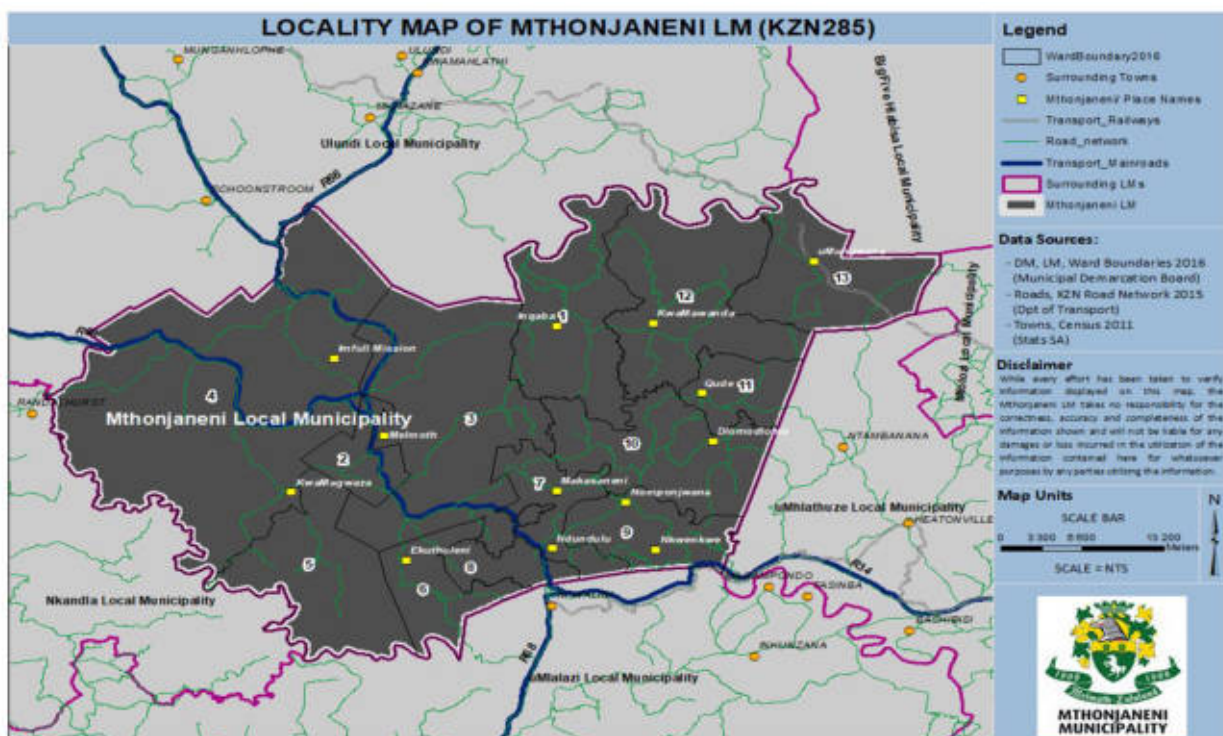


## 2 INTRODUCTION

### 2.1 PURPOSE

Mthonjaneni Local Municipality has initiated a process towards the preparation of a Spatial Development Framework (SDF) for its area of jurisdiction. It has accordingly enlisted the services of Ilungelo Lami Consulting Professionals to undertake this review. This document is a first in a series of reports to be produced as part of the review process. It presents a Project Inception Report and is intended to serve as a guide throughout the planning process. It opens with a brief introduction outlining need and basis for the SDF, approach to be adopted and focuses mainly on the planning process and its deliverables. It concludes with a detailed program. The inception report reflects common understanding on a process to be followed and the envisaged end-result between the Municipality and Ilungelo Lami.

**Figure 1: Mthonjaneni Local Municipality Locality Map**



### 2.2 BACKGROUND

The Development Facilitation Act, No. 67 of 1995 (DFA) was a national statute assented to on 28 September 1995 and commenced on 22 December 1995 as an interim measure to bridge the gap between the old apartheid era planning laws and a new planning system. Chapter 5 and 6 of the DFA were declared constitutionally invalid.



National Development Plan (NDP) calls for the reform of the planning system to resolve fragmented planning at national government level and to address poor intergovernmental coordination.

The SPLUMA was signed into law by the President on 02 August 2013 and formally published in the government gazette on the 05 August 2013 as, *inter alia*, a response to rectify the misalignment of planning legislation and to assist in the clarification of the powers and functions of the three spheres of government with regard to planning. SPLUMA marks the new dawn for spatial planning and land use management as it seeks for transformation. The Act recognizes the existence of and allows for the participation of Traditional Councils and makes provision for their involvement in planning matters, where such planning may impact communities residing in areas where Traditional Councils exist. It also allows for the incremental upgrading of informal areas by progressive introduction of administration, management and tenure rights in rural and other areas.

The District Development Model (DDM) was initiated by President Cyril Ramaphosa in his Budget Speech in 2019. The objectives of the District Development Model include, *inter alia*, to:

- Coordinate a government response to challenges of poverty, unemployment and inequality particularly women, youth and people living with disabilities;
- Ensure inclusivity by gender budgeting based on the needs and aspirations of our people and communities at a local level;
- Build government capacity to support municipalities;

The DDM will be a good tool as it calls for implementation of a balanced approach towards development between urban and rural areas. Furthermore, the President has given emphasis to the DDM as a unique form of social compacting that involves all key players in every district and metro space to unlock development and economic opportunities, highlighting that “it builds the capacity of the state where it has been most broken.”

## 2.3 PURPOSE AND OBJECTIVES

The primary purpose of this project is to prepare a framework and implement SPLUMA that provides a framework for spatial planning and land use management in South Africa which specifies the relationship between the spatial planning and the land use management system and other kinds of planning;

- Ensures that the system of spatial planning and land use management promoted social and economic inclusion;
- Provides for development principles and norms and standards;
- Provides for the sustainable and efficient use of land;

- Provides for cooperative government and intergovernmental relations amongst the national, provincial and local spheres of government; and
- Redresses the imbalance of the past and to ensure that there is equity in the application of spatial development planning and land use management systems.

NORMATIVE PRINCIPLES	PROCEDURAL PRINCIPLES
<ul style="list-style-type: none"> <li>• Environmental and economic sustainability.</li> <li>• Equality in terms of access and needs.</li> <li>• Efficiency.</li> <li>• Integration.</li> <li>• Protection of natural resources and special features.</li> <li>• Harmony in terms of land use relationships.</li> <li>• Quality environment.</li> <li>• Certainty.</li> </ul>	<ul style="list-style-type: none"> <li>• Good and fair governance</li> <li>• Cooperative</li> <li>• Governance</li> <li>• Participation</li> <li>• Strategic links Capacity Building</li> <li>• Speedy decision– making</li> <li>• Use of local and indigenous knowledge</li> <li>• Access to information</li> </ul>

SPLUMA applies to the whole of South Africa (urban and rural areas) and governs informal and traditional land use development processes.

### 3 APPROACH

The Spatial Development Framework for Mthonjaneni Local Municipality should promote as well as enhance normative and procedural principles which collectively constitute a single point of reference. These principles should also contain an overarching coherent set of policy guidelines to direct and steer development planning and land use management. This will ensure that the outcomes thereof are consistent with the development objectives as outlined in the Integrated Development Plan (IDP). The principles and norms are to promote the normative based spatial planning, land use management and land development system.

## 3.1 GUIDING PRINCIPLES

### 3.1.1 SPATIAL SUSTAINABILITY

This is probably one of the most important guiding principles which emanate from SPLUMA. It places a very strong emphasis on responsible development with the focus placed towards protection of sensitive environment, protection of prime and rare agricultural land, promoting land development which does not strain government resources, locating development on proper areas thus avoiding urban sprawl, consider infrastructure or servicing costs and creation of viable communities.

### 3.1.2 SPATIAL EFFICIENCY

The principle of spatial efficiency advocates for decision making procedures which have minimal negative impact in terms of the economy, social and environment. This principle also calls for a development application procedure which is efficient with streamlined timeframes that must be adhered by all stakeholders and parties.

### 3.1.3 SPATIAL JUSTICE

This is another very important principle which is captured by SPLUMA. This principle promotes for the following:

- Addressing the imbalances of the past through improved access to land;
- Current plans and policies including SDFs should include the previous excluded areas and people such as informal settlements, homelands and poverty-stricken areas; and
- Land development procedures should include issues of strengthening security of tenure as well as the incremental upgrade of informal areas.

### 3.1.4 SPATIAL EQUITY

The principle of equality requires that everyone affected by spatial planning, land use management and land development actions or decisions must enjoy equal protection and benefits, and no unfair discrimination should be allowed. This is crucially important given the location of the Mthonjaneni Local Municipality, its development opportunities, the nature of the existing land use and land users. The local communities and all the affected stakeholders should be treated equitably and afforded an opportunity to input and inform the spatial planning process.

### 3.1.5 SPATIAL RESILIENCE

Spatial resilience requires flexibility in spatial plans. The basis of this principle emanates from the readiness to adjust and amend a plan which is likely endure a certain level of suffering by a particular community/ communities' livelihood.

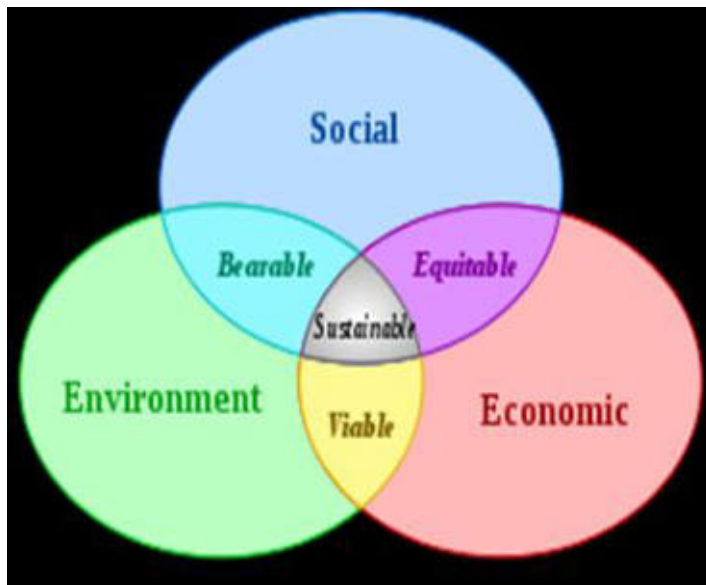
### 3.1.6 THE PRINCIPLE OF FAIR AND GOOD GOVERNANCE

The principle of fair and good governance requires that spatial planning; land use management and land development must be democratic, legitimate and participatory. Land use planning is a centrally important government function, directly affecting the lives of all people. It is therefore particularly important that it is characterized by fairness and transparency and that people are afforded a meaningful right to participate in decisions. Characterized by fairness and transparency and that people are afforded a meaningful right to participate in decisions. When public authorities formulate new plans, they must put in place processes that actively involve citizens, interest groups, stakeholders and others. Also, where land development projects are initiated by the private and non-governmental sectors, there must be procedures that ensure that interested parties have an opportunity to express their views or to object.

## 3.2 OVERALL PRINCIPLES

### 3.2.1 SUSTAINABILITY

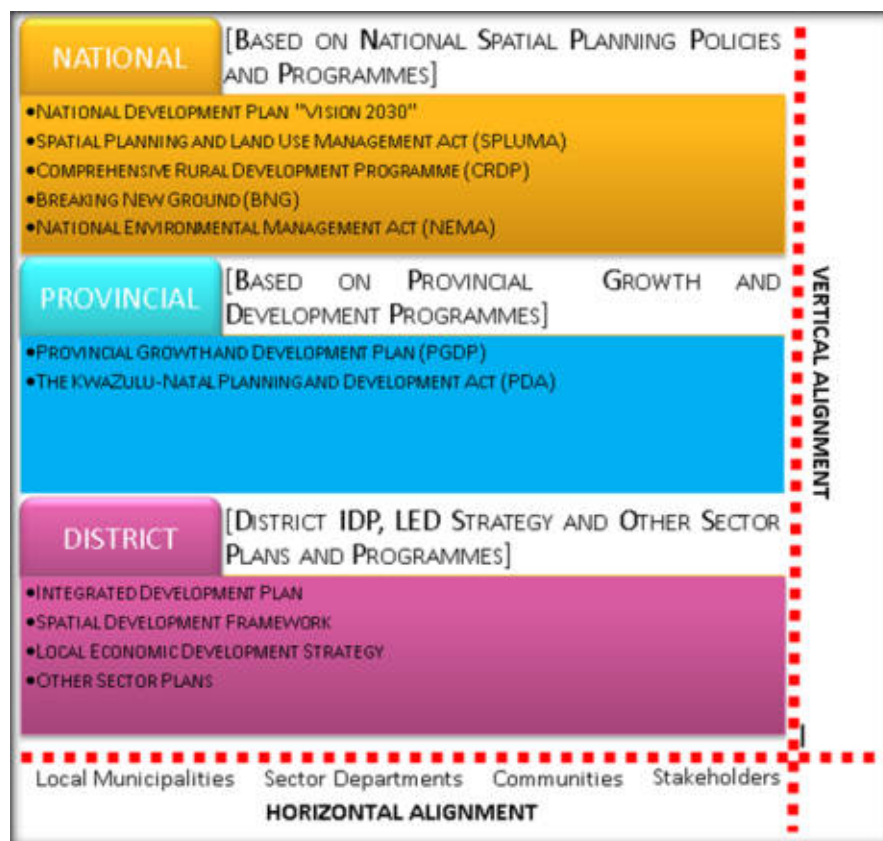
The principle of sustainability requires the sustainable management and use of the resources making up the natural and built environment. The life cycle costs of land development and its likely side effects on the environment, community, the economy need to be understood and taken into account to sustain its benefits, while minimizing or mitigating any likely negative impacts. The criteria of sustainability is shown on the figure below:



### 3.2.2 EFFICIENCY

The principle of efficiency requires that the desired result of land use must be produced with the minimum expenditure of resources. This principle aims to achieve efficiency in institutional arrangements and operations. This principle also encourages the effectiveness amongst adopted procedures, the form or pattern of the area and the utilization of man-made or natural resources during development processes at the spatial level.

### 3.2.3 VERTICAL AND HORIZONTAL INTEGRATION



The principle of integration requires that the separate and diverse elements involved in development planning and land use should be combined and coordinated into a more complete or harmonious whole, and reflects the need to integrate systems, policies and approaches in land use planning and development. This principle finds particular expression in two areas. Firstly, it requires that the planning process is integrated, taking into account the often disparate sectoral concerns, policies and laws and their requirements, and reaching conclusions that are efficient and sustainable from a management and governance point of view. Secondly it requires an integrated 'on the ground' outcome, one that breaks down not only the racial and socio-economic segregation that characterize our country but which also look at spatial integration of different land uses, places of living with places of working, shopping and relaxing.

### 3.3 USE OF INDIGENOUS KNOWLEDGE

Indigenous knowledge can be defined as:

“the total of knowledge and skills which people in a particular geographic area possess, and which enables them to get the most out of their natural environment. Most of this knowledge and these

skills have been passed down from earlier generations, but individual men and women in each new generation adapt and add to this body of knowledge in a constant adjustment to changing circumstances and environmental conditions. They in turn pass on the body of knowledge intact to the next generation, in an effort to provide them with survival strategies” (Editorial: Indigenous Knowledge and Development Monitor, Vol. 6, Issue 2, July 1998, p1 according to the paper titled African Indigenous Knowledge and its Relevance to Environment and Development Activities, Andre Lalonde argues that “Indigenous peoples' cultures and their respective knowledge systems have been largely misunderstood or even dismissed by development planning experts in the past”. (Lalonde, 1993, p3). During the late 1980s, the World Commission on Environment and Development (also known as the Brundtland Commission) stated that:

Some traditional lifestyles are threatened with virtual extinction by insensitive development over which the indigenous people have no participation. Their traditional rights should be recognized and they should be given a more decisive voice in formulating policies about resource development in their areas" - (Our Common Future, 1987).

Extensive community engagements and public participation has been strengthened by the law including the Constitution of the Republic of South Africa. However, the use of indigenous knowledge when developing policies and plans has hardly been a success. Indigenous knowledge in this context refers to traditional and cultural practices which are applied by the local people as part of their lifestyle or a way of life. The local wisdom and skills will be used to inform the SDF of local sustainable resource management techniques that are applied on natural and spiritual world. (Lalonde, 1993, p3 – 10).

### 3.4 PUBLIC CONSULTATION AND PARTICIPATION

Public participation will unfold in the form stakeholders and role-players engagements. The IDP Representative Forum and Meeting to include Amakhosi. The following envisaged roles are required or critical in the preparation of the SDF:

- Ward Councillors;
- Ward Committees;
- Civil Society organizations such as SANCO, environmental pressure groups;
- Organized Business;
- Informal Traders Associations;
- Parastatal Organizations;



- Land Reform Beneficiaries (Communal Property Associations);
- Non-Governmental Organizations; and
- Farmers Associations.

## 4 METHODOLOGY

The project will unfold in eight (8) phases as follows:

- Project Inception
- Policy Context & Vision Directives
- Spatial Challenges and Opportunities
- Spatial Proposals
- Implementation Framework
- Advertising and Consolidation of Information
- Final SDF
- Project Closeout



## 4.1 DATA COLLECTION AND ANALYSIS

Methods that will be used to collect and analyze information will include the following:

- Desk-top study literature and Data Reviews;
- District and Local Municipalities;
- Sector Departments
- Stakeholder interviews;
- Technical investigation;
- Local community forums;
- Spatial Data Analysis Using GIS

### 4.1.1 DESKTOP LITERATURE AND DATA REVIEW

The Desktop literature review will consist of a critical review of exiting information such as plans, research reports and policy documents. This information will inform the situational analysis and help to focus on the scope of work. Ilungelo Lami will also undertake a review of similar projects in other areas as to benchmark it. Data that would be reviewed falls broadly within the following categories:

- Relevant policy and legislation dealing with spatial and land use planning at local municipality level;
- Existing spatial and development plans as adopted by the Mthonjaneni Local municipality and King Cetshwayo District Municipality. This includes the IDP and the associated sector plans;
- Guidelines on Land Use Management Schemes;
- Cadastral Information, aerial photography, valuation roll, etc.;
- Development approvals, scheme amendments and conditions thereof (from Local Municipalities);
- Land use and tenure information (from Local Municipalities);
- SPLUMA

### 4.1.2 TECHNICAL INVESTIGATION

The various members of the project team will each undertake technical investigations in their individual study. This will include the following:

- Analysis of cadastral information to identify information gaps.
- Review of development approvals and the associated conditions of establishment.

- Options on land use management in other similar areas.

#### 4.1.3 GEOGRAPHIC INFORMATION SYSTEM

GIS is critical to the development of an effective land use management system. GIS will be used to update cadastral base. This initiative will lead to a further development of the municipality's GIS.

#### 4.1.4 STAKEHOLDER INTERVIEWS

Stakeholder interviews will be conducted with a range of stakeholders using semi-structured questionnaires. The following will specifically be targeted at:

- Existing businesses
- SANBI
- Organized interest group such as Taxi Associations
- Community leadership including ward councilors and traditional leaders.
- Government departments, particularly the Department of Cooperative Government and Traditional Affairs, the Department of Agriculture, Environment and Rural Development; Department of Water Affairs, Fisheries & Forestry etc.;
- Municipal officials

#### 4.1.5 FOCUSED SESSIONS

Focused sessions will be used to undertake an in-depth issue based management. Focus groups will be used when dealing with different interests represented within the project area. The following have been identified as possible focus group:

- Traditional Leaders
- Business Community
- Government structures

#### 4.1.6 STAKEHOLDERS WORKSHOP

At least three workshops will be undertaken during the planning process. Participants will be identified to ensure that all relevant interested groups are represented. Other meetings and focused sessions will be undertaken in each of the areas of interest. Separate sessions will also be held with the traditional councils as a means to develop an understanding of the traditional land allocation system and procedures.

## 4.2 STAKEHOLDER COMMUNICATION PLAN

Phases	Type of Engagement/Meeting	Tool	Date	Venue
PROJECT INCEPTION	Initial meeting with Mthonjaneni LM, COGTA & District to clarify the Terms of Reference	e-mail	15 March 2021	Virtual Meeting
	Submission of Project Inception Report	e-mail	18 March 2021	
	Presentation to Project Steering Committee (PSC)	e-mail	19 March 2021	Virtual Meeting
POLICY CONTEXT & VISION DIRECTIVES	Submission & Presentation of Draft Policy Context & Vision Directives Report to PSC	e-mail	28 May 2021	Virtual Meeting
SPATIAL CHALLENGES & OPPORTUNITIES	Submission & Presentation of Draft Spatial Challenges & Opportunities Report to PSC	e-mail	30 July 2021	Virtual Meeting
SPATIAL PROPOSALS	Submission & Presentation of Draft Spatial Proposals to PSC	e-mail	30 September 2021	Virtual/Mthonjaneni Municipality
IMPLEMENTATION FRAMEWORK	Submission & Presentation of Draft Implementation Framework to PSC	e-mail	26 November 2021	Virtual/Mthonjaneni Municipality
ADVERTISING & CONSOLIDATION OF INFORMATION	Participation & Consultation Process	e-mail	25 February 2022	Virtual/Mthonjaneni Municipality
FINAL SDF	Final Mthonjaneni SDF Report	e-mail	29 April 2022	Virtual/Mthonjaneni Municipality
PROJECT CLOSURE AND HANDOVER	Submission of Close-out Report to Mthonjaneni LM	e-mail	30 June 2022	Mthonjaneni Municipality

## 5 PLANNING PROCESS

PHASE	MEETINGS	ACTIONS	PRODUCT/DELIVERABLES	TIMEFRAMES
Phase 1: Start Up	Pre-Inception meeting with the Project Management Team	1. Start Up Process: <ul style="list-style-type: none"> <li>Pre-Inception meeting with Mthonjaneni Municipality, King Cetshwayo District and COGTA to clarify Terms of Reference (Content, Performance Management and Monitoring, Stakeholders, Focus Group workshops (Engineering), Technical workshops, Specialist, requirements, and communities (Urban, Traditional, Farming, Business, Social etc.)</li> <li>Discussion on Data</li> <li>Municipal report/discussion on key Local Policy Directives and initiatives within the Mthonjaneni Municipality.</li> <li>A Project Management Programme (work plan) with timeframes, actions, deliverables and budget per phase as a Gantt chart.</li> </ul>	1 (a) Project Start Up  Preliminary Project Management Plan  Preliminary Data Source Plan  Preliminary Consultation and Participation Plan  Preliminary Local Policy Directives and key development issues	15 March 2021 (1 Month)
	Inception meeting with the PSC	2. Start Up Process: <ol style="list-style-type: none"> <li>The Inception report with the following plans               <ul style="list-style-type: none"> <li>Project Management Plan</li> <li>Data Source Plan</li> <li>Consultation &amp; Participation Plan</li> <li>Preliminary Local Policy Directives &amp; key development issues</li> <li>Conceptual plan of mapping</li> </ul> </li> <li>Notification of Public</li> <li>Setup Project Management Team</li> <li>Setup Project Steering Committee</li> <li>Data access</li> </ol>	1(b) Project Start Up  Inception Report	19 March 2021 (1 Months)

PHASE	MEETINGS	ACTIONS	PRODUCT/DELIVERABLES	TIMEFRAMES
		Monitoring and Evaluation Approach SDF Targets		
<b>Phase 2: Policy Context &amp; Vision Directives</b>	(1) Project Management Team (2) Project Steering Committee (PSC) (3) Focus Group	Policy Context, Vision Directives Report (1) Principles (2) Policies (3) Spatial Priorities (4) IDP & Budgeting (5) Draft Vision (6) M & E Target determination – to gather updated Census data & measurable data	3. Policy, Vision and Directives Report	28 May 2021 (2 Months)
<b>Phase 3: Spatial Challenges and Opportunities</b>	(1) Project Management Team/Workshop (2) Focus Group Workshops (3) Open House (Public) (4) Project Steering Committee	Spatial Challenges and Opportunities (1) Biophysical (2) Socio-economic (3) Built Environment (4) IDP Link (5) M & E: Target Establishment (Indicators & targets)	4. Spatial Challenges and Opportunities Report	30 July 2021 (4 Months)
<b>Phase 4: Spatial Proposals</b>	(1) Stakeholder input (2) Project Management Team/Workshop (3) Project Steering Committee	Spatial Proposals (1) Concepts (2) Strategies (3) Draft Municipal Spatial Development Framework (4) Final Vision	5. Spatial Proposals Report	30 September 2021 (6 Months)



PHASE	MEETINGS	ACTIONS	PRODUCT/DELIVERABLES	TIMEFRAMES
<b>Phase 5: Implementation Framework</b>	(1) Project Management Team (2) Project Steering Committee	Implementation Framework (1) Drafting a set of Policies (2) Drafting a set of Guidelines (3) Drafting the Capital Investment Framework (4) Draft Implementation Framework (5) M & E: Target Alignment (Policies, Guidelines and Institutional matters)	6. Implementation Framework Report	26 November 2021 (8 Months)
<b>Phase 6: Advertising and Consolidation of Information</b>	(1) Advertisement commenting period 60 days (2) Project Management Team	Participation & Consultation Process/Stakeholder Input/Specialist discussions/Open House (1) Notification/Advertising for comment for 60 days for input <ul style="list-style-type: none"> <li>Refinement of Vision</li> <li>Refinement of Strategies</li> <li>Refinement of Concepts</li> </ul>	7. Participation and Consultation Process/Stakeholder Input/Specialist discussions/Open House	25 February 2022 (11 Months)
<b>Phase 7: Final SDF</b>	(1) Project Management Team (2) PSC	Final Mthonjaneni SDF: (1) Sector Plan alignment (2) Identification Priority Local Plans/Precinct Plans (3) Executive Summary (4) Brochures/Pamphlets/Posters	8. Final Mthonjaneni SDF Report	29 April 2022 (13 Months)
	<b>Council Approval</b>	<b>Final Council endorsed report</b>	<b>9. Final Council endorsed report</b>	May 2022 (14 Months)

PHASE	MEETINGS	ACTIONS	PRODUCT/DELIVERABLES	TIMEFRAMES
<b>Phase 8: Project Closeout</b>	(1) Final PSC	<b>Closeout Report</b> (1) Handover of data (2) Maps (3) Documents (4) Areas for improvement	10. Closeout Report	30 June 2022 (15 Months)

## 6 PROJECT TEAM & KEY EXPERIENCE

### 6.1 TEAM MEMBERS AND ABRIDGED PROFILES

The project team is structured as follows:

NAME	EXPERIENCE	ROLE & RESPONSIBILITY
Bonga Msimango	A registered Planner with ten years of experience working in the field of town and regional planning. He holds a Master degree in Business Administration; a Diploma in Town and Regional Planning and is registered with the Council for Town and Regional Planners; and certificates in Project Management. He has experience in various levels of development planning projects, including Spatial Development Frameworks, urban renewal, land development, research etc. in the private as well as public sectors. Registered with SACPLAN as a Technical Planner.	<b>Project Leadership</b>  SACPLAN REG:  B/8209/2013
Erhard Engelbrecht	A registered Professional Town and Regional Planner with 30 years of experience in Development Planning. He is registered with the South African Council for Planner. Erhard holds a Masters Degree in Town and Regional Planning from the University of Free State. He has been involved in the preparation of a number of Spatial Development Frameworks, Land Use Schemes, Urban Development Framework Plans, IDPs, Local Area Plans, Feasibility Studies and Business Plans. He has lead different teams in urban renewal projects in KwaZulu Natal, Gauteng and the Eastern Cape. Registered with SACPLAN as a Professional Planner	<b>Project Manager</b>  <b>Professional Planner</b>  Spatial, Strategic and Development Planning  SACPLAN REG:  A/1156/1999
Sbusiso Hadebe	Sbu holds a Bachelor of Technology Degree in Town and Regional Planning and has five years of experience working in the field of development and planning at various levels and sites within KwaZulu-Natal. Sbu has been with COGTA and is an expert on Urban Design, Spatial Data Modelling and CAD. Registered with SACPLAN as a Candidate Planner	<b>Senior Town Planner</b>  Facilitation and Research; Spatial, Strategic and Development Planning  SACPLAN REG:  C/8091/2017

Nkanyiso Zuma	<p>Nkanyiso is a Town and Regional Planner; he holds a Master's Degree in Town and Regional Planning obtained from UKZN in 2015 and Registered with the South African Council for Planners. He has worked for uMshunduzi within the Land Development Directorate to develop Spatial Development Frameworks, Land use Schemes and Local Economic Development Strategies. He has 3 years of experience in developing SDF's, SPLUMA applications, Local area Plans as well as Precinct Plans and he has worked as a Town Planning tutor at the University of KZN.</p>	<p><b>Technical Town Planner</b></p> <p>Facilitation and Research; Spatial, Strategic and Development Planning</p> <p>SACPLAN REG:</p> <p>C/9056/2019</p>
Tendani Mufumadi	<p>Tendani has 18 years of experience in Environmental Management. He has a BSC in Applied Chemistry and is in his final year with the Masters Degree in Health and Safety Management. He has various certificates in Environmental Impact Assessments and Ecological Rehabilitation. He has extensive experience in managing Environmental systems in mines and municipalities; Developing environmental procedures; management of legal licences; EIA's GIS with a strong focus on municipal infrastructure planning and data management. Other experience includes GIS support to Engineers, Town Planners and other consultants. Registered with SACNASP as a Professional Natural Scientist. He has a range of environmental experience in aquatic assessments, wetland delineations, Environmental Authorizations, Waste license applications, Water Use License Applications etc. and a thorough knowledge of the environment issues all over South Africa. Experience includes projects such as:</p> <ul style="list-style-type: none"> <li>• Land Reform and Social Development Projects</li> <li>• EIA Projects</li> <li>• Eskom Transmission/Distribution</li> <li>• Strategic Environmental Assessment</li> </ul>	<p><b>Environmental Specialist</b></p> <p><b>Professional Natural Scientist</b></p> <p>SACNASP REG:</p> <p>400237/12</p>
Phumelela Zulu	<p>She holds a Geography and Environmental Management from University of KwaZulu-Natal, and a BSc Honours degree in Environmental management</p>	<p><b>Environmental Technician</b></p>

	from UNISA. Moreover, she has experience in Environmental Impact Assessments, Environmental monitoring programmes and environmental inspections and auditing.	
Windus Madubanya	Registered with SAGC. Windus has been dealing with examination and approvals of mining rights diagrams, general plans, and survey diagrams. Conducting survey fieldwork such as township surveys, mining rights diagrams, servitudes surveys, topographical surveys, calculations of volumes, laser scanning, photogrammetric surveys. He has also been involved in the creations of GIS databases. Drafting of survey diagrams and calculations of volumes using Surpac, Model Maker, Survey Maker, Easysurv, ArcGIS and Prosurv. Resetting and helping Survey Officers to use survey equipment's such as GPS, Theodolids, Total stations/Robotic Total Stations, laser scanners, Unmounted Air Vehicles and Dumpy levels. He is also involved in the site project planning and management of State Land Audit projects and various field land surveying projects.	<b>Land Surveying</b>  PLATO REG:  GPrLS 1409
Willem Richter	Has 10 years full-time experience in GIS with a strong focus on municipal infrastructure planning and data management. Other experience includes GIS support to Engineers, Town Planners and Environmental consultants, as well as GIS training for various clients. He has been mostly involved with GIS support to Zululand District Municipality, and has also assisted uPhongolo Municipality with GIS training and consulting in 2007. Registered with GISSA and PLATO as a Technologist.	<b>GIS Specialist</b>  PLATO REG:  G0931
Siphelele Mhlongo	Siphelele is a Civil Engineer with over 15 years of post-graduate experience in roads and bridges, structural and water and sanitation engineering. His latest experience has been in water and sanitation field in KwaZulu-Natal. He is a registered Technologist with the Engineering Council of South Africa.	<b>Civil Engineer</b>  <b>Infrastructure and Engineering Analysis</b>  ECSA REG: 201570102

Arnold Muidisi	He holds a Masters Degree in Geology from the University of Witwatersrand. He has over 20 years of experience in Geotechnical Site Investigations, Soil sampling, Slope, Stability, core logging, Rock Mechanics, Tunnelling Methods, Groundwater Monitoring, Dolomite Stability Investigation. She is also extremely involved in students & interns mentoring and monitoring.	<b>Geo-Technical Specialist</b>  SACNASP REG: 400132/08 (Professional Natural Scientist)
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7 BUDGET AND PROGRAMME

7.1 BUDGET

ACTIVITY	TIME IN MONTHS																%	AMOUNT
	19 March 2021	April 2021	28 May 2021	June 2021	30 July 2021	August 2021	30 September 2021	October 2021	26 November 2021	December 2021	January 2022	25 February 2022	March 2022	29 April 2022	May 2022	30 June 2022	Perc	
PROJECT INCEPTION																		
Project Management Plan																	5 %	
Data Source Plan																		
Consultation & Participation Plan																		
Preliminary Local Policy Directives & key development issues																		R34 257.41
PSC Meeting																		
POLICY CONTEXT & VISION DIRECTIVES																		
Principles																		
Policies																		
Spatial Priorities																		
IDP & Budgeting																		
PSC																		
SPATIAL CHALLENGES & OPPORTUNITIES																		
Biophysical																	10 %	
Socio-economic																		
Built Environment																		
IDP Link																		
PSC Meeting																		
SPATIAL PROPOSALS																		
Concepts																	15 %	
Strategies																		



[illegible]



MTHONJANENI SPATIAL DEVELOPMENT FRAMEWORK INCEPTION REPORT | BUDGET AND PROGRAMME

4 Spatial Proposals																																					
Concepts																																					
Strategies																																					
Draft MSDF																																					
Final Vision																																					
PSC Meeting																																					
5. Implementations Framework																																					
Draft a set of Policies																																					
Draft a set of guidelines																																					
Draft the Capital Investment Framework																																					
Draft Implementation Framework																																					
M & E: Target Alignment (Policies, Guidelines & Institutional matters																																					
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Brochures/Pamphlets/Posters																																					
PSC Meeting																																					
8. Project Closeout																																					
Final Council endorsed report																																					
Handover of data																																					
Maps																																					
Documents																																					
Areas of improvement																																					
Final PSC																																					
TOTAL: 100%																																					

8 PROJECT DELIVERABLES

PROJECT PHASE	PRODUCT/OUTPUT	OUTPUT DUE DATE	ACTUAL DATE	BUDGET
1.	Project Inception	19 March 2021		R34 257.41
2.	Policy Context & Vision Directives	28 May 2021		R65 089.08
3.	Spatial Challenges & Opportunities	30 July 2021		R87 870.26
4.	Spatial Proposals	30 September 2021		R99 586.30
5.	Implementation Framework	26 November 2021		R79 669.04
6.	Advertising & Consolidation of Information	25 February 2022		R31 867.62
7.	Final SDF	29 April 2022		R43 021.28
8.	Project Closeout	30 June 2022		R12 189.36

9 REFERENCES

Constitution of the Republic of South Africa, 1996

Local Government: Municipal Systems Act 32 of 2000

Mthonjaneni Local Municipality’s Integrated Development Plan 2020/2021

Spatial Planning and Land Use Management Act No. 16 of 2013

























**MTHONJANENI LOCAL MUNICIPALITY**  
(REGISTRATION CODE KZN 285)

**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

# Mthonjaneni Local Municipality

(Registration number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

## General Information

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**Country of incorporation and domicile**

South Africa

**Legal form of entity**

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act (Act No. 117 of 1998)

**Executive Committee**

Executive Mayor

Cllr S.B.K. Biyela (Mayor)

Cllr P.E. Ntombela (Deputy Mayor)

Cllr N.A. Mbatha (Speaker)

Cllr D.M. Dladla (Exco Member)

Cllr M.J. Xulu (Exco Member)

Cllr E. Masikane (Exco Member)

**Councillors**

Cllr B.N. Zwane

Cllr D.F. Xulu (MPAC Chair)

Cllr H.K.L. Zungu

Cllr J. Mlawu

Cllr M.N. Biyela

Cllr M.N. Ndlangamandla

Cllr M.S. Zulu (Deceased - 26 June 2020)

Cllr M.V. Mchunu

Cllr N.N. Nzuza

Cllr N.P. Shobede

Cllr P.S.M. Mchunu

Cllr S.P. Buthelezi

Cllr S.V. Majola

Cllr T.E. Mpungose

Cllr T.F. Zincume

Cllr Z.A. Sibiya

Cllr M.Z. Ndlovu

Cllr T.P. Ngema

Cllr B.M.T. Sibiya

**Grading of Local Authority**

Grade 1

**Accounting Officer**

Mr P.P. Sibiya

**Chief Finance Officer (CFO)**

Mr N.M. Myeni

## **Mthonjaneni Local Municipality**

(Registration number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

### **General Information**

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<b>Business Address</b>	21 Reinhold Street Melmoth 3835
<b>Postal Address</b>	P.O. Box 11 Melmoth 3835
<b>Contact Number</b>	(035) 450 2082
<b>Bankers</b>	First National Bank
<b>Auditors</b>	Auditor General South Africa
<b>Attorneys</b>	BMM Attorneys

# **Mthonjaneni Local Municipality**

(Registration number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

## **Index**

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The reports and statements set out below comprise the annual financial statements

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GRAP	Generally Recognised Accounting Practice
COGTA	Department of Co-operative Governance and Traditional Affairs
PAYE	Pay As You Earn
UIF	Unemployment Insurance Fund
SALGA	South African Local Government Association
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
LED	Local Economic Development
COVID-19	Coronavirus Disease 2019

# Mthonjaneni Local Municipality

(Registration number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Officer's Responsibility and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.


The accounting officer is of the opinion based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the 12 months to 30 June 2021 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is partly dependent on the community and state for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the Mthonjaneni Local Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in the note titled remuneration 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 the Public Office Bearers Act and the Minister of Provincial and Local Governments' determination in accordance with this Act.

The annual financial statements set out on pages 5 to 72, which have been prepared on the going concern basis, were approved by the accounting officer on 30 October 2020 and were signed on its behalf by:

  
Mr P.P. Sibiyi  
Accounting Officer

# Mthonjaneni Local Municipality

(Registration number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

## Statement of Financial Position as at 30 June 2020

Figures in Rand

	Notes	2020	2019 Restated*
<b>ASSETS</b>			
<b>Current Assets</b>			
Inventories	3	738 578	445 750
Receivables from Non-Exchange Transactions	4	29 502 826	37 519 957
VAT Receivable	5	2 925 898	730 276
Receivables from Exchange Transactions	6	5 958 391	6 402 037
Cash and Cash Equivalents	7	4 814 293	2 693 794
		<b>43 939 986</b>	<b>47 791 814</b>
<b>Non-Current Assets</b>			
Biological Assets	8	1 211 074	2 762 238
Investment Property	9	88 205	106 351
Property, Plant and Equipment	10	383 193 757	369 264 741
Intangible Assets	11	23 401	33 335
Heritage Assets	12	589	589
		<b>384 517 026</b>	<b>372 167 254</b>
<b>TOTAL ASSETS</b>		<b>428 457 012</b>	<b>419 959 068</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	13	28 999 104	26 658 892
Consumer Deposits	14	1 025 806	1 021 012
Unspent Conditional Grants and Receipts	15	17 134	17 134
Provisions	16	5 571 030	3 743 392
		<b>35 613 074</b>	<b>31 438 230</b>
<b>Non-Current Liabilities</b>			
Provisions	16	5 785 459	5 759 605
Employee Benefit Obligation	17	2 356 261	3 442 001
		<b>8 141 720</b>	<b>9 201 606</b>
<b>TOTAL LIABILITIES</b>		<b>43 754 794</b>	<b>40 639 836</b>
<b>NET ASSETS</b>		<b>384 702 218</b>	<b>379 319 232</b>
<b>ACCUMULATED SURPLUS</b>		<b>384 702 218</b>	<b>379 319 232</b>

\* See Note 52



# Mthonjaneni Local Municipality

(Registration number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

## Statement of Financial Performance

Figures in Rand

	Notes	2020	2019 Restated*
<b>REVENUE</b>			
<b>Revenue From Exchange Transactions</b>			
Service Charges	18	23 197 904	22 284 343
Rental of Facilities and Equipment	19	237 187	261 926
Licenses and Permits	20	1 103 247	1 543 785
Other Income	21	315 668	280 141
Interest Received	22	1 318 277	693 020
Gain on Disposal of Assets		1 419 492	-
Fair Value Adjustments	23	-	1 256 474
Actuarial Gains		1 085 740	-
<b>TOTAL REVENUE FROM EXCHANGE TRANSACTIONS</b>		<b>28 677 515</b>	<b>26 319 690</b>
<b>Revenue From Non-Exchange Transactions</b>			
<b>Revenue</b>			
Property Rates	24	14 235 566	12 125 009
Property Rates - Penalties Imposed	24	1 321 972	1 328 042
<b>Transfer revenue</b>			
Government Grants & Subsidies	25	119 157 000	113 421 000
Fines, Penalties and Forfeits	26	507 390	426 150
<b>TOTAL REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>		<b>135 221 928</b>	<b>127 300 201</b>
<b>TOTAL REVENUE</b>		<b>163 899 443</b>	<b>153 619 891</b>
<b>EXPENDITURE</b>			
Employee Related Costs	27	(56 102 354)	(50 808 070)
Remuneration of Councillors	28	(9 317 067)	(8 727 127)
Depreciation and Amortisation	29	(16 912 282)	(17 093 698)
Interest Paid	30	(990 712)	(341 816)
Asset Impairment	31	(10 275)	-
Lease Rentals on Operating Lease	32	(1 209 810)	(482 756)
Bulk Purchases	33	(19 091 366)	(22 302 722)
Contracted Services	34	(22 430 215)	(23 717 626)
Fair Value Adjustments	23	(1 551 163)	-
Actuarial Losses		-	(681 000)
Operational Costs	35	(27 901 214)	(29 421 240)
<b>TOTAL EXPENDITURE</b>		<b>(158 516 457)</b>	<b>(153 576 055)</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>5 382 986</b>	<b>43 836</b>

\* See Note 52

## Mthonjaneni Local Municipality

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Annual Financial Statements for the year ended 30 June 2020

### Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	379 288 616	379 288 616
Adjustments		
Prior year adjustments	(13 220)	(13 220)
<b>Balance at 01 July 2018 as restated*</b>	<b>379 275 396</b>	<b>379 275 396</b>
Changes in net assets		
Deficit for the year	(351 366)	(351 366)
Change in net assets*	395 202	395 202
Total changes	43 836	43 836
<b>Balance at 30 June 2019</b>	<b>379 319 232</b>	<b>379 319 232</b>
Changes in net assets		
Surplus for the year	5 382 986	5 382 986
Total Changes	5 382 986	5 382 986
<b>Balance at 30 June 2020</b>	<b>384 702 218</b>	<b>384 702 218</b>

\* See Note 52

# Mthonjaneni Local Municipality

(Registration number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

## Cash Flow Statement

Figures in Rand

	Notes	2020	2019 Restated*
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates		13 870 856	13 361 388
Sale of Goods and Services		17 007 005	26 263 886
Grants		119 167 000	113 421 000
Interest Income		1 318 277	695 572
		<u>152 153 138</u>	<u>153 741 846</u>
<b>Payments</b>			
Employee Costs		(65 419 421)	(59 564 422)
Suppliers		(51 152 496)	(59 834 772)
Interest Paid		(990 712)	(341 816)
		<u>(117 562 629)</u>	<u>(119 741 010)</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	37	<b>34 590 509</b>	<b>34 000 836</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment	10	(35 281 621)	(34 972 944)
Net proceeds from sale of property, plant and equipment	10	2 811 611	-
Purchase of Other Intangible Assets	11	-	(14 300)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(32 470 010)</b>	<b>(34 987 244)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>2 120 499</b>	<b>(986 408)</b>
Cash and Cash Equivalents at the beginning of the year		2 693 794	3 680 200
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	7	<b>4 814 293</b>	<b>2 693 792</b>

\* See Note 52

## Mthonjaneni Local Municipality

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Annual Financial Statements for the year ended 30 June 2020

### Statement of Comparison of Budget and Actual Amounts

Figures in Rand

	Original budget	Budget adjustments (L.O. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (L.O. s31 of the MFMA)	Virement (L.O. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
<b>2020</b>											
<b>Financial Performance</b>											
Property Rates	19 981 000	-	19 981 000	-	-	19 981 000	16 557 538	-	(4 423 462)	78 %	78 %
Service Charges	32 998 000	62 000	33 060 000	-	-	33 060 000	23 197 904	-	(9 862 096)	70 %	70 %
Investment Revenue	750 000	-	750 000	-	-	750 000	1 318 277	-	568 277	176 %	176 %
Transfers Recognised - Operational	85 379 000	745 000	86 124 000	-	-	86 124 000	88 124 000	-	2 000 000	100 %	101 %
Other Own Revenue	5 869 000	8 093 000	13 962 000	-	-	13 962 000	4 868 724	-	(9 093 276)	33 %	30 %
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>144 977 000</b>	<b>8 895 000</b>	<b>153 872 000</b>	<b>-</b>	<b>-</b>	<b>153 872 000</b>	<b>130 866 443</b>	<b>-</b>	<b>(23 005 557)</b>	<b>86 %</b>	<b>80 %</b>
Employee Costs	(53 418 000)	268 000	(53 150 000)	-	-	(53 150 000)	(58 102 354)	-	(2 950 354)	106 %	105 %
Remuneration of Councillors	(9 298 000)	-	(9 298 000)	-	-	(9 298 000)	(8 317 067)	-	(9 980 933)	100 %	100 %
Depreciation and Asset Impairment	(10 145 000)	-	(10 145 000)	-	-	(10 145 000)	(19 922 557)	-	(9 777 557)	196 %	196 %
Interest Paid	-	-	-	-	-	-	(980 712)	-	(980 712)	100 %	100 %
Materials and Bulk Purchases	(28 932 000)	2 522 000	(26 410 000)	-	-	(26 410 000)	(19 091 385)	-	7 318 615	72 %	66 %
Other Expenditure	(38 809 000)	(8 269 000)	(47 078 000)	-	-	(47 078 000)	(63 082 402)	-	(4 814 402)	110 %	133 %
<b>Total Expenditure</b>	<b>(141 702 000)</b>	<b>(8 481 000)</b>	<b>(150 183 000)</b>	<b>-</b>	<b>-</b>	<b>(150 183 000)</b>	<b>(168 516 457)</b>	<b>-</b>	<b>(18 333 457)</b>	<b>108 %</b>	<b>112 %</b>
<b>Surplus/(Deficit)</b>	<b>3 275 000</b>	<b>3 414 000</b>	<b>6 689 000</b>	<b>-</b>	<b>-</b>	<b>6 689 000</b>	<b>(27 650 014)</b>	<b>-</b>	<b>(34 339 014)</b>	<b>(413)%</b>	<b>(344)%</b>

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(Registration number KZN 285)

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## Statement of Comparison of Budget and Actual Amounts

Figures in Rand

	Original budget	Budget adjustments (i.e. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.e. s31 of the MFMA)	Virement (i.e. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	33 033 000	-	33 033 000	-		33 033 000	33 033 000		-	100 %	100 %
Surplus (Deficit) after capital transfers and contributions	36 308 000	3 414 000	39 722 000	-		39 722 000	5 382 986		(34 339 014)	14 %	15 %
Surplus(Deficit) for the year	36 308 000	3 414 000	39 722 000	-		39 722 000	5 382 986		(34 339 014)	14 %	15 %
<b>Capital expenditure and funds sources</b>											
Total Capital Expenditure	35 908 000	4 016 000	39 918 000	-		39 918 000	35 281 621		(4 636 379)	88 %	98 %
<b>Sources of capital funds</b>											
Transfers recognised - capital	33 033 000	-	33 033 000	-		33 033 000	33 033 000		-	100 %	100 %
Internally generated funds	3 125 000	3 760 000	6 885 000	-		6 885 000	2 248 621		(4 636 379)	33 %	72 %
Total sources of capital funds	36 158 000	3 760 000	39 918 000	-		39 918 000	35 281 621		(4 636 379)	88 %	98 %

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## Statement of Comparison of Budget and Actual Amounts

Figures in Rand

	Original budget	Budget adjustments (i.e. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.e. s31 of the MFMA)	Virement (i.e. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
<b>Cash flows</b>											
Net cash from (used) operating	45 065 000	(3 413 000)	41 642 000	-		41 642 000	34 500 509		(7 051 491)	83 %	77 %
Net cash from (used) investing	(36 159 000)	17 233 000	(18 926 000)	-		(18 926 000)	(32 470 010)		(13 545 010)	172 %	90 %
Net increase/(decrease) in cash and cash equivalents	8 897 000	13 820 000	22 717 000	-		22 717 000	2 129 499		(20 588 601)	9 %	24 %
Cash and cash equivalents at the beginning of the year	1 215 000	264 000	1 479 000	-		1 479 000	2 693 794		1 214 794	182 %	222 %
Cash and cash equivalents at year end	10 112 000	14 084 000	24 196 000	-		24 196 000	4 814 293		19 381 707	20 %	48 %

# **Mthonjaneni Local Municipality**

(Registration number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

## **Accounting Policies**

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### **1. Presentation of Annual Financial Statements**

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

#### **1.1 Presentation currency**

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

The amounts presented in the annual financial statements are rounded-off to the nearest rand.

#### **1.2 Going concern assumption**

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

#### **1.3 Significant judgements and sources of estimation uncertainty**

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

##### **Trade receivables / Held to maturity investments and/or loans and receivables**

The municipality assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

##### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 16 - Provisions.

##### **Post retirement benefits**

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the entity considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 17.



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## Accounting Policies

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### 1.3 Significant judgements and sources of estimation uncertainty (continued)

#### Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

### 1.4 Biological assets

The municipality recognises biological assets or agricultural produce when, and only when:

- the municipality controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Biological assets are measured at their fair value less costs to sell.

The fair value of the pine plantations is based on the combined fair value of the land and the pine trees. The fair value of the raw land and land improvements is then deducted from the combined fair value to determine the fair value of the pine trees.

A gain or loss arising on initial recognition of biological assets or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of biological assets is included in surplus or deficit for the period in which it arises.

### 1.5 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

#### Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Useful life
Property - land	Indefinite
Property - buildings	40 years

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## Mthonjaneni Local Municipality

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Annual Financial Statements for the year ended 30 June 2020

### Accounting Policies

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#### 1.5 Investment property (continued)

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

#### 1.6 Property, plant and equipment

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 period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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 management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight line	15- 30 Years
Machinery and equipment	Straight line	10 Years
Furniture and office equipment	Straight line	7 Years
Transport Assets	Straight line	7 Years
Computer equipment	Straight line	3- 5 Years
Infrastructure	Straight line	10- 15 Years
Community	Straight line	25 Years
Other property, plant and equipment	Straight line	30 Years

# Mthonjaneni Local Municipality

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Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.6 Property, plant and equipment (continued)

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. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

### 1.7 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the municipality intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or 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.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

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Item	Amortisation method	Average useful life
Computer software	Straight line	5 Years

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The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

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### **1.8 Heritage assets**

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

#### **Recognition**

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

#### **Initial measurement**

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

#### **Subsequent measurement**

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

#### **Impairment**

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

#### **Transfers**

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

#### **Derecognition**

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

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### 1.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one municipality and a financial liability.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an municipality's statement of financial position.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the municipality.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

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#### **1.9 Financial instruments (continued)**

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

#### **Initial recognition**

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

#### **Initial measurement of financial assets and financial liabilities**

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

#### **Subsequent measurement of financial assets and financial liabilities**

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost or cost, are subject to an impairment review.

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### 1.9 Financial instruments (continued)

#### Derecognition

##### Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

##### Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another municipality by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

#### Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the municipality currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the municipality does not offset the transferred asset and the associated liability.

### 1.10 Tax

#### Value Added Tax

The municipality is registered with the South African Revenue Service (SARS) for VAT on the invoice basis in accordance with Section 15(2) of the Value Added Tax Act No. 81 of 1991.



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#### **1.11 Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

##### **Operating leases - lessor**

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

##### **Operating leases - lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

#### **1.12 Inventories**

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

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#### 1.13 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an municipality that performs construction work pursuant to a construction contract.

Cost plus or cost based contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.

A contractor is an municipality that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another municipality either itself or through the use of sub-contractors. The term 'contractor' thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The municipality assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an municipality considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by completion of a physical proportion of the contract work.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

#### 1.14 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or

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### 1.14 Impairment of cash-generating assets (continued)

- the number of production or similar units expected to be obtained from the asset by the municipality.

#### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

#### Basis for estimates of future cash flows

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the municipality operates, or for the market in which the asset is used, unless a higher rate can be justified.

#### Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

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#### 1.14 Impairment of cash-generating assets (continued)

##### Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

##### Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the municipality does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

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#### **1.14 Impairment of cash-generating assets (continued)**

##### **Reversal of impairment loss**

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

##### **Redesignation**

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

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#### 1.15 Employee benefits

Employee benefits are all forms of consideration given by an municipality in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting municipality, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting municipality's own creditors (even in liquidation) and cannot be paid to the reporting municipality, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting municipality to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an municipality's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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### 1.15 Employee benefits (continued)

#### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the municipality recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognise the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make the payments.

#### Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an municipality provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one municipality, on the basis that contribution and benefit levels are determined without regard to the identity of the municipality that employs the employees concerned.



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#### **1.15 Employee benefits (continued)**

##### **Post-employment benefits: Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which an municipality pays fixed contributions into a separate municipality (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the municipality during a reporting period, the municipality recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

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### 1.15 Employee benefits (continued)

#### Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting municipality) that are held by an municipality (a fund) that is legally separate from the reporting municipality and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting municipality's own creditors (even in liquidation), and cannot be returned to the reporting municipality, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting municipality; or
- the assets are returned to the reporting municipality to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the municipality recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The municipality account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the municipality's informal practices. Informal practices give rise to a constructive obligation where the municipality has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the municipality's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The municipality measures the resulting asset at the lower of:

- the amount determined above; and

## Mthonjaneni Local Municipality

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#### 1.15 Employee benefits (continued)

- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The municipality determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, a municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an municipality shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

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### 1.15 Employee benefits (continued)

#### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

### 1.16 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

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### Accounting Policies

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#### 1.16 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an municipality:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality.

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in municipality combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 40.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

#### 1.17 Commitments

Items are classified as commitments when an municipality has committed itself to future transactions that will normally result in the outflow of cash.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
  - Contracts should relate to something other than the routine, steady, state business of the municipality – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.
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## Accounting Policies

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### 1.18 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### Interest

Revenue arising from the use by others of municipality assets yielding interest, similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

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## Accounting Policies

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### 1.19 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.



# **Mthonjaneni Local Municipality**

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## **Accounting Policies**

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### **1.19 Revenue from non-exchange transactions (continued)**

#### **Transfers**

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

#### **Fines**

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

#### **Gifts and donations, including goods in-kind**

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

### **1.20 Government grants**

Grants received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset and there is no corresponding liability in respect of the related conditions.

Where there are conditions attached to a grant or transfer that gave rise to a liability at initial recognition, that liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants without conditions attached are recognised as revenue in full when the asset is recognised, at an amount equaling fair value of the asset received.

### **1.21 Investment income**

Investment income is recognised on a time-proportion basis using the effective interest method.

### **1.22 Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

### **1.23 Comparative figures**

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

### **1.24 Unauthorised expenditure**

Unauthorised expenditure means:

- ♦ overspending of a vote or a main division within a vote; and
- ♦ expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

## **Mthonjaneni Local Municipality**

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Annual Financial Statements for the year ended 30 June 2020

### **Accounting Policies**

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#### **1.25 Fruitless and wasteful expenditure**

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

#### **1.26 Irregular expenditure**

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

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), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic 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.

#### **1.27 Budget Information**

Municipalities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2019/07/01 to 2020/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

# Mthonjaneni Local Municipality

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## Accounting Policies

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### 1.28 Related parties

A related party is a person or an municipality with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an municipality that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an municipality so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting municipality and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an municipality, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual municipality or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting municipality's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the municipality's financial statements to understand the effect of related party transactions on its annual financial statements.

### 1.29 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

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### Notes to the Annual Financial Statements

Figures in Rand

2020

2019

#### 2. New standards and interpretations

##### 2.1 Standards and Interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Guideline: Guideline on Accounting for Landfill Sites	01 April 2019	The impact is not material.
• Guideline: Accounting for Arrangements Undertaken i.t.o the National Housing Programme	01 April 2019	The impact is not material.
• GRAP 20: Related parties	01 April 2019	The impact is not material.
• GRAP 32: Service Concession Arrangements: Grantor	01 April 2019	The impact is not material.
• GRAP 109: Accounting by Principals and Agents	01 April 2019	The impact is not material.
• IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land	01 April 2019	The impact is not material.

##### 2.2 Standards and interpretations effective but not adopted in the current year

The municipality has opted to adopt the transition provision relief in the application of certain standards effective on 01 April 2020. Therefore, the municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 April 2020 or later periods.

The municipality has Statutory Receivables which were accounted for under GRAP 23: Receivables from Non-Exchange Transactions:

Fines (Issued according to Administrative Adjudication of Road Traffic Offences Act)

Rates (Issued according to Municipal Property Rates Act)

VAT (Issued according to Value Added Tax Act)

Date of implementation and compliance is detailed below:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 108: Statutory Receivables	01 July 2021	Not expected to impact results but may result in additional disclosure

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### Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>3. Inventories</b>		
Consumable stores	738 578	445 750
<b>Inventory pledged as security</b>		
There is no Inventory pledged as security.		
<b>4. Receivables from Non-Exchange Transactions</b>		
Fines	13 441 127	14 759 392
Other non-exchange receivable (Ntambanana Split)	-	5 715 430
Consumer debtors - Rates	16 061 699	17 045 135
	<b>29 502 826</b>	<b>37 519 957</b>
<b>Fines disclosure</b>		
Gross Balances	89 824 362	89 346 140
Less: Provision for Impairment	(76 383 235)	(74 586 748)
<b>Net balance</b>	<b>13 441 127</b>	<b>14 759 392</b>
<b>Reconciliation of provision for impairment traffic fines</b>		
Opening balance	(74 586 748)	(72 799 825)
Provision for impairment	(1 796 487)	(1 786 923)
	<b>(76 383 235)</b>	<b>(74 586 748)</b>
<b>Property rates debtors disclosure</b>		
Gross balances	21 028 734	21 563 779
Allowance for impairment	(4 967 034)	(4 518 642)
	<b>16 061 700</b>	<b>17 045 137</b>
<b>Rates</b>		
Current (0-30 days)	427 051	379 652
31- 60 days	865 012	763 311
61- 90 days	480 845	325 731
91- 120 days	279 488	315 802
121- 365 days	177 409	197 874
> 365 days	13 831 895	15 062 967
	<b>16 061 700</b>	<b>17 045 137</b>
<b>5. VAT receivable</b>		
VAT	2 925 898	730 276

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## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>6. Receivables From Exchange Transactions</b>		
<b>Gross balances</b>		
Electricity	5 271 150	5 470 779
Refuse	2 908 324	1 901 218
Creditors with debit balance	46 035	46 035
Property rentals	146 926	288 450
	<b>8 372 435</b>	<b>7 706 482</b>
<b>Less: Allowance for impairment</b>		
Electricity	(1 174 490)	(647 987)
Refuse	(1 239 554)	(656 458)
	<b>(2 414 044)</b>	<b>(1 304 445)</b>
<b>Net balance</b>		
Electricity	4 096 660	4 822 792
Refuse	1 668 770	1 244 760
Creditors with debit balances	46 035	46 035
Property rentals	146 926	288 450
	<b>5 958 391</b>	<b>6 402 037</b>
<b>Included in above is receivables from exchange transactions</b>		
Electricity	4 096 660	4 822 792
Refuse	1 668 770	1 244 760
Property rentals	146 926	288 450
Creditors with debit balances	46 035	46 035
	<b>5 958 391</b>	<b>6 402 037</b>
<b>Net balance</b>	<b>5 958 391</b>	<b>6 402 037</b>
<b>Electricity</b>		
Current (0 -30 days)	1 479 374	1 723 997
31 - 60 days	622 370	285 174
61 - 90 days	330 976	249 500
91 - 120 days	254 530	121 086
121 - 180 days	356 304	219 791
181 - 365 days	192 050	174 507
> 365 days	861 086	2 048 737
	<b>4 096 660</b>	<b>4 822 792</b>
<b>Refuse</b>		
Current (0 -30 days)	154 367	118 704
31 - 60 days	83 437	2 030
61 - 90 days	72 936	42 741
91 - 120 days	67 427	36 570
121 - 365 days	72 650	69 062
> 365 days	1 217 953	975 653
	<b>1 668 770</b>	<b>1 244 760</b>
<b>Creditors with debit balance</b>		
Current (0 -30 days)	46 035	46 035

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### Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>6. Receivables From Exchange Transactions (continued)</b>		
<b>Property rentals</b>		
Current (0 -30 days)	20 579	25 399
31 - 60 days	-	47 386
61 - 90 days	6 834	20 139
91 - 120 days	6 834	18 444
121 - 365 days	41 834	106 141
> 365 days	70 845	70 941
	<b>146 926</b>	<b>288 450</b>
<b>Reconciliation of allowance for impairment</b>		
Balance at the beginning of the year	(1 304 445)	(956 719)
Contributions to allowance	(1 109 589)	(347 726)
	<b>(2 414 044)</b>	<b>(1 304 445)</b>
<b>Receivables from Exchange Transaction pledged as security</b>		
There are no Receivables from Exchange Transactions pledged as security.		
<b>7. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	400	1 374
Bank balances	3 219 947	1 097 809
*Short-term deposits	1 593 846	1 594 609
	<b>4 814 293</b>	<b>2 693 792</b>
*Short-term deposits have been reclassified from bank balances to improve disclosure.		
<b>Cash and cash equivalents pledged as guarantee</b>		
First National Bank - Fixed Deposit - 712450040078	1 540 000	1 540 000
Pledged as a guarantee to Eskom		



## Mthonjaneni Local Municipality

(Registration number: KZN 285)

Annual Financial Statements for the year ended 30 June 2020

### Notes to the Annual Financial Statements

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#### 7. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2020	30 June 2019	30 June 2018	30 June 2020	30 June 2019	30 June 2018
First National Bank - Current (Mair) - 54980006117	3 157 939	1 065 038	1 528 893	3 158 027	1 065 058	1 551 189
First National Bank- Current - 62330092470	61 921	32 753	3 550	61 921	32 753	3 550
Investec Bank - Call - 1100435097501	47 268	47 384	59 405	47 268	47 384	59 405
First National Bank - Fixed Deposit - 712450040078	1 540 000	1 540 000	1 540 000	1 540 000	1 540 000	1 540 000
First National Bank - Call Account - 62051262146	106	994	499 351	106	994	499 351
First National Bank - Call - 62532053204	1 176	1 115	25 952	1 176	1 115	25 952
First National Bank - Call Account - 62771806092	2 517	2 385	-	2 517	2 385	-
First National Bank - Call Account - 62771807016	2 881	2 730	-	2 881	2 730	-
<b>Total</b>	<b>4 813 808</b>	<b>2 692 399</b>	<b>3 657 161</b>	<b>4 813 696</b>	<b>2 692 419</b>	<b>3 679 447</b>

## Mthonjaneni Local Municipality

(Registration number KZN 205)

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### Notes to the Annual Financial Statements

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#### B. Biological assets

	2020			2019		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Plantation	1 211 074	-	1 211 074	2 762 238	-	2 762 238

#### Reconciliation of biological assets - 2020

	Opening balance	Gains or losses arising from changes in fair value	Total
Plantation	2 762 238	(1 551 163)	1 211 074

#### Reconciliation of biological assets - 2019

	Opening balance	Gains or losses arising from changes in fair value	Total
Plantation	1 506 789	1 255 435	2 762 238

#### Pledged as security

There is no plantation pledged as security.

The plantation is planted forestry area totalling 72.05 ha. Valuation is performed on annual basis.

## Mthonjaneni Local Municipality

(Registration number: KZN 285)

Annual Financial Statements for the year ended 30 June 2020

### Notes to the Annual Financial Statements

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#### B. Investment property

##### Investment Properties

2020			2019		
Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
238 985	(150 780)	88 205	238 985	(132 644)	106 351

##### Reconciliation of investment property - 2020

##### Investment Properties

Opening balance	Depreciation	Total
106 351	(18 146)	88 205

##### Reconciliation of investment property - 2019

##### Investment Properties

Opening balance	Depreciation	Total
111 773	(5 422)	106 351

##### Pledged as security

There is no Investment Property pledged as security.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

##### Amounts recognised in surplus or deficit

Rental revenue from Investment property	237 187	261 926
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## Mthonjaneni Local Municipality

(Registration Number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

### Notes to the Annual Financial Statements

Figures in Rand

#### 10. Property, plant and equipment

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	46 198 292	-	46 198 292	46 198 292	-	46 198 292
Machinery and Equipment	5 259 323	(2 378 062)	2 881 261	4 938 486	(1 866 032)	3 072 454
Furniture and Office Equipment	1 862 684	(990 304)	872 380	1 753 018	(837 615)	915 403
Transport Assets	10 308 504	(5 882 341)	4 416 163	13 352 388	(8 106 517)	5 245 871
Computer Equipment	962 150	(538 001)	423 149	888 378	(433 590)	454 788
Community Assets	109 384 747	(25 699 081)	79 684 866	100 227 499	(20 345 290)	79 882 209
Road Infrastructure	117 636 710	(21 417 863)	96 218 847	95 723 502	(14 688 306)	81 035 196
Work in Progress	54 930 573	-	54 930 573	48 138 037	-	48 138 037
Stormwater Infrastructure	9 024 544	(1 885 968)	7 138 576	8 983 083	(1 447 877)	7 535 206
Solid Waste Infrastructure	142 695	(64 406)	78 289	209 004	(58 036)	149 968
Water Supply Infrastructure	1 884 882	(595 465)	1 289 417	1 964 882	(356 976)	1 607 906
Electrical Infrastructure	68 380 043	(19 143 702)	49 236 341	88 388 045	(14 908 268)	73 479 777
Other Assets	27 699 052	(8 002 644)	19 696 408	27 698 052	(6 729 477)	20 968 575
<b>Total</b>	<b>469 703 512</b>	<b>(86 589 755)</b>	<b>383 113 757</b>	<b>439 092 674</b>	<b>(69 827 833)</b>	<b>369 264 841</b>

## Mthonjaneni Local Municipality

(Registration number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

### Notes to the Annual Financial Statements

Figures in Rand

#### 10. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land	46 198 282	-	-	-	-	-	-	46 198 282
Machinery and Equipment	3 072 454	320 837	-	-	-	(512 030)	-	2 881 261
Furniture and Office Equipment	915 403	109 576	-	-	-	(152 689)	-	872 290
Transport Assets	5 845 871	880 890	(1 382 119)	-	-	(918 470)	-	4 416 163
Computer Equipment	454 848	73 775	-	-	-	(105 471)	-	423 152
Community Assets	79 882 200	-	-	5 157 218	-	(5 352 878)	(1 714)	79 684 856
Road Infrastructure	81 024 186	28	-	21 913 180	-	(8 748 657)	-	95 218 747
Work In Progress	48 136 037	33 886 515	-	(27 101 979)	-	-	-	54 930 573
Stormwater Infrastructure	7 545 218	-	-	31 551	-	(408 518)	(8 581)	7 158 688
Solid Waste Infrastructure	149 968	-	-	-	(66 009)	(5 370)	-	78 589
Water Supply Infrastructure	1 587 908	-	-	-	-	(188 489)	-	1 399 417
Electrical Infrastructure	73 482 776	-	-	-	-	(4 237 434)	-	69 245 341
Other Assets	20 966 575	-	-	-	-	(1 273 187)	-	19 693 388
	<b>369 264 741</b>	<b>35 281 821</b>	<b>(1 392 119)</b>	<b>-</b>	<b>(66 008)</b>	<b>(19 884 282)</b>	<b>(10 275)</b>	<b>383 193 767</b>

## Mthonjaneni Local Municipality

(Registration number KZN 286)

Annual Financial Statements for the year ended 30 June 2020

### Notes to the Annual Financial Statements

Figures in Rand

#### 10. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Transfers	Depreciation	Prior period adjustments	Total
Land	46 198 282	-	-	-	-	46 198 282
Machinery and Equipment	3 171 196	450 864	-	(596 075)	49 473	3 075 458
Furniture and Office Equipment	877 956	77 131	-	(148 673)	150 904	956 418
Transport Assets	7 503 250	-	-	(1 631 363)	170 974	5 842 861
Computer Equipment	340 212	146 542	-	(101 687)	66 761	451 828
Community Assets	70 537 776	41 504	4 828 545	(5 025 656)	-	70 382 169
Road Infrastructure	81 770 031	106 145	3 532 535	(4 394 483)	-	81 014 228
Work in Progress	33 386 885	33 826 321	(19 080 260)	-	-	48 132 946
Stormwater Infrastructure	7 006 333	-	-	(341 117)	-	6 665 216
Solid Waste Infrastructure	155 456	-	-	(5 497)	-	149 959
Water Supply Infrastructure	1 756 394	-	-	(188 488)	-	1 567 906
Electrical Infrastructure	62 396 952	-	10 718 213	(5 322 305)	-	77 792 860
Other Assets	21 846 610	322 484	-	(1 229 719)	-	20 939 375
	351 353 842	54 983 619	-	(17 467 122)	395 202	389 265 549

# Mthonjaneni Local Municipality

(Registration number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>10. Property, plant and equipment (continued)</b>		
<b>Pledged as security</b>		
There are no assets pledged as security.		
<b>Property, plant and equipment in the process of being constructed or developed</b>		
<b>Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected</b>		
<b>Thubalethu Housing Project</b>	8 519 531	8 519 531
The final road layers will be constructed as soon as the housing project is complete. This is due to the heavy plant that may damage the road if finalised before the houses are completed.		
<b>Manzawayo Gravel Road</b>	5 168 665	2 531 200
Extension of time was granted due to additional works and delays caused by the Corona Virus 2019 pandemic.		
<b>Nungwini Gravel Road</b>	6 488 522	4 118 609
Extension of time was granted due to additional work and delays caused by the Corona Virus 2019 pandemic.		
	<b>20 176 718</b>	<b>15 169 340</b>

### Reconciliation of Work-in-Progress 2020

	Included within Electrical Infrastructure Assets	Included within Community Infrastructure Assets	Included within Road Infrastructure Assets	Included within Other Assets	Total
Opening balance	20 012 325	2 503 160	17 101 020	8 519 531	48 136 036
Additions	13 134 713	4 260 904	16 500 898	-	33 896 516
Transferred to completed items	-	(5 157 248)	(21 944 731)	-	(27 101 979)
	<b>33 147 038</b>	<b>1 606 816</b>	<b>11 657 187</b>	<b>8 519 531</b>	<b>54 930 573</b>

### Reconciliation of Work-in-Progress 2019

	Included within Electrical Infrastructure Assets	Included within Community Infrastructure Assets	Included within Road Infrastructure Assets	Included within Other Assets	Total
Opening balance	17 496 172	1 449 675	5 924 605	8 519 531	33 389 983
Additions	13 234 371	5 883 031	14 708 920	-	33 826 322
Transferred to completed items	(10 718 218)	(4 829 546)	(3 532 505)	-	(19 080 269)
	<b>20 012 325</b>	<b>2 503 160</b>	<b>17 101 020</b>	<b>8 519 531</b>	<b>48 136 037</b>



## Mthonjaneni Local Municipality

(Registration number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

### Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>10. Property, plant and equipment (continued)</b>		
<b>Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance</b>		
<b>Expenditure incurred to repair and maintain Property, plant and equipment included in Statement of Financial Performance</b>		
Contracted services	4 396 443	2 182 139
Materials	-	2 414 084
	<b>4 396 443</b>	<b>4 596 203</b>

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the Municipality.

**Mthonjaneni Local Municipality**

(Registration number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

**Notes to the Annual Financial Statements**

Figures in Rand

**11. Intangible assets**

	2020			2019		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	237 563	(214 162)	23 401	237 563	(204 228)	33 335

**Reconciliation of intangible assets - 2020**

	Opening balance	Amortisation	Total
Computer software	33 335	(9 934)	23 401

**Reconciliation of intangible assets - 2019**

	Opening balance	Additions	Amortisation	Total
Computer software	35 391	14 300	(16 356)	33 335

## Mthonjaneni Local Municipality

(Registration number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

### Notes to the Annual Financial Statements

Figures in Rand

#### 12. Heritage assets

Historical monuments

2020			2019		
Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
589	-	589	589	-	589

#### Reconciliation of heritage assets 2020

Historical monuments

Opening balance	Total
589	589

#### Reconciliation of heritage assets 2019

Historical monuments

Opening balance	Total
589	589

# Mthonjaneni Local Municipality

(Registration number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

Figures in Rand

2020

2019

### 13. Payables from exchange transactions

Trade payables	16 650 461	18 434 482
Payments received in advance - contract in process	927 035	927 035
Retentions	4 277 901	3 427 085
Third parties - payroll	5 439 862	2 893 579
Other payables	1 631 406	874 511
Income received in advance- prepaid electricity	72 439	-
	<b>28 999 104</b>	<b>26 656 692</b>

### 14. Consumer deposits

Electricity	693 179	689 916
Other consumer deposits	332 627	331 096
	<b>1 025 806</b>	<b>1 021 012</b>

### 15. Unspent conditional grants and receipts

Unspent/(overspent) conditional grants and receipts comprises of:

Unspent/(overspent) conditional grants and receipts

COGTA Grant	17 134	17 134
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### 16. Provisions

#### Reconciliation of provisions - 2020

	Opening Balance	Additions	Utilised during the year	Change in discount factor	Total
Environmental rehabilitation	3 795 190	-	-	(66 009)	3 729 181
Provision for bonuses	412 091	1 251 004	-	-	1 663 095
Provision for leave pay	3 208 716	751 422	(215 541)	-	3 744 597
Employee benefit cost	2 087 000	132 616	-	-	2 219 616
	<b>9 502 997</b>	<b>2 135 042</b>	<b>(215 541)</b>	<b>(66 009)</b>	<b>11 356 489</b>

#### Reconciliation of provisions - 2019

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Change in discount factor	Total
Environmental rehabilitation	3 327 283	347 127	-	-	120 780	3 795 190
Provision for bonuses	500 514	-	-	(88 423)	-	412 091
Provision for leave pay	2 760 441	612 894	(164 619)	-	-	3 208 716
Employee benefit cost	1 780 000	546 636	(239 636)	-	-	2 087 000
	<b>8 368 238</b>	<b>1 506 657</b>	<b>(404 255)</b>	<b>(88 423)</b>	<b>120 780</b>	<b>9 502 997</b>

Non-current liabilities

5 785 459

5 759 605

Current liabilities

5 571 030

3 743 392

**11 356 489**

**9 502 997**

## Mthonjaneni Local Municipality

(Registration number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

### Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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#### 17. Employee benefit obligations

##### Defined benefit plan

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of certain retired members of the municipality. According to the rules of the medical aid fund which is associated with the municipality, a member (who is on the current conditions of service) is entitled to remain a continued member of such medical aid fund upon retirement. In such cases, the municipality is liable for a portion of the medical aid membership fee. The most recent actuarial valuations were carried out at 30 June 2020 by One Pangaea, Fellow of the Faculty of Actuaries and Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

##### Post retirement medical aid plan

The Municipality has agreed to subsidise the medical aid contributions of continuation pensioners in the following way:

- All new pensioners (that are currently still in service) and their dependents will receive a 60% subsidy upon attaining retirement age.
- All new pensioners (that are currently still in service) and their dependents will receive a 60% subsidy subject to the maximum (CAP) amount of R4,492.35 (per month per member).
- All existing continuation members (pensioners) and their dependents will continue to receive a 60% subsidy subject to the maximum (CAP) amount of R4,492.35 (per month per member).
- The maximum subsidy is expected to increase at 50% of inflation

The amounts recognised in the statement of financial position are as follows:

##### Carrying value

Present value of the defined benefit	(2 356 261)	(3 442 001)
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Changes in the present value of the defined benefit obligation are as follows:

Opening balance	3 442 001	2 761 001
Net expense recognised in the statement of financial performance	(1 085 740)	681 000
	<b>2 356 261</b>	<b>3 442 001</b>

Net expense recognised in the statement of financial performance

Current service cost	349 000	291 000
Interest cost	306 000	248 000
Actuarial (gains) losses	(1 707 740)	173 000
Expected return on reimbursement rights	(33 000)	(31 000)
	<b>(1 085 740)</b>	<b>681 000</b>

##### Key assumptions used

Assumptions used at the reporting date:

Discount rates used	14.34 %	8.93 %
Medical cost trend rates	10.60 %	7.70 %
Expected increase in salaries	6.25 %	7.20 %
Expected pension increases	6.20 %	6.20 %

## Mthonjaneni Local Municipality

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Annual Financial Statements for the year ended 30 June 2020

### Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>18. Service charges</b>		
Service charges - reconnection fees	125 821	134 263
Sale of electricity	21 384 285	20 367 745
Refuse removal	1 687 798	1 782 335
	<b>23 197 904</b>	<b>22 284 343</b>
<b>19. Rental of facilities and equipment</b>		
<b>Facilities and equipment</b>		
Rental income	237 187	261 926
<b>20. Licenses and permits</b>		
Leamer Driver Application	195 049	252 486
Motor Licenses	874 195	1 274 486
Business Licenses	4 755	3 965
Taxi rank Permits	29 248	12 848
	<b>1 103 247</b>	<b>1 543 785</b>
<b>21. Other income</b>		
Sundry income	234 268	196 867
Building plan fees	22 371	10 811
Cemetery fees	16 400	26 481
Rates clearance certificate	13 198	5 647
Hoarding	9 952	19 524
Photocopying	19 479	20 812
	<b>315 668</b>	<b>280 142</b>
<b>22. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	935 961	442 388
Interest charged on trade and other receivables	277 929	50 794
Short term deposits	104 387	199 838
	<b>1 318 277</b>	<b>693 020</b>
Refer to Note 51, some balances have been reclassified to improve disclosure.		
<b>23. Fair value adjustments</b>		
Biological assets - (Fair value model)	(1 551 163)	1 256 474

# Mthonjaneni Local Municipality

(Registration number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>24. Property rates</b>		
<b>Rates received</b>		
Residential	2 411 091	1 662 095
Commercial	5 377 825	5 429 598
State	4 359 940	3 646 121
Agriculture	1 865 483	1 168 181
Public service infrastructure	33	31
Vacant land	221 194	218 985
	<b>14 235 566</b>	<b>12 125 009</b>
Property rates - penalties imposed	<b>1 321 972</b>	<b>1 328 042</b>
	<b>15 557 538</b>	<b>13 453 051</b>

### Valuations

Agriculture	875 933 000	905 373 000
Commercial	305 603 000	389 477 000
Municipal Properties	62 321 532	62 321 532
Places of worship	9 940 000	9 766 000
Public service Infrastructure	23 000	23 000
Public service purpose	254 370 000	-
Residential	340 664 000	334 694 000
State Trust Land	36 540 000	290 910 000
Vacant Land	12 455 688	12 620 688
Industrial	10 440 000	-
Land reform	44 860 000	-
Public benefit organisation	800 000	-
	<b>1 953 950 220</b>	<b>2 005 186 220</b>

Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on 1 July 2015. annual valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The new general valuation will be implemented on 01 July 2020.

### Property Rates Tariffs:

Cent amount in the Rand determined for the relevant property category:

Agriculture	0.36	0.34
Commercial	1.82	1.75
Industrial	1.82	1.72
Public Service Infrastructure	0.36	0.34
Public Service Purpose	1.45	1.38
State Owned	1.45	1.38
Residential	1.45	1.38
Rural Tourism and Hospitality	1.45	1.38
State Trust Land	1.80	1.72
Urban Tourism and Hospitality	1.38	1.38
Vacant Land	1.72	1.72

### Rebates:

Residential Properties	20%	20%
State Owned	0%	0%
Agriculture	18%	18%
Public Service Infrastructure	30%	30%
All Other Properties	18%	18%

# Mthonjaneni Local Municipality

(Registration number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>25. Government grants and subsidies</b>		
<b>Operating grants</b>		
Equitable share	79 412 000	70 979 000
Expanded Public Works Programme (EPWP)	2 026 000	1 808 000
Financial Management Grant (FMG)	2 850 000	2 850 000
Community Library Grant*	211 000	197 000
Provincialization of Libraries Grant*	880 000	838 000
Municipal Disaster Relief Grant	745 000	-
	<b>86 124 000</b>	<b>76 672 000</b>
<b>Capital grants</b>		
Municipal Infrastructure Grant	18 033 000	21 749 000
Integrated National Electrification Grant (INEG)	15 000 000	15 000 000
	<b>33 033 000</b>	<b>36 749 000</b>
<b>Total</b>	<b>119 157 000</b>	<b>113 421 000</b>
<b>Integrated National Electrification Grant (INEG)</b>		
Current-year receipts	15 000 000	15 000 000
Conditions met - transferred to revenue	(15 000 000)	(15 000 000)
	-	-
<b>COGTA Grant</b>		
Balance unspent at beginning of year	17 134	17 134
Conditions still to be met - remain liabilities (see note 15).		
<b>Expanded Public Works Programme Grant</b>		
Current-year receipts	2 026 000	1 808 000
Conditions met - transferred to revenue	(2 026 000)	(1 808 000)
	-	-
<b>Financial Management Grant</b>		
Current-year receipts	2 850 000	2 850 000
Conditions met - transferred to revenue	(2 850 000)	(2 850 000)
	-	-
<b>Municipal Infrastructure Grant</b>		
Current-year receipts	18 033 000	21 749 000
Conditions met - transferred to revenue	(18 033 000)	(21 749 000)
	-	-



## Mthonjaneni Local Municipality

(Registration number: KZN 285)

Annual Financial Statements for the year ended 30 June 2020

### Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>25. Government grants and subsidies (continued)</b>		
<b>Municipal Disaster Relief Grant</b>		
Current-year receipts	745 000	-
Conditions met - transferred to revenue	(745 000)	-
	-	-
<b>Community Library Grant*</b>		
Current-year receipts	211 000	211 000
Conditions met - transferred to revenue	(211 000)	(211 000)
	-	-
<b>Provincialization of Libraries Grant*</b>		
Current-year receipts	880 000	838 000
Conditions met - transferred to revenue	(880 000)	(838 000)
	-	-
*In the prior year, Community Library Grant and Provincialisation of Libraries Grant were disclosed as one.		
<b>26. Fines, Penalties and Forfeits</b>		
Traffic Fines	507 390	426 150

# Mthonjaneni Local Municipality

(Registration number KZN 285)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>27. Employee related costs</b>		
Basic	35 893 724	32 486 793
Bonus	2 315 391	2 001 029
Medical aid - company contributions	2 098 780	2 151 435
UIF	287 870	275 228
SALGA	15 665	13 678
Leave pay provision charge	514 729	164 819
Allowances	2 678 656	1 837 636
Overtime	2 026 708	2 815 772
Defined contribution plans	5 065 702	4 093 144
Travel, motor car, accommodation, subsistence and other allowances	3 795 955	3 279 810
Long-service awards	109 172	239 636
Housing benefits and allowances	916 754	927 364
Skills Development Levy	383 248	521 929
	<b>56 102 354</b>	<b>50 808 071</b>
<b>Remuneration of Municipal Manager - P.P. Sibiya</b>		
Annual Remuneration	1 045 857	1 013 285
Car Allowance	150 000	150 000
Contributions to UIF	1 785	1 785
Remote Allowance	47 834	46 531
Skills Development Levy	9 832	11 798
	<b>1 255 308</b>	<b>1 223 399</b>
<b>Remuneration of Director Technical Services - S.F Mchunu</b>		
Annual Remuneration	635 063	601 459
Car Allowance	180 000	180 000
Contributions to UIF	1 785	1 785
Remote Allowance	32 603	31 258
Cell Phone Allowance	18 000	18 000
Other- Travel, Accommodation and Incidentals	-	26 742
Skills Development Levy	6 632	7 949
	<b>874 083</b>	<b>867 193</b>
<b>Remuneration of Acting Chief Financial Officer - N.M. Myeni</b>		
Acting Allowance	65 186	41 624
	<b>65 186</b>	<b>41 624</b>
<b>Remuneration of Chief Financial Officer - N.M. Myeni</b>		
Annual Remuneration	489 117	-
Car Allowance	87 500	-
Cellphone Allowance	9 000	-
Contributions to UIF, Medical and Pension Funds	9 622	-
Remote Allowance	23 064	-
	<b>618 303</b>	<b>-</b>

## Mthonjaneni Local Municipality

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### Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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#### 27. Employee related costs (continued)

##### Remuneration of Director Corporate & Community Services - Z.S Mthethwa

Annual Remuneration	683 626	646 290
Car Allowance	150 000	150 000
Contributions to UIF	1 785	1 785
Remote Allowance	36 225	34 732
Housing Allowance	72 000	72 000
Skills Development Levy	7 282	8 730
	<b>950 918</b>	<b>913 537</b>

##### Remuneration of Acting Director Community Services - F.S Mazibuko

Acting Allowance	-	29 987
	<b>-</b>	<b>29 987</b>

##### Remuneration of Acting Director Community Services - B.C.X Dladla

Acting Allowance	-	30 344
	<b>-</b>	<b>30 344</b>

#### 28. Remuneration of councillors

Hon. Mayor	904 441	771 235
Deputy Mayor	731 748	626 728
Executive Committee Members	1 208 703	1 164 840
Hon. Speaker	426 311	410 220
All Other Councillors	6 047 864	5 754 104
	<b>9 317 067</b>	<b>8 727 127</b>

#### In-kind benefits

The Hon. Mayor and Deputy Mayor are full time. Hon. Speaker and Executive Committee Members are part-time. Hon. Mayor, Hon Speaker and Deputy Mayor, each are provided with an office and secretarial support at the cost of the Council.

The Hon. Mayor, Hon. Speaker and the Deputy Mayor each have the use of separate Council owned vehicles for official duties.

The Hon. Mayor, Deputy Mayor and Hon. Speaker each have a driver and a full-time bodyguard.

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Figures in Rand	2020	2019
<b>29. Depreciation and amortisation</b>		
Property, plant and equipment	19 884 200	17 071 921
Investment property	18 147	5 421
Intangible assets	9 935	16 356
	<b>19 912 282</b>	<b>17 093 698</b>
<b>30. Interest paid</b>		
Interest and penalties paid	990 712	341 816
Interest and penalties paid are mainly due to cash flow challenges which resulted due to arrears on accounts such as Eskom, Telkom, Auditor General, South African Revenue Service and Pension Funds.		
<b>31. Impairment of assets</b>		
<b>Impairments</b>		
Property, plant and equipment	10 275	-
<b>32. Lease rentals on operating lease</b>		
<b>Equipment</b>		
Contractual amounts	631 690	482 756
<b>Plant and equipment</b>		
Lease expenses	578 120	-
	<b>1 209 810</b>	<b>482 756</b>
<b>33. Bulk purchases</b>		
Electricity - Eskom	19 091 365	22 302 722
<b>34. Contracted services</b>		
Operating Leases	723 449	959 197
Other Contractors	1 916 059	4 883 489
Specialist Services	806 959	1 297 171
<b>Outsourced Services</b>		
Business and Advisory	2 981 879	4 958 400
Catering Services	744 772	994 738
Cleaning Services	2 649 074	-
Clearing and Grass Cutting Services	142 609	-
Refuse Removal	385 130	308 000
Security Services	2 158 977	3 395 462
Transport Services	494 308	235 078
Website Maintenance	109 822	48 092
<b>Consultants and Professional Services</b>		
Business and Advisory	174 000	503 043
Infrastructure and Planning	380 611	-
Property Valuation Fees	2 003 936	181 649
Legal Cost	279 492	825 213

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## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>34. Contracted services (continued)</b>		
<b>Contractors</b>		
Audio-visual Services	-	39 427
Catering Services	210 571	438 841
Employee Wellness	63 000	140 000
Event Promoters	1 554 199	-
First Aid	173 940	18 814
Maintenance of Buildings and Facilities	1 143 744	355 001
Maintenance of Equipment	484 079	1 476 632
Management of Transport Assets	654 609	844 455
Medical Services	36 943	-
Maintenance of Infrastructure	1 788 203	1 557 794
Transportation	369 850	256 950
<b>Total</b>	<b>22 430 215</b>	<b>23 717 626</b>

Refer to Note 51. Some balances have been reclassified to improve disclosure.

### 35. Operational Costs

Advertising & Publicity	4 042 512	4 141 873
Assessment rates & municipal charges	8 193	74 324
Assets expensed	9 181	72 813
Auditors remuneration	2 211 842	2 318 286
Bank charges	122 348	97 512
Bursaries	288 899	551 248
Community development and training	21 300	578 826
Conferences and seminars	41 156	147 253
Consumables	468 195	1 628 088
Contribution to Provision for Impairment	5 259 664	3 925 188
EPWP Stipends	3 148 066	2 762 526
Electricity	795 266	1 721 059
Fuel and oil	1 702 540	1 673 909
Hire	143 200	266 355
IT expenses	124 245	117 831
Indigent Relief	936 523	868 088
Insurance	966 696	445 528
LED Projects	2 113 625	280 079
Management fees	-	158 883
Other expenses	25 568	139 944
Packaging	-	6 547
Printing and stationery	386 125	543 863
Protective clothing	320 763	739 118
Repairs and maintenance	-	314 230
Staff welfare	-	192 185
Subscriptions and membership fees	556 433	563 899
Telephone and fax	993 568	937 689
Traffic fines written-off	-	189 625
Training	70 271	161 835
Travel and subsistence	697 211	1 551 596
Ward committee	1 754 100	1 811 900
Water	413 415	191 356
Workmen's compensation	280 309	249 004
	<b>27 901 214</b>	<b>29 421 240</b>

Refer to Note 51. Some balances have been reclassified to improve disclosure.

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## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>36. Auditors' remuneration</b>		
<b>Fees</b>	<b>2 211 842</b>	<b>2 318 286</b>
<b>37. Cash generated from operations</b>		
Surplus	5 382 986	43 836
<b>Adjustments for:</b>		
Depreciation and amortisation	19 912 282	17 093 698
Gain on disposal of property, plant and equipment	(1 419 489)	-
Fair value adjustments	1 551 163	(1 258 474)
Impairment loss	10 275	-
Movements in retirement benefit assets and liabilities	(1 085 740)	681 000
Movements in provisions	1 853 492	1 134 759
Landfill provision adjustment	66 009	-
Other non-cash items	(4)	-
<b>Changes in working capital:</b>		
Inventories	(292 828)	98 074
Consumer debtors	443 846	(828 947)
Other receivables from non-exchange transactions	8 017 131	137 286
Payables from exchange transactions	2 342 414	13 914 893
VAT	(2 195 622)	3 073 455
Consumer deposits	4 794	(59 638)
	<b>34 590 509</b>	<b>34 031 842</b>

## Mthonjaneni Local Municipality

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### Notes to the Annual Financial Statements

Figures in Rand

2020

2019

#### 38. Financial Instruments disclosure

##### Categories of financial instruments

##### 2020

##### Financial assets

	At amortised cost	At cost	Total
Trade and other receivables from exchange transactions	5 958 391	-	5 958 391
Other receivables from non-exchange transactions	29 502 826	-	29 502 826
Cash and cash equivalents	-	4 814 293	4 814 293
	<b>35 461 217</b>	<b>4 814 293</b>	<b>40 275 510</b>

##### Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	28 999 104	28 999 104

##### 2019

##### Financial assets

	At amortised cost	At cost	Total
Trade and other receivables from exchange transactions	6 402 037	-	6 402 037
Other receivables from non-exchange transactions	37 519 957	-	37 519 957
Cash and cash equivalents	-	2 693 794	2 693 794
	<b>43 921 994</b>	<b>2 693 794</b>	<b>46 615 788</b>

##### Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	26 655 691	26 655 691

## Mthonjaneni Local Municipality

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### Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>39. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
Property, plant and equipment	34 327 461	35 600 007
<b>Total capital commitments</b>		
Already contracted for but not provided for	34 327 461	35 600 007
<b>Operating leases - as Lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	517 640	509 918
Operating lease payments represent rentals payable by the municipality for certain of its telephone equipment, photocopiers and motor vehicles. No contingent rent is payable.		
<b>Operating leases - as Lessor (income)</b>		
<b>Minimum lease payments due</b>		
- within one year	158 485	185 778
- in second to fifth year inclusive	247 334	246 367
	<b>405 819</b>	<b>433 445</b>

Certain commonage and vacant land is held to generate rental income. Lease agreements are non-cancellable and there are no contingent rents receivable.

#### 40. Contingencies

There is an ongoing case between the municipality and the MEC for COGTA KZN. The MEC for COGTA has applied for leave of appeal against the judgement by the Supreme Court of Appeal on the matter of appointment of senior managers. The municipality is in the process of preparing an affidavit to oppose the application.

The estimated costs and disbursements amount to R 500 000. The Municipality's attorneys believe that the management's description and estimates of the amount of financial exposure, which might arise in relation to the matters described above are reasonable.



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## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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### 41. Related parties

#### Related party balances

The following councillors and key management owed the municipality in respect of traffic fines as at 30 June 2020.

##### Councillors

Cllr S.B.K. Biyela (Mayor)	500	500
Cllr P.E. Ntombela (Deputy Mayor)	2 350	2 350
Cllr N.A. Mbatha (Speaker)	2 900	2 900
Cllr M.N. Ndlangamandla	4 950	4 950
Cllr H.K.L. Zungu	10 250	10 250
Cllr E.M. Masikane	1 850	1 850
Cllr J. Mlawu	1 450	1 450
Cllr B.M.T. Sibiya	5 900	5 900
Cllr D.F. Xulu	600	600
Cllr T.F. Zicume	150	150
Cllr T.E. Mpungose	200	200
Cllr D.M. Dladla	5 600	5 600
Cllr Z.A. Sibiya	400	400
	<b>37 100</b>	<b>37 100</b>

##### Directors

Mr. P.P. Sibiya (Municipal Manager)	26 000	26 000
Mr. Z.S. Mthethwa (Director Community Services)	5 450	5 450
Mr. S. Mchunu (Director Technical Services)	950	950
	<b>32 400</b>	<b>32 400</b>

As per Section 124 (1)(b) of the MFMA, the following Councillors owed the Municipality in respect of property rates and service charges for a period of more than 90 days as at 30 June 2020.

Councillors	2020	2019
Cllr M.N. Ndlangamandla	1 522	2 739
Cllr N.A. Mbatha	2 346	5 304
Cllr E.M. Masikane	6 093	4 358
	<b>9 961</b>	<b>12 401</b>

Refer to note 27 and note 28 for disclosure of remuneration of key management and councillors.

### 42. Risk management

#### Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. Risk management is carried out by a central treasury department (municipality treasury) under policies approved by the accounting officer. The accounting officer provides written principles for overall risk management.

## Mthonjaneni Local Municipality

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### Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>42. Risk management (continued)</b>		
<b>Liquidity risk</b>		
The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.		
Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.		
Financial liabilities	31 008 268	30 098 693
<b>Credit risk</b>		
Credit risk consists mainly of cash deposits, cash equivalents, derivative financial and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.		
Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis.		
Cash and cash equivalents	4 814 293	2 693 793
Trade and other receivables	5 958 391	6 402 037
	<b>10 772 684</b>	<b>9 095 830</b>

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## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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### 43. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

(a) The Accounting Officer continue to procure funding for the ongoing operations for the Municipality.

(b) The Municipality have not lost any of the key customers or principal suppliers.

(c) The Municipality does not experience Labour difficulties.

(d) The Municipality does not have shortage of important suppliers.

(e) Financial results, bank account balance and net asset are all positive.

There is also no indication of a possibility of default by the government in paying grants under the act. This is also corroborated by experience where National Treasury has met its obligations year on year and has therefore created a constructive obligation.

In addition, the municipality collects revenue for services rendered and the will augment their cash flows in subsequent years.

There was an outbreak of COVID-19 which was declared an epidemic by the World Health Organisation and following that, the South African Government declared 21 days of lockdown. In spite of the COVID-19 outbreak, the municipality will continue as a going concern as is it part of the institutions that supply critical services and a fund has also been set up to support these institutions that supply critical services to the community it serves. The President of South Africa also pledged support for all institutions that supply critical services and a fund has also been set to support the institutions. Unemployment Insurance Fund will also be used to support salaries during this period. The municipality has also received their grants (Equitable share) and they will continue to receive grants in the foreseeable future.

### 44. Unauthorised expenditure

Opening balance as previously reported	33 129 821	33 129 821
Add: Unauthorised Expenditure - current year	5 708 265	-
<b>Subtotal</b>	<b>38 838 086</b>	<b>33 129 821</b>
<b>Closing balance</b>	<b>38 838 086</b>	<b>33 129 821</b>

Included in the net amount for unauthorised expenditure –current, are non cash items totaling R 11 338 995 ( Depreciation R 9 777 557.00; Fair value adjustment-Biological Assets R 1 551 163.00; Asset impairment R 10 275.00).

### 45. Fruitless and wasteful expenditure

Opening balance as previously reported	398 320	56 504
<b>Subtotal</b>	<b>398 320</b>	<b>56 504</b>
Add: Fruitless and Wasteful Expenditure - Current year	990 712	341 816
<b>Closing balance</b>	<b>1 389 032</b>	<b>398 320</b>

Fruitless and wasteful expenditure comprises of interest on overdue accounts.

# Mthonjaneni Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>46. Irregular expenditure</b>		
Opening balance	87 923 008	110 555 332
Add: Irregular Expenditure - current year	23 958 412	23 546 083
<b>Subtotal</b>	<b>111 881 420</b>	<b>134 101 415</b>
Less: Amount certified by Council as irrecoverable and written off	(28 696 843)	(46 178 407)
<b>Closing balance</b>	<b>83 184 577</b>	<b>87 923 008</b>

### Details of Irregular expenditure due to non-compliance with Section 29(2) Regulations

Dolphin Coast Solutions	188 425	256 999
Fidelity Cash Solutions	76 976	70 174
Bargain Uniform	-	540 246
Brockwell Auto Engineering	336 927	-
Buthefezi Mtshali Mzulwini Attorneys	440 360	886 888
Chico Man Trading (Pty) Ltd	1 075 000	-
Ethala Construction	177 200	1 115 021
Induna Logistics	-	382 357
Indwe Risk Services	1 111 701	512 357
Jabulani Teresa Construction	538 883	1 138 037
Konica Minolta Zululand	269 946	174 496
Magubane Plant and Construction	757 180	-
Mfezi Security	2 423 806	2 291 233
Ntungeni Construction	2 425 905	3 746 354
Sigcinubunye Funeral Services	492 940	-
Silo Group Holdings	418 186	3 351 237
Snobho (Pty) Ltd	41 400	-
Somkhanda Plant Hire	9 678 001	6 109 608
Sukumasakhe 968 Trading	2 000 106	1 526 539
Sure Boss Trading and Projects	660 238	-
TMT Services	-	275 884
Uhaqane MI Contractors	126 042	-
Uzamlle Trading CC	184 748	-
<b>Total</b>	<b>23 423 950</b>	<b>22 377 430</b>

The Irregular Expenditure is as a result of appointments that were adjudicated by the Bid Committee comprising of three Senior Managers instead of the prescribed four Senior Managers as per Section 29(2) of the SCM Regulations.

### Details of irregular expenditure due to non-compliance with tax regulations

SollyM	-	71 020
KFC Melmoth	-	218 680
Coalition Trading	-	70 400
Mthonjaneni Transport	109 100	120 000
Mjwaqu Mzamo (Pty) Ltd	-	112 683
Judy Magwaza Trading	-	98 700
Selwels Sports	-	257 920
BP Driving School	150 000	219 250
	<b>259 100</b>	<b>1 168 653</b>

# Mthonjaneni Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>46. Irregular expenditure (continued)</b>		
<b>Details of Irregular expenditure due to deviations not approved</b>		
Ithemba Lamasiphula	192 850	-
Chemra sales & Maintenance CC	82 512	-
	<b>275 362</b>	<b>-</b>
Ithemba Lamasiphula was discovered as not being exceptional and could have been procured through either the quotations or competitive bidding processes.		
<b>47. Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>Contributions to organised local government</b>		
Current year subscription fee	521 271	500 960
Amount paid - current year	(521 271)	(500 960)
	<b>-</b>	<b>-</b>
<b>Electricity distribution losses</b>		
Units lost (Kilowatts)	1 445 470	1 631 276
Units lost (Selling Price)	2 489 061	2 038 155
Units lost (Purchase Price)	1 651 875	2 469 170
Units lost (Percentage)	9.0%	9.0%
	<b>-</b>	<b>-</b>
The electricity distribution losses are mainly due to aging infrastructure, technical losses and illegal connections.		
<b>Audit fees</b>		
Current year subscription fee	2 211 842	2 318 286
Amount paid - current year	(2 211 842)	(2 318 286)
	<b>-</b>	<b>-</b>
<b>PAYE and UIF</b>		
Current year subscription fee	9 802 585	8 845 953
Amount paid - current year	(11 359 158)	(9 513 136)
	<b>(1 556 593)</b>	<b>(667 183)</b>
<b>Pension and Medical Aid Deductions</b>		
Current year subscription fee	12 606 968	11 054 113
Amount paid - current year	(10 126 362)	(11 902 270)
	<b>2 480 606</b>	<b>(848 157)</b>
<b>VAT</b>		
VAT receivable	2 925 898	730 276

# Mthonjaneni Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
<b>48. Deviation from supply chain management regulations</b>		
<b>Deviations current year (Regulation 36)</b>		
Emergency procurement	5 328 072	1 776 842
Single supplier or service provider	1 321 104	98 322
Impractical/Impossible to follow procurement process	4 184 079	17 404 214
	<b>10 833 255</b>	<b>19 279 378</b>
<b>Deviations current year (Regulation 32)</b>	<b>5 235 989</b>	<b>3 788 809</b>
<b>49. Other revenue</b>		
Other income - (rollup)	315 668	280 141

### 50. Events after the reporting date

On 29 October 2020 the Council of Mthonjaneni Local Municipality approved and certified the irregular expenditure of R28,696,843 that existed at 30 June 2020 as irrecoverable and that it be written off. This is an adjusting post balance sheet event in terms of GRAP 14..

### 51. Comparative figures

Certain comparative figures have been reclassified for improved disclosure.

The effects of the reclassifications are as follows:

	Note	Audited Amount	After Reclassification
Other Income	21	277 050	280 141
Investment Revenue	22	895 572	693 020
Fines, Penalties and Forfeits	26	428 889	426 150
Employee Related Costs	28	51 214 428	50 808 070
Remuneration of Councillors	29	8 349 994	8 727 127
Lease Rentals on Operating Lease	32	-	482 758
Contracted Services	34	7 639 993	23 717 626
Operational Costs	35	45 952 403	29 421 240
		<b>114 556 129</b>	<b>114 556 129</b>

## Mthonjaneni Local Municipality

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### Notes to the Annual Financial Statements

Figures in Rand

#### 52. Prior period adjustments

Presented below are those items contained in the Statement of Financial Position, Statement of Financial Performance and Statement of Cash Flows that have been affected by prior year adjustments:

##### Effects on the Statement of Financial Position

###### 2019

		Balance as previously reported	Adjustment to accumulated depreciation	Restated balance as at 01 July 2020
Property, plant and equipment	10	368 869 540	395 202	369 264 741

##### Effects on the Statement of Financial Performance

###### 2019

	Balance as previously reported	Adjustment to accumulated depreciation	Restated balance as at 01 July 2020
Depreciation	17 488 900	395 202	17 093 698
Accumulated Surplus/(Deficit)	(351 366)	395 202	43 836
<b>Surplus for the year</b>	<b>17 137 534</b>	<b>790 404</b>	<b>17 137 534</b>

#### Errors

The error was due to a subsequent conditional assessment performed on Property, Plant and Equipment.

# **Mthonjaneni Local Municipality**

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Annual Financial Statements for the year ended 30 June 2020

## **Notes to the Annual Financial Statements**

Figures in Rand

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### **53. Budget differences**

#### **Material differences between budget and actual amounts**

##### **A - Property Rates**

We believed property rates will be increased as we had planned to sell many sites and start receiving rates revenue but there was a great negative impact due to Covid 19, we were unable to proceed with sales at the time.

##### **B - Service Charges**

Most businesses had to shutdown during lockdown and electricity usage decreased and non-sale of sites resulted in no electricity and refuse being installed resulting in decrease on what was budgeted for.

##### **C - Investment Revenue**

Most procurements were paused due to the national lockdown caused by Corona Virus 2019, therefore we ended up investing more than what we budgeted for due to improved liquidity position. Interest charged on overdue accounts has also increased.

##### **D - Other Revenue**

Greater part of own revenue was from proceeds on sale of sites which never happened due to lockdown and Corona Virus 2019. Also most all of our adhoc own revenue such as facilities hire, licenses and permits, sale of documents, library and others were stopped mid March 2020 and the rest of the financial year. Also the appointed service provider to assist with Traffic Management couldn't commence with the contract due to lockdown regulations which negatively affected traffic fines.

##### **E - Depreciation and Asset Impairment**

The variance was caused by the fact that the municipality did not dispose off all assets as planned, the additions and capital projects that were completed during the financial year and the actual was more than what was anticipated which caused the depreciation and asset impairment to be high.

##### **F - Interest Paid**

The municipality did not anticipated to pay interest due to late payments and thus did not budget for it.

##### **G - Capital Expenditure**

The municipality has underperformed in implementation of other capital projects due to lockdown regulations that started in March 2020

##### **H - Materials and Bulk Purchases**

The variance is caused because the municipality changed from Rural Night Save to Mini Flex Tariff during the financial year which resulted in a saving on bulk purchases charged for the year



# Mthonjaneni Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand

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### 53. Budget differences (continued)

#### I - Employee Related Costs

The 7% variance in employee related costs was a result of vacant posts that were filled before the estimated period as planned, contracts workers that were original not budgeted for but due to operational requirements the municipality needed to fill those posts

#### J - Operational Costs

Other expenditure comprises of Asset Impairment, Lease Rentals on Operating Lease, Contracted Services, Fair Value Adjustments and Operational Costs. The variance is largely caused by : Fair value adjustments- A plantation held by municipality had a fair value adjustment and the value adjusted to R 1 211 074. Fair value adjustments cannot be reliably budgeted for due to the nature.

Asset impairment- Stormwater infrastructure and community assets were identified as impaired due to the condition.

Operating leases- the municipality hired equipment necessary for repairs and maintenance to property, plant and equipment and entered into new lease agreements for assets used in the operations and service delivery.

Auditor-General of South Africa

Mthonjaneni Local Municipality

Audit report 2019-20

# Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and council on Mthonjaneni Local Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Mthonjaneni Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mthonjaneni Local Municipality as at 30 June 2020 and its financial performance and cash flows for the year then ended in accordance with Generally Recognised Accounting Practises (SA Standards of 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, 2019 (Act No. 16 of 2019) (Dora).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### Material impairments – receivables from non- exchange and exchange transactions

7. As disclosed in notes 4 and 6 to the financial statements, receivables from non-exchange and exchange transactions were impaired by a total of R76,38 million (2019: R74,59 million) and R2,41 million (2019: R1,30 million) respectively, as a result of the annual review of the recoverability of the debt.

## **Other matter**

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## **Unaudited disclosure notes**

9. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

## **Responsibilities of the accounting officer for the financial statements**

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and 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.
11. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## **Auditor-general's responsibilities for the audit of the financial statements**

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

<b>Report on the audit of the annual performance report</b>
---

## **Introduction and scope**

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected key performance area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.



15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality to enable service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the service delivery and infrastructure development key performance area on pages XX to XX presented in the municipality's annual performance report for the year ended 30 June 2020.
17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for the basic service delivery and infrastructure development key performance area.

## **Other matters**

19. I draw attention to the matters below.

## **Adjustment of material misstatements**

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of the basic service delivery and infrastructure development key performance area. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

## **Achievement of planned targets**

21. Refer to the annual performance report on pages xx to xx for information on the achievement of planned targets for the year and explanations provided for the under achievement of a number of targets.

30. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
31. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary

#### Internal control deficiencies

33. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
34. Management did not adequately respond to address the risk of non-compliance with key legislation relating to expenditure management, procurement and contract management and consequence management.

*Auditor-General*

Pietermaritzburg

28 February 2021



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



### Introduction and scope

22. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
23. The material findings on compliance with specific matters in key legislation are as follows:

### Expenditure Management

24. Reasonable steps were not taken to prevent irregular expenditure amounting to R23,96 million as disclosed in note 46 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of expenditure incurred was due to the bid adjudication committee not being composed in accordance with the municipal supply chain management regulations.
25. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R990 712 as disclosed in note 45 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the expenditure was incurred as a result of interest that was paid on overdue accounts.

### Procurement and Contract Management

26. Competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with Municipal supply chain management regulation 29(2).

### Consequence Management

27. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
28. Irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

### Other information

29. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the Mayor's foreword, municipal manager's foreword and the audit committee's report. The other information does not include the financial statements, the auditor's report and that selected key performance area presented in the annual performance report that has been specifically reported in this auditor's report.

## **Annexure – Auditor-general's responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected key performance area and on the municipality's compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit 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
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
  - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Mthonjaneni Local Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, the actions taken to eliminate threats or the safeguards applied.

UMASIPALA **MTHONJANENI** MUNICIPALITY  
MUNICIPALITEIT



# **DISASTER RISK MANAGEMENT SECTOR PLAN**

**2021/2022**



**Compiled In-House by Disaster Management, Fire and Rescue  
Section**

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# MUNICIPAL DISASTER MANAGEMENT SECTOR PLAN

## 1. INTRODUCTION

Disaster risk management has become the major challenge and the entire world is currently faced with, owing to the ever growing population, climate change, and the ever changing environment in general. Natural and man-made disasters, in many instances, result to economic as well as environmental losses and thus place a need for systematic approach to management of risks.

The purpose of the Disaster Risk Management Plan is to document the institutional arrangements for disaster risk management planning which includes the assignment of primary and secondary responsibilities for priority disaster risks posing a threat in the Municipal Area. It further provides the broad framework within which the disaster risk management planning requirements of the Act will be implemented by the departments and other entities included in the organisational structure of the municipality.

Disaster Management Sector Plan is a core component of the Integrated Development Plan (IDP). Section 26 (g) of Municipal Systems Act No. 32 of 2000 requires the municipal IDP to reflect an applicable Disaster Management Sector Plan (DMSP). Furthermore, Section 53 (2) (a) of Disaster Management Act No. 57 of 2002 stipulates that a disaster management sector plan for a municipal area must form an integral part of the municipality's IDP.

Mthonjaneni Municipality has developed a DMSP for integration in the 2021/2022 IDP in compliance with the legislation. Chapter three of the Disaster Management Plan contains Mthonjaneni Disaster Management Policy Frameworks

## **2. STATUS OF MUNICIPAL INSTITUTIONAL CAPACITY**

### **2.1 Municipal Disaster Management Centre**

#### **2.1.1 Centre**

Section 43- 50 of the Disaster Management Act 2002 (Act No.57 of 2002) makes provision of the establishment and functions of the centre to ensure effective operation and co-ordination of Disaster Risk Management within the municipality. There is currently no disaster management centre but there is a call centre which receives and dispatches all calls to relevant stakeholders and role players concerned. The call centre operates on a 24 hours basis. Trained call centre staffs manages each shift. The Call Centre number is 035 4507691.

There is a Disaster Management Unit within the municipality which also include Fire Fighting Service. The disaster management section is under the span of control of community and corporate services directorate. There is a Manager, one Fire Officer, two Shift Leaders and nine Fire Fighters. There is no Disaster Management Officer. When disaster related incidents occur the responsibility falls on this team, supported by a King Cetshwayo District Disaster Management Centre.

#### **2.1.2 Fire services**

There is currently a fire station that is located in Melmoth Town under Mthonjaneni Municipality which mostly deals with bush fires, structural fires, conducting building inspections and Motor Vehicle Accidents that occurs within the parameters of the Municipal area. The Station is managed by the municipality.

Mthonjaneni Municipality is predominantly rural but however there are sugar cane and timber commercial farming areas in some wards of the municipality. The municipality deals with bush and structural fires affecting the rural communities, while fires at sugar cane and timber commercial farming areas are dealt with by ZIPFPA.

## 2.2 Municipal Disaster Management Policy Framework

Section 42 of the Disaster Management Act (Act 57 of 2002) states that each metropolitan and each district municipality must establish and implement a framework for disaster management in the municipality aimed at ensuring an integrated and uniform approach to disaster management in its area.

Mthonjaneni Municipality currently has a municipal disaster management policy framework which forms part of the chapter 3 of the Mthonajneni Disaster Risk Management Plan. The policy framework is aligned to the District, Provincial and National disaster management policy framework for guidance and direction regarding Municipal disaster management. In this context, the disaster risk management framework of Mthonjaneni Municipality recognizes a diversity of risks and disasters that occur or may occur in the Municipal area of responsibility, and gives priority to developmental measures that reduce the vulnerability of disaster-prone areas, communities and households.

In keeping with international and national best practice, the Mthonjaneni disaster risk management framework places explicit emphasis on the risk reduction concepts of disaster prevention and mitigation, as the core principles to guide disaster risk management in the municipality. In terms of disaster risk reduction principles, the local sphere of government is the first line of response and responsibility. In the event of a disaster occurring or threatening to occur within Mthonjaneni municipal area of responsibility, the community is, in reality, the first responder. The primary responsibility for the co-ordination and management of local disasters rests with Mthonjaneni Municipality as the local sphere of governance. Thorough disaster risk management planning and effective co-ordination is, therefore, key to saving lives and limiting damage to property, infrastructure and the environment. They also facilitate the optimal utilization of resources.

## **2.3 Municipal Disaster Management Plan**

The Disaster Risk Management Act 2002, (Act No.57 of 2002), makes provision in Section 53 that each municipality must prepare a disaster risk management plan for its area according to the circumstances prevailing in the area.

In 2017 the Municipality developed its Five Year Disaster Risk Management Plan which was adopted in December 2017 by the Council. The Disaster Management Act 57 of 2005 requires that it be reviewed. It will be reviewed in 2019 as per the requirements of the relevant act.

## **2.4 Municipal Disaster Management Advisory Forum**

Section 51 of the Disaster Management Act (Act 57 of 2002) states that district municipalities may establish a municipal disaster management advisory Forum. According to subsection (1) a forum is a body in which the municipality and other key stakeholders consult one another and co-ordinate their actions on matters relating to disaster management in areas under their jurisdiction.

The Mthonjaneni Municipality Disaster Management Advisory Forum was officially launched in August 2009 and reviewed in 2017 due to the new ward boundaries demarcation of 2016. The Forum meets on a quarterly basis. Relevant government departments, Non-Governmental Organisations (NGOs), Community Based Organisations (CBOs) are some of the stakeholders that form part of the forum. Participation from some Municipal line functions and government departments is not satisfactory.

## **2.5 Municipal Inter-Departmental Committee**

In terms of chapter 2; section 3 (a) of the Disaster management Act of 2002 stipulates the duties and functions of a committee which is to give effect to the principles of co-operative government in Chapter 3 of the Constitution on issues relating to disaster

management. The uMthonjaneni municipality is using MANCO as a municipal Inter-Departmental Committee where disaster management matters are addressed and discussed. The Disaster Incidents Quarterly Reports are discussed by the MANCO before are taken to all other Municipal Council Committees for approval. Community services portfolio committee advocates matters regarding disaster management to the council.

### **3. DISASTER RISK ASSESSMENT**

#### **3.1 Risk Profile**

Since the beginning of this financial year (2018/2019), the Municipality through the Disaster Management Section embarked on a participatory approach to source data from communities at ward level, which was based on historical events and experience, as well as indigenous knowledge. The municipality worked closely with municipality stakeholders to collect different kinds of data from different sources, using different platforms.

#### **3.2 Hazards**

Interviews conducted with different community sectors revealed the following hazards and threats as the common occurrences in all wards with high potential to escalate to the level of a disaster:

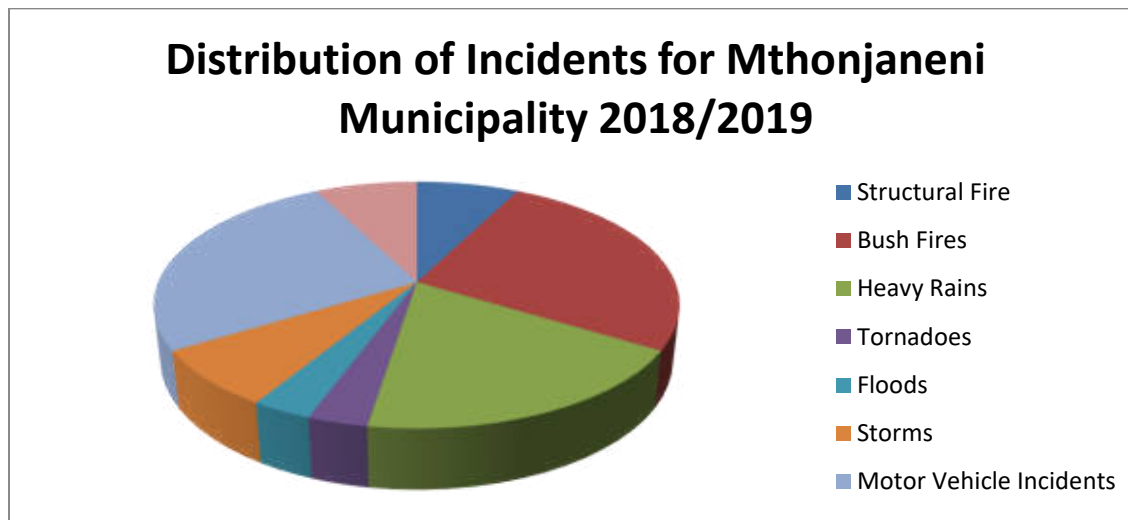
- Storms
- Heavy Rains
- Floods
- Structural Fire
- Bush Fires
- Tornadoes
- Motor Vehicle Incidents



- Lightning affects mostly ward 1 and 13

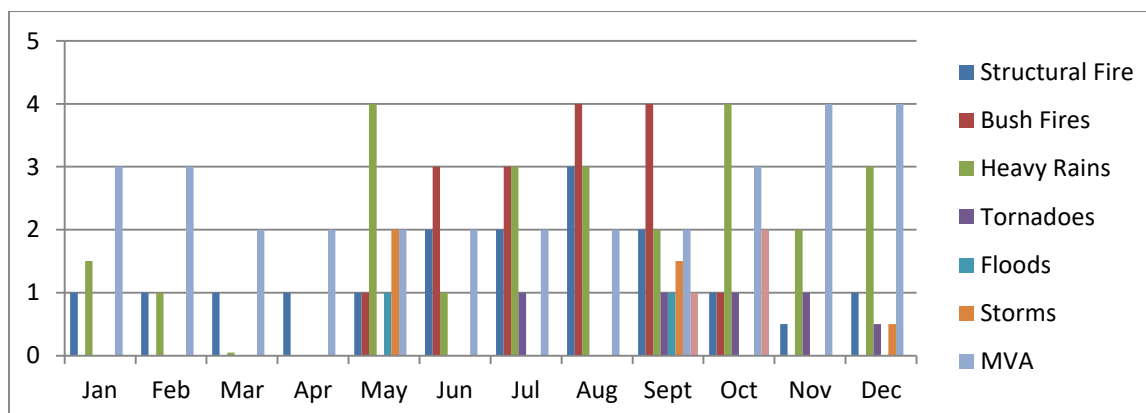
These hazards were profiled as high risk and are seasonal. The municipality has been monitoring the incidents that are occurring within the municipal area. During the past financial year the municipality recorded incidents as demonstrated in the bellow graphs.

**Figure1: Distribution of Disaster Incidents**



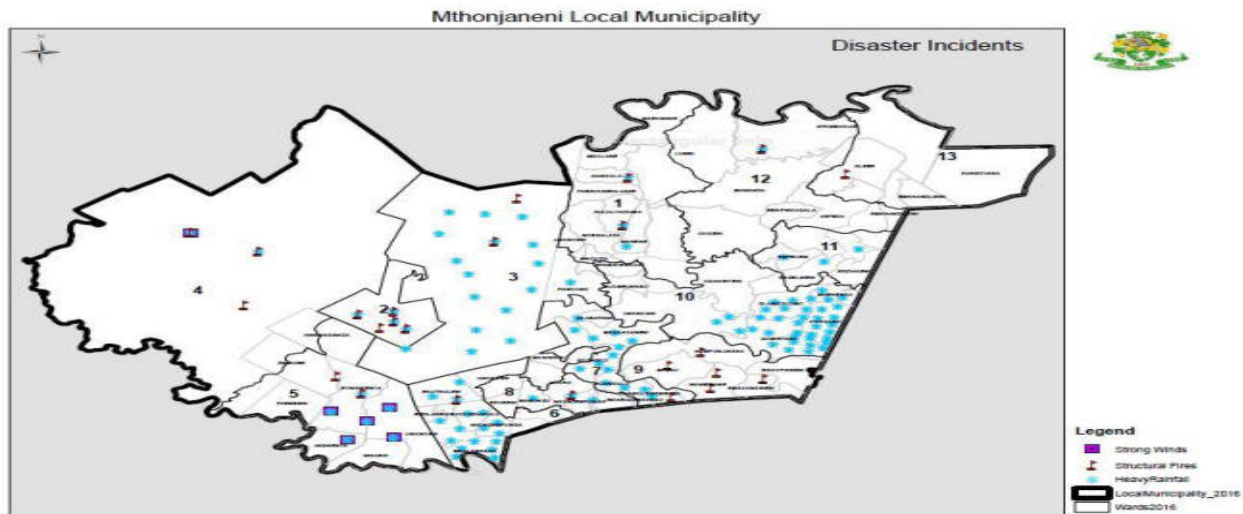
The municipality experienced more Heavy Rains, Bush fires and Motor Vehicle incidents than any other disaster incidents

**Figure 2: Monthly distribution of disaster incidents**

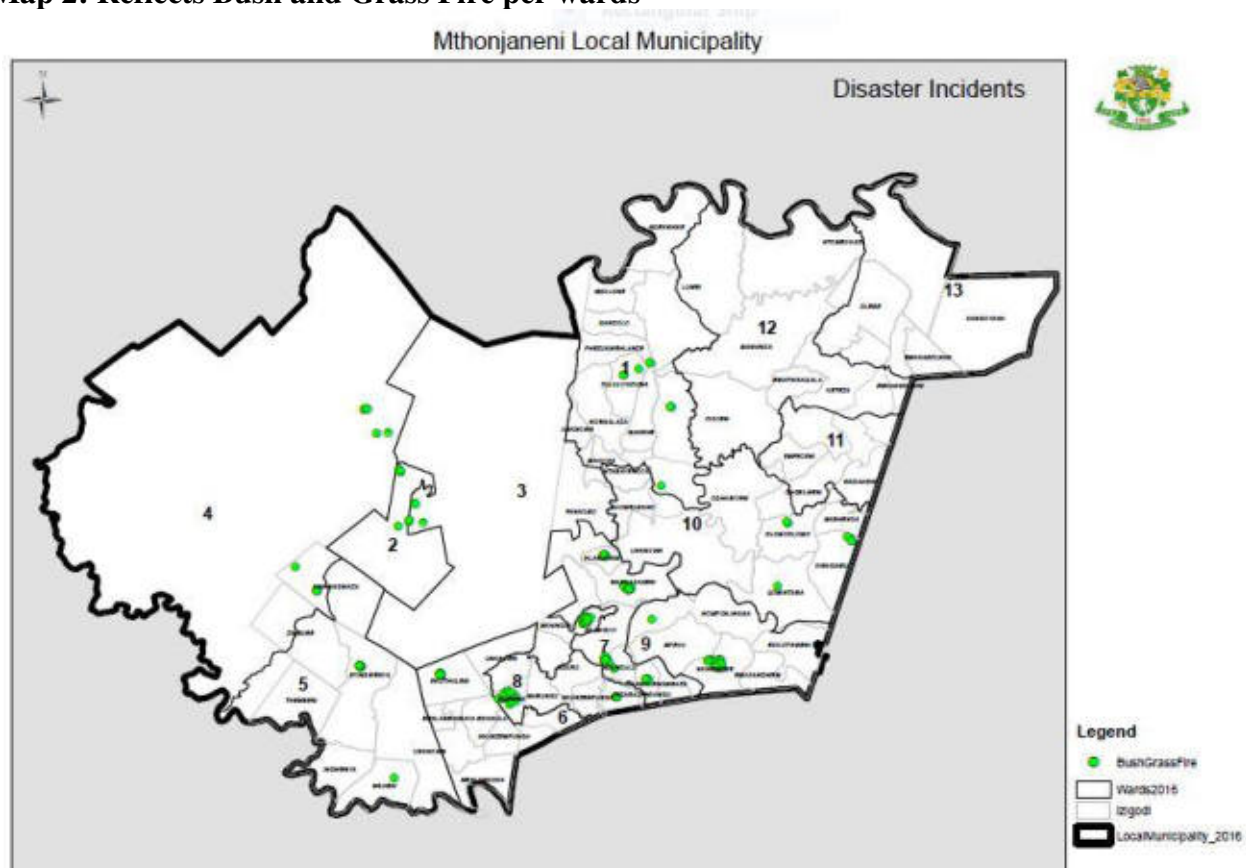


The municipality experiences MVAs incidents throughout the most time of the year.

**Map 1 reflect the distribution of disaster incidents per wards**



**Map 2: Reflects Bush and Grass Fire per wards**



#### 4. DISASTER RISK REDUCTION

All disaster risk management plans must give explicit priority to the core principles of disaster prevention and mitigation. Disaster prevention, mitigation and preparedness are referred to as disaster risk reduction measures because they lessen the likelihood of harmful losses by avoiding endangering hazards or reducing vulnerability. In this way, prevention and mitigation are central to achieving the goal of disaster risk reduction in which vulnerabilities and disaster risks are reduced and sustainable development opportunities strengthened.

It is often difficult to decide whether an intervention is preventive or mitigative in nature. For this reason, it is more practical to refer to them jointly as disaster risk reduction measures, because both minimize the risk of disasters.

##### 4.1 Disaster Management Programs/Projects by Municipality

Hazards	Possible Projects
Run-away Fires Structural Fires Bush Fires	<ul style="list-style-type: none"><li>• Procurement of fire beaters</li><li>• Conduction of awareness's</li><li>• Burning of fire brakes</li><li>• Improving fire fighting equipment</li></ul>
Floods	<ul style="list-style-type: none"><li>• Construction of dams</li><li>• Construction according to building standards</li><li>• Consistency in Awareness Campaigns</li><li>• Consistency in Early Warning Systems</li><li>• Building Bridges</li></ul>
Storms and Heavy Rains	<ul style="list-style-type: none"><li>• Consistent Awareness Campaigns</li><li>• Consistency in Early Warnings</li></ul>
Lightning	<ul style="list-style-type: none"><li>• Lightning Conductors</li><li>• Consistency Awareness Campaigns</li><li>• Consistency in Early Warnings</li></ul>
Drought	<ul style="list-style-type: none"><li>• Conduct Awareness Campaigns</li></ul>
Motor Vehicle Incidents	<ul style="list-style-type: none"><li>• Upgrading and Road Maintenance</li><li>• Visibility of Road Traffic Officers</li><li>• Awareness Campaigns</li></ul>

## 5 RESPONSE AND RECOVERY

Responsibility for co-coordinating response to specific known rapid- and slow-onset significant events and disasters must be allocated to a specific organ of state. For example, flood response and recovery efforts would involve the combined efforts of many stakeholders, but the primary responsibility must be allocated to a specific organ of state with the other stakeholders assuming supportive responsibilities

Having conducted, in terms of the provisions of the approved Disaster Risk Management Policy Framework, a Disaster Risk analysis of the individual Wards within the Mthonjaneni Municipal area, the Advisory Forum will now be able to identify specific communities and infrastructure that are most vulnerable to the risks or threats that are prevalent in that particular Ward. Having identified the response agencies that have a specific line function responsibility in relation to a particular disaster incident, the Advisory Forum must, in a collective process, develop the Response Protocol for Mthonjaneni which will inform the development of a Contingency Plan (or Plan of Action) for each identified risk or hazard.

## 6 RESPONSE PROTOCOLS FOR MTHONJANENI

OPERATIONAL RESPONSE	FIRE	STORMS	HAZMAT	EPIDEMI C	DROUGHT T	FLOOD
<b>MTHONJANENI MUNICIPALITY</b>						
MANAGER: DISASTER SECTION	X	X	X	X	X	X
MUNICIPAL MANAGER	X	X	X	X	X	X
MAYOR	X	X	X	X	X	X
PROTECTION SERVICES	X	X	X			X
MTHONJANENI FIRE BRIGADE	X	X	X			X
TECHNICAL DEPARTMENT	X	X	X	X	X	X
FINANCE DEPARTMENT	X	X	X	X	X	X
<b>KING CETSHWAYO DISTRICT</b>						
<b>MUNICIPALITY</b>						
DISTRICT D.M. CENTRE	X	X	X	X	X	X
DISTRICT CHIEF FIRE OFFICER	X		X			
<b>PROVINCE</b>						
KZN PROVINCIAL D.M.C.	X	X	X	X	X	X
E.M.R.S.	X	X	X	X	X	X
R.T.I.	X	X	X			X
Dept. Agriculture, Environment and Rural Development	X	X	X	X	X	X

DEPT OF TRANSPORT (Roads)	X	X	X	X	X	X
DEPT. SOCIAL DEVELOPMENT	X	X				X
DEPT. OF HEALTH	X	X	X	X		X
DEPT. OF EDUCATION	X	X		X		X
DEPT. ENVIORNMENTAL AFFAIRS	X					
NATIONAL						
N.D.M.C.	X	X	X	X	X	X
S.A.P.S.	X	X	X	X		X
D.W.A.F.	X	X	X	X	X	X
DEPT. HOME AFFAIRS						
CORRECTIONAL SERVICES						
N.G.O.						
S.A. RED CROSS	X	X	X	X	X	X
ORG. AGRICULTURE	X	X	X	X	X	X
Z.I.F.P.A.	X					
M.R.A.	X	X	X	X		X
SAPPI Forest						

## 7 CAPACITY FOR DISASTER MANAGEMENT

The Municipality has designated personnel for disaster management though the unit is short staff. There are 13 staff members responsible for all sorts of Disastrous incidents i.e Manager for Disaster Management, Fire and Rescue Services, one Fire Station Officer, two Leading Fire Fighters and nine Fire Fighters District Municipality currently supports the local municipality but it does not have the adequate capacity to deal with disaster management issues as they are also short staff and lack adequate resources to support local municipalities. More personnel for the unit need to be recruited and a volunteer system is sought as an immediate solution to the problem. The unit is also in need of extra fire engine vehicles to add on the already existing ones. Currently the unit has one Fire Truck Engine and one Fire Engine Van and are both fully equipped.

## 8 MONITORING AND EVALUATION OF DISASTER MANAGEMENT

The Municipality's performance management systems are in place to monitor and evaluate performance. Community Services Portfolio committee plays an oversight on disaster management issues. The municipality writes monthly and quarterly reports that are presented to the District Disaster Management Advisory Forum, MANCO and Community services Portfolio Committee on quarterly bases.

**NB:** Disaster management functionaries must be beefed up with capacity to and be afforded the opportunity to serve in development and service delivery oversight committees of the municipality.

## **9. CONCLUSION**

Some wards of the Mthonjaneni Municipality lack basic infrastructure such roads, water, housings and health care facilities. The basic needs are a priority for the disaster management plan to be successfully implemented. Without proper road structures, it will be very cumbersome for emergency services to respond to disaster incidents.

The lack of access to basic services increase the vulnerability of the community to be exposed to many types of disasters such structural fire, heavy rains and storms. It is their poor socio-economic status which subject many community members to natural disasters which most of them have major impact such as loss of income, loss of life and human suffering. Effective implementation of the attached 5 years action plan can minimize the community vulnerability.



**MTHONJANENI LOCAL MUNICIPALITY**

**REVIEWED DISASTER MANAGEMENT PLAN  
2020/2021**



**Compiled In-House by**

**Disaster Management and Fire Rescue  
Services Section**

# REVIEWED MTHONJANENI DISASTER MANAGEMENT PLAN- 2020/2021

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## ACRONYMS AND ABBREVIATIONS

<b>ACT</b>	<b>Disaster Management Act 57 of 2002</b>
<b>DRA</b>	<b>Disaster Risk Assessment</b>
<b>KCDA</b>	<b>King Cetshwayo District Municipality</b>
<b>MLM</b>	<b>Mthonjaneni Local Municipality</b>
<b>IDP</b>	<b>Integrated Development Plan</b>
<b>NGO'S</b>	<b>Non-Governmental Organizations</b>
<b>NDMC</b>	<b>National Development Management Centre</b>
<b>PDMC</b>	<b>Provincial Development Management Centre</b>
<b>KPA</b>	<b>Key Performance Area</b>
<b>MM</b>	<b>Municipal Manager</b>
<b>EMRS</b>	<b>Emergency Medical Rescue Services</b>
<b>RTI</b>	<b>Road Traffic Inspectorate</b>
<b>SASSA</b>	<b>South African Social Services Agency</b>
<b>SANDF</b>	<b>South African National Defence Force</b>
<b>SDF</b>	<b>Spatial Development Framework</b>
<b>SAPS</b>	<b>South African Police Services</b>
<b>DWAF</b>	<b>Department of Water Affairs and Forest</b>

## DEFINITIONS

**Disaster** is a progressive or sudden widespread or localized, natural or human caused occurrence which causes or threatens to cause death or injury, damage to property, infrastructure or environment, disruption of life of a community and its magnitude exceeds the ability of those affected to cope using only their own resources.

**Disaster management** is a continuous and integrated multi-sectorial and multidisciplinary process of planning and implementation of measures aimed at disaster prevention, mitigation, preparedness, response, recovery and rehabilitation.

**Risk** is a probability of a hazard occurring or threatening to occur

**Prevention** means activities to provide outright avoidance of the adverse impact of hazards and means to minimize related environmental, technological and biological disasters.

**Mitigation** means structural and non-structural measures undertaken to limit the adverse impact of natural hazards, environmental degradation and technological hazards.

**Preparedness** means activities and measures taken in advance to ensure effective response to the impact of hazards, including the issuance of timely and effective early warnings and the temporary evacuation of people and property from threatened locations.

**Response** means measures taken during or immediately after an incident or a disaster in order to bring relief to affected communities or individuals.

**Recovery** means efforts, including development aimed at creating a situation where-

- (a) Normality in conditions caused by a disaster is restored;
- (b) The effects of a disaster are mitigated; or
- (c) Circumstances are created that will reduce the risk of a similar disaster occurring.

**Capacity** is a combination of all the strengths and resources available within a community, society or organization that can reduce the level of risk, or the effects of a disaster.

**Hazard** is a potentially damaging physical event, phenomenon or human activity that may cause the loss of life or injury, property damage, social and economic disruption or environmental degradation.

**Disaster risk reduction** is the conceptual framework of elements considered with the possibilities to minimize vulnerabilities and disaster risks throughout a society, to avoid (prevention) or to limit (mitigation and preparedness) the adverse impacts of hazards, within the broad context of sustainable development.

**Environmental Impact Assessments** are studies undertaken in order to assess the effect on a specified environment of the introduction of any new factor, which may upset the current ecological balance.

**Environmental Degradation** is the reduction of the capacity of the environment to meet social and ecological objectives, and needs.

**Geographic Information System** is an analysis that combines relational databases with spatial interpretation and outputs often in form of maps. A more elaborate definition is that of computer programs for capturing, storing, checking, integrating, analyzing and displaying data about the earth that is spatially referenced.

**Smug Model-** Risk Assessment for emergency services, it considers man-made and natural hazardous and counts the elements at risk i.e. Population physical structures etc and also assesses their vulnerability.

Disaster risk management has become the major challenge and the entire world is faced with currently owing to the ever growing population, climate change, and the ever changing environment in general. Natural and man-made disasters, in many instances, result to economic as well as environmental losses and thus place a need for systematic approach to management of risks.

The Constitution of the Republic of South Africa (Act 108 of 1996) places a legal obligation on the Government of South Africa to ensure the health (personal and environment) and safety of its citizens. In terms of section 41(1) (b) of the Constitution, all spheres of Government are required to “secure the well-being of the people of the Republic”. Section 152(1) (d) also requires that local government “ensure a safe and healthy environment”. In the light of the above, and the established understanding of disaster management, the primary responsibility for disaster risk management in South Africa rests with Government.

Section 26(g) of the Municipal Systems Act 32 of 2000 as well as sections 52 and 53 of the Disaster Management Act 57 of 2002 compels each municipal entity to develop a disaster risk management plan as part of and an integrated part of their Integrated Development Plans. This plan establishes the arrangements for disaster risk management within Mthonjaneni Local Municipality and has been prepared in accordance with the requirements of the Disaster Management Act, 57 of 2002 (the Act) and section 26(g) of the Municipal Systems Act, 2000.

Section 3.1.1.2 of the National Disaster Management Framework (NDMF) prescribes 3 levels of disaster risk management plans. The following critical outcomes have been identified for each level:

### **Level 1 Plan:**

- Critical outcome I: Foundational institutional arrangements for Disaster Risk Management are established
- Critical outcome II: The capability to generate a Level 2 plan has been developed
- Critical outcome III: Contingency plans for known priority risks have been developed, approved, adopted and implemented

### **Level 2 Plan:**

- Critical outcome I: Processes are established for conducting comprehensive risk assessments

- Critical outcome II: Formal consultative mechanisms for specific risk reduction projects have been identified and established
- Critical outcome III: A supportive information management system has been developed
- Critical outcome IV: Emergency communication capabilities have been developed

### **Level 3 Plan**

- Critical outcome I: Specific institutional arrangements are established for coordinating and aligning plans
- Critical outcome II: Mechanisms to ensure ongoing and informed risk assessment are established
- Critical outcome III: Mechanisms are implemented to ensure the relevancy of disaster risk management frameworks and plans is maintained

The purpose of the Disaster Risk Management Plan is to document the institutional arrangements for disaster risk management planning which includes the assignment of primary and secondary responsibilities for priority disaster risks posing a threat in the Municipal Area. It further provides the broad framework within which the disaster risk management planning requirements of the Act will be implemented by the departments and other entities included in the organisational structure of the municipality.



## **1.1 Introduction**

Disaster Management can be defined as the organization and management of resources and responsibilities for dealing with all humanitarian aspects of emergencies, in particular preparedness, response and recovery in order to lessen the impact of disasters. The first people to respond to disaster are those living in the local community. They are the first to start rescue and relief operations. It then therefore become very imperative to focus on community based disaster preparedness, which assists communities to reduce their vulnerability to disasters and strengthen their capacities to resist them. The primary responsibility for disaster management in South Africa rests with the government. In terms of section 41 of the Act 108 (Constitution) all spheres of government are required to secure the well-being of the people of the Republic. Local government is empowered to deal with a number of functions closely related to disaster management under Part B of Schedules 4 and 5 of the Constitution. In addition, section 152(1)(d) of the Constitution requires local government to promote a safe and healthy environment.

The focus as mandated by the Disaster Management Act, 2002 ( Act 57 of 2002) is on minimizing the effects of hazards on local communities by ensuring a co-ordinated effort in risk management by utilizing partnership of Provincial Government, District and Local Municipalities, and non-governmental bodies with responsibility or capability in disaster risk management and emergency response.

## **1.2 Purpose**

The purpose of this Disaster Management Plan for Mthonjaneni Local Municipality is to facilitate an integrated and coordinated disaster management that focuses on prevention, reduction of disaster risk, emergency preparedness, rapid and effective response to incidents, disasters and post-disaster recovery as required by disaster management legislation and policies. This plan seeks to identify and clarify the roles and responsibilities of the internal and external stakeholders throughout the entire cycle of disaster management, i.e.: pre-disaster, during disaster and post disaster phases. It again identifies and establishes consultative mechanisms for specific priority risk reduction projects aimed at promoting resilient communities within the Mthonjaneni Local Municipality.

The municipality is prone to various forms of natural disasters that always hit the municipality on an annual basis. These disasters are seasonal in nature. In winter, wild fires are common whereas hailstorms, thunderstorms, heavy rains and floods are all common in summer. Some of the worst disasters have hit the municipal area in the past years. In all these disasters, the municipality has cooperated with the

District Municipality, the Provincial Government and sector departments and NGO's in providing social relief to the affected households.

Given the municipality's experiences with disasters, it is important that the municipality's approach is proactive and preventive in nature and one that seeks to create self-reliable and sustaining communities both during and after disasters. Therefore the purpose of this plan is to establish processes for a comprehensive disaster risk assessment. It further seeks to identify and clarify the roles and responsibilities of the internal and external stakeholders throughout the entire cycle of disaster management, i.e.: **pre-disaster, during disaster and post disaster phases.**

It again identifies and establishes consultative mechanisms for specific priority risk reduction projects aimed at promoting resilient communities within Municipality. Section 53(1)(a) of the Disaster Management Act, 2002 (Act 57 of 2002 – hereafter referred to as “the Act”) requires the Mthonjaneni Local Municipality to prepare a disaster management plan for its area according to the circumstances prevailing in the area and within the ambit of its municipal disaster management framework.

Based on the National Disaster Policy, the Disaster Risk Management Plan seeks to:

- a) Provide for an integrated and coordinated disaster management framework that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective responses to disasters and post-disaster recovery.
- b) Provide for the establishment of local disaster management advisory forum and technical task teams;
- c) Provide for the framework for the mobilization of stakeholders and community members during disaster outbreaks; and
- d) Provide for the framework for medium and long-term development programs aimed at preventing natural disasters.
- e) Provide for the framework for regulating and managing working conditions for employees participating in the management of disaster outbreaks.

### **1.3 Four Key Elements of Disaster Management**

There are four essential parts to disaster management i.e. prevention, preparation, relief and recovery. Not all catastrophes can be prevented, but many types can be avoided, and the effects of others can be mitigated. Preparation might include long-term plans for readiness as well processes that can be done quickly when a disaster seems imminent, such as when a hurricane is expected to make landfall soon. Relief involves action during and immediately after a catastrophe has taken place. Recovery includes repairing, rebuilding, restoring or replacing whatever was damaged, injured or lost because of the disaster.

### **1.4 Responding to Potential Disasters**

It is very important in disaster management to describe the types of catastrophes that could possibly disrupt the day-to-day operations of a business, city, region or country. Among the many types of events that might occur are natural disasters such as floods, hurricanes, tornadoes and earthquakes as well as those such as fires, bombings, mass failure of public utilities and rapid spread of disease. Identifying those potential disasters makes it possible to create contingency plans, assemble supplies and create procedures that can be initiated if and when a particular disaster occurs. The following then becomes critical in the intervention:

#### **1.4.1 Preparation and reaction**

Governments and businesses need to continue functioning during emergency situations, so disaster management plans are often multi-layered to account for as many potential scenarios as possible. A typical disaster plan for a local or regional government is likely to address such matters as evacuating people from the effected region, arranging temporary housing, distributing food and providing medical care.

#### **1.4.2 Communication Networks**

Disaster management also often addresses the issues of communication. Many disasters can cause communication networks to fail, so a competent plan will include the quick setup of alternative communication capabilities that do not rely on the switches, towers and hubs that are usually part of telephone and cellular communication networks. By making use of short-wave transmissions that are supported by satellite technology, for example, communication can continue to flow from the area affected by the disaster.

### **1.4.3 Disaster Kits**

As part of the crisis management component of disaster plan, it is very important that some types of disaster kits are created. The kits might include food and clothing for people affected by the disaster. Kits might also include first aid supplies and basic medication that could help treat headaches, fever and other minor ailments. In some cases, the kits might include items such as sleeping bags or other necessities that will help displaced people cope after the disaster.

### **1.4.4 Improving Plans**

Creating an effective disaster management plan is often easier said than action. As many cities, countries and organizations have learned, emergency plans that had been thought to be comprehensive have turned out to be partially effective at best. This has caused many companies and government agencies to review all aspects of their plans and run computer simulations to identify their weaknesses and refine the so they can be carried out with more speed and efficiency.

## **2.1 Introduction**

Disaster Management Act is about all spheres of government, all sectors within government, community and business working together to reduce the risk of disasters and to ensure that arrangements are in place to minimize the impact of disasters on the community. It recognizes the need to place a special emphasis on the most vulnerable in our communities

## **2.2 Constitutional and Legislative Mandate**

In terms of the constitution of the Republic of South Africa, Act 108 of 1996, section 41(1)(b), it is the responsibility of all spheres of government to secure safety and wellbeing of the people of the Republic. It is therefore imperative to note that disaster management is the primary responsibility of government particularly in terms of coordination and integration of disaster management issues.

The Section 26(g) of the Municipal Systems Act No. 32 of 2000 as well as sections 52 and 53 of the Disaster Management Act 57 of 2002 compels each municipal entity to develop a disaster management plan as an integral part of the Integrated Development Plans (IDP). This plan has been prepared in accordance with the requirements of the Disaster Management Act, 57 of 2002, Disaster Management Policy Frameworks and section 26(g) of the Municipal Systems Act No. 32 of 2000.

## **2.3. Requirements in terms of Disaster Management Act No. 57 of 2002**

Section 53 (1) of the Disaster Management, Act No. 57 of 2002 stipulates that each municipality must, within the applicable municipal disaster management Framework:

- a. Prepare a disaster management plan for its area according to the circumstances prevailing in the area;
- b. Co-ordinate and align the implementation of its plan with those of other organs of state and institutional role-players;
- c. Regularly review and update its plan; and
- d. Through appropriate mechanisms, processes and procedures established in terms of Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), consult the local community on the preparation or amendment of its plan.

Section 53 (2) of the Disaster Management, Act No. 57 of 2002 states that A disaster management plan for a municipal area must:

- a. Form an integral part of the municipality's integrated development plan;
- b. Anticipate the types of disaster that are likely to occur in the municipal area and their possible effects;
- c. Place emphasis on measures that reduce the vulnerability of disaster-prone areas, communities and households;
- d. Seek to develop a system of incentives that will promote disaster management in the municipality;
- e. Identify the areas, communities or households at risk;
- f. Take into account indigenous knowledge relating to disaster management;
- g. Promote disaster management research;
- h. Identify and address weaknesses in capacity to deal with possible disasters;
- i. Provide for appropriate prevention and mitigation strategies;
- j. Facilitate maximum emergency preparedness; and
- k. Contain contingency plans and emergency procedures in the event of a disaster, providing for-

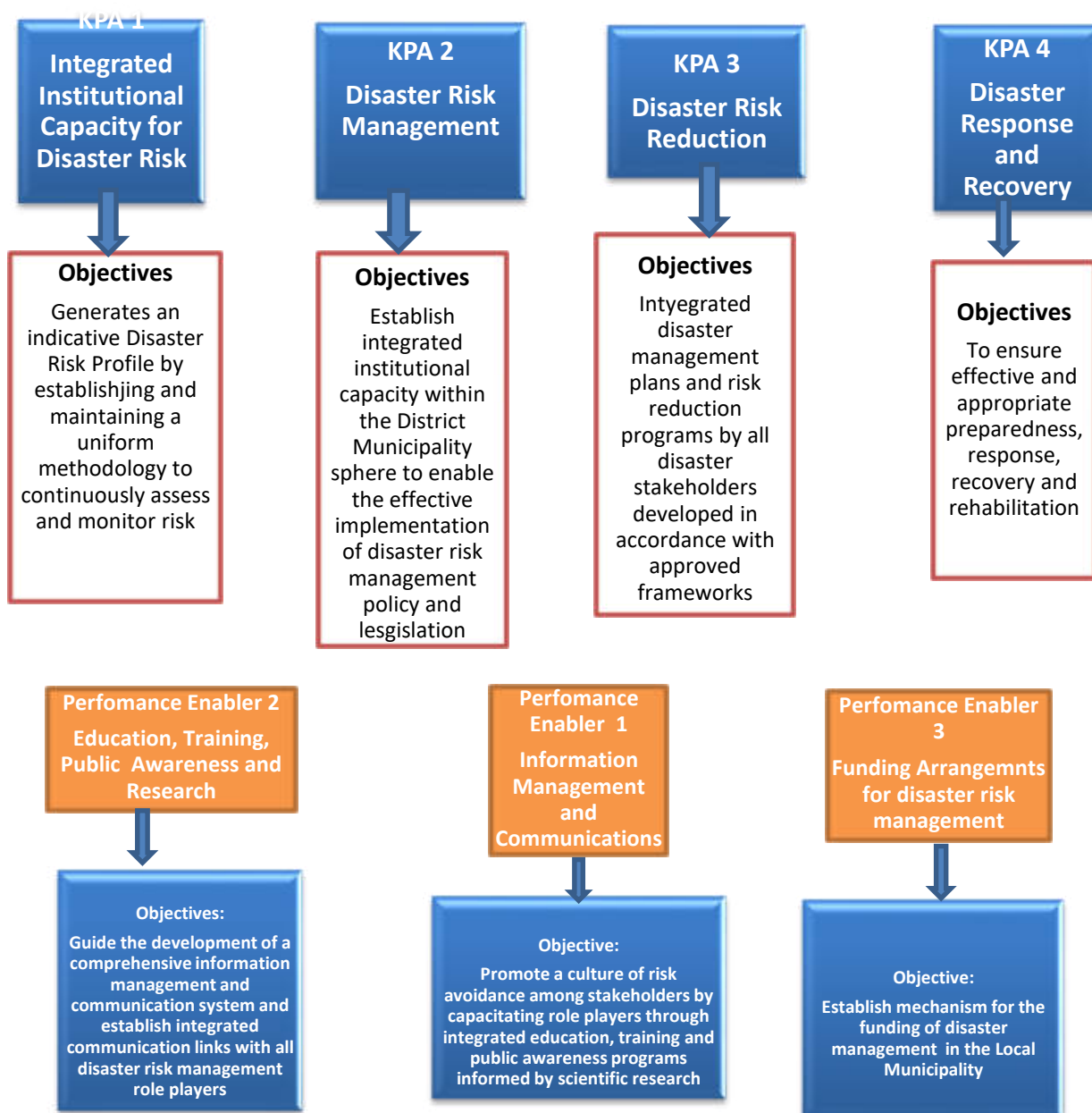
Section 53 (3) of the Disaster Management, Act No. 57 of 2002 states that a district municipality and the local municipalities within the area of the district municipality must prepare their disaster management plans after consulting each other.

Section 53 (4) of the Disaster Management, Act No. 57 of 2002 states that a municipality must submit a copy of its disaster management plan, and of any amendment to the plan, to the National Disaster Management Centre (NDMC), the Provincial Disaster Management Centre (PDMC), and, if it is a district municipality or a local municipality, to every municipal disaster management centre within the area of the district municipality concerned.

### **2.3.1. Guiding Policy framework and Approach in Developing Plan**

The National, Provincial and District Disaster Management Policy Framework formed a solid basis of developing this plan. The Key Performance Areas (KPAs) and Enablers of the disaster management policy frameworks of all spheres of government are a fundamental pillars of South African approach to disaster management. Hence, the structure and content of this plan are greatly influenced or is in line with the disaster management policy framework KPAs and Enablers.

**Figure 1 : Disaster Management Policy Framework's Key Performance Areas and Enablers**



The Disaster Management Act stipulates two main provisions for the contents of the National Disaster Management Framework. These are:

The framework must be consistent with international best practice in disaster risk reduction; and that it must provide a coherent, inclusive and transparent policy on disaster risk management for South Africa. The framework is organized into four key performance areas (KPAs), each with a specific objective. The four Key Performance Areas are supported by three performance enablers. These were necessary in order to achieve the objectives of the KPAs.

## **The four Key Performance Areas are:**

KPA 1: Integrated institutional capacity for disaster risk management;

KPA 2: Disaster risk assessment;

KPA 3: Disaster risk reduction; and

KPA 4: Response and recovery.

## **There are three enablers which are as follows:**

Performance Enabler 1: Information management and communication;

Performance Enabler 2: Education, training, public awareness and research (knowledge management); and

Performance Enabler 3: Funding arrangements for disaster risk management.

## **2.4. Paradigm Shift in Global and South African Approach to Disaster Management**

Disaster risk reduction is defined as “the systematic development and application of policies, strategies and practices to minimize vulnerabilities and disaster risks throughout a society, to avoid (prevent) or to limit (mitigate and prepare) adverse impacts of hazards, within the broader context of sustainable development” (ISDR, 2002:25; UNDP, 2004:135). From the definition above, different spheres of governments, communities and businesses around the world and in South Africa are asking themselves what they can do to reduce risks and vulnerability.

There is strong evidence, both globally and in the Southern African region, of an increase in the observed frequency and intensity of weather and climate-related hazards. In addition to this, the Intergovernmental Panel for Climate Change (IPCC) anticipates that, in the short to medium term, many impacts of climate will have a detrimental impact on the low income earners (Hay, 2010; Vermaak and Van Niekerk, 2004). Literature suggests that in developing countries disasters are becoming very common partly due to climate change and inadequate management of risks and funding thereof.

## **2.5 A Guide to Disaster Management Funding**

All Government Funding is controlled by the Public Finance Management Act of 1999 (Act No. 1 of 1999). In so far as Disaster Management is concerned there are two specific areas where funding is an issue:-

- Pre-Disaster Risk Reduction; and



- Post-Disaster Response, Recovery and Rehabilitation.

Pre-Disaster Risk Reduction – In terms of Section 53(2)(a) of the Disaster Management Act of 2002 (Act No. 57 of 2002), the Disaster Management Plan for a Municipal area must “form an integral part of the municipality’s integrated development plan (I.D.P.)”.

This would then imply that the Municipal I.D.P. would be the source of funding for Pre-Disaster Risk Reduction programs and projects.

It is the responsibility of the appointed Head of the Municipal Disaster Management Centre to ensure that Disaster Risk Reduction Plans are aligned with the I.D.P.’s of the Municipality.

Post-Disaster Response, Recovery and Rehabilitation – Sections 16 and 25 of the Public Finance Management Act of 1999 provides for the use of public funds in emergency situations.

Section 56 of the Disaster Management Act of 2002 sets the principals which will be applied when a disaster occurs. These principles are set out as follows:-

- National, Provincial and Local organs of state may financially contribute to immediate response efforts and to post-disaster recovery and rehabilitation.
- The cost of repairing or replacing public sector infrastructure should be borne by the organ of state responsible for the maintenance of such infrastructure.
- The National Minister may, in the National Disaster Management Framework, prescribe a percentage of the budget, or any aspect of a budget, of a Provincial or Municipal organ of state, as the case may be, as a threshold for accessing additional funding from the National Government for response efforts.
- Any financial assistance provided by a National, Provincial or Municipal organ of state must be in accordance with the National Disaster Management Framework and any applicable post-disaster recovery and rehabilitation policy of the relevant sphere of Government.

In terms of Section 29 of the L.G. Municipal Finance Management Act of 2003 (Act No. 56 of 2003)

(1) The Mayor of a municipality may in emergency or other exceptional circumstances authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget.

(2) Any such expenditure –

- a) Must be in accordance with any framework that may be prescribed;

- b) May not exceed a prescribed percentage of the approved annual budget;
- c) Must be reported by the mayor to the municipal council at its next meeting; and
- d) Must be appropriated in an adjustments budget.

If such an adjustments budget is not passed within 60 days after the expenditure was incurred, the expenditure is unauthorised and section 32 applies.”

Section 32(1) of the Act makes provision for the accountability and liability for unauthorised, irregular or fruitless and wasteful expenditure to be assigned to the political office-bearer or municipal official who incurred the expenditure.

Subsection (2) makes provision for the municipality to recover unauthorised, irregular or fruitless and wasteful expenditure from the political office-bearer or municipal official who is accountable for the expenditure

## **2.6 A Guideline to the Declaration of a Local State of Disaster**

Section 23 deals with the classification and recording of disasters as “Local Disaster”, “Provincial Disaster” and “National Disaster”.

In terms of this Section the National Disaster Management Centre must, for the purposes of the proper application of this Act, determine whether an event should be regarded as a disaster as contemplated by the Act.

When assessing the magnitude and severity or potential magnitude and severity of a disaster the National Centre must consider any information and recommendations concerning the event received from a Provincial or Municipal Disaster Management Centre in terms of Sections 35 or 49 of the Act.

Although Sections 41 and 55 prescribe the procedures and responsibilities for the declaration of an event as a disaster at Provincial and Municipal levels, however, the final classification of a disaster has been assigned to the National Disaster Management Centre in terms of Section 23.

It is of vital importance that Provincial and Municipal Disaster Managers refer to the classifications as contained in Section 23 when they are required to manage an event that could be declared as a Local State of Disaster. This will ensure that the correct information and recommendations are transmitted to the National Disaster Management Centre which is empowered by this section to reclassify a disaster at any time after consultation with the relevant Provincial or Municipal Disaster Management Centres, if the

magnitude and severity or potential magnitude and severity of the disaster becomes greater or lesser than the initial assessment.

### **2.6.1 Assignment of Responsibilities**

Section 54 assigns responsibilities in the event of a municipal disaster. In terms of this section, the council of a metropolitan municipality and the council of a district municipality, acting after consultation with the relevant local municipality, are primarily responsible for the coordination and management of disasters that occur in their municipal areas of responsibility, irrespective of whether a municipal state of disaster has been declared in terms of section 55 or not.

By assigning this responsibility to “the Metropolitan and District Municipal Councils”, this section suggests that the Executive Committee of the Metropolitan or District Municipal Council, under the leadership of the Mayor or Executive Mayor, as the case may be, will, not only take the leading role, but will also be responsible for the response, recovery and rehabilitation activities of the municipalities, in their areas of responsibility, that are affected by the disaster, unless the Provincial Disaster Management Centre has been activated in terms of Section 40, in which case the coordination and management function reverts to the provincial structures.

This section does not imply that, in the event of an incident being classified or declared as a municipal state of disaster, the local municipalities in whose areas of jurisdiction the disaster has occurred can now withdraw their resources and refer the total responsibility to the district council or to the provincial government. On the contrary, this section only assigns the co-ordination and management functions to the metropolitan and district councils. Operationally, all organs of state that have a line-function responsibility or role to play, are legally obliged to continue to render their services as prescribed by existing line-function policies and legislation.

Infrastructure and service delivery will always be municipal line-function responsibilities which are catered for in the municipal I.D.P.’s, however, the logic behind the I.D.P. sectoral status of disaster management does not preclude a provincial or national department from providing extraordinary financial or material assistance to a municipality which has been affected by a disaster.

In terms of the Constitution, it is the responsibility of all three levels of governance to assist communities that have been disrupted or displaced as a consequence of a disaster, to restore normality to their way of life. All that this section is saying is that, if an event is classified or declared as a municipal state of disaster, the responsibility for the co-ordination and management of the activities of all municipalities

that are affected by the disaster is assigned to the relevant metropolitan or district municipal council as the case may be.

## **2.6.2 Declaration of a Local State of Disaster**

Section 55 prescribes the procedures to be followed when an event is declared to be a municipal state of disaster. This section also clarifies the logic of assigning the responsibility to co-ordinate and manages a municipal state of disaster to the executive committees of the metropolitan or district councils, as prescribed by section 54.

It is clear from this section that the decision to declare a municipal state of disaster is a decision made by the council of a Metropolitan or District Municipality. In the case of a District Municipality, it is a decision made after consultation with the relevant municipalities that are affected by the disaster. The declaration of a municipal state of disaster is therefore a political decision based on the recommendations of the Head of the Municipal Disaster Management Centre supported by factual reports and information.

It is necessary to emphasize that no official, irrespective of rank or position, has the mandate or the legal authority to declare a state of disaster. It is essential to understand that the decision of the Council will be informed by the information and reports provided by the officials of all three levels of governance who are active on the scene at the time of the disaster. It is equally essential to understand that, in order to avoid duplication and fragmentation, the flow of information and reports to the Council must be coherent and coordinated and therefore must be channelled through a single source which would, in this instance, be the Municipal Disaster Management Centre in terms of the provisions of section 44 of the Act.

This section also stipulates that a municipal state of disaster is declared by the publication of a notice in the Provincial Gazette. At this point it is necessary to clarify the logic of publishing a notice in the provincial gazette. When reading sub-section (1) of this Section which says that “the council of a municipality having primary responsibility for the coordination and management of the disaster may, by notice in the provincial gazette, declare a municipal state of disaster if existing legislation and contingency arrangements do not adequately provide for the municipal council to deal with the disaster; or other special circumstances warrant the declaration of a municipal state of disaster”, it becomes obvious that the declaration of a state of disaster is not merely an expression of opinion, it is, in fact, a prescribed legal process.

The declaration of a municipal state of disaster by publishing a notice in the provincial gazette therefore provides the municipal council with the legal platform from which to exercise extraordinary measures that may supersede existing legislation and contingency arrangements.

What exactly does “exercise extraordinary measures” mean? To exercise extraordinary measures means that municipal departments can re-prioritize their budgets and development projects and can, if necessary, overspend budgets within the limits stipulated in the Public Finance Management Act.

The declaration of a disaster also allows for the establishing of a relief fund in terms of the Fund Raising Act and provides for the public and industry to participate through financial or material donations.

The fact that the declaration of a municipal state of disaster empowers the Municipal Disaster Management Centre (Metropolitan or District) to co-ordinate and manage the operational activities of all role-players, including those of all national, provincial and local municipal organs of state, does not mean that the Municipal Disaster Management Centre is empowered to dictate the manner in which other departments or municipalities perform their functions. Each national, provincial and municipal organ of state shall, at all times, remain responsible for the performance, by its own functionaries, of its own line-function activities and responsibilities. Having said this, it now becomes obvious that the perception that a declaration of a state of disaster passes the responsibilities to the next higher level of governance is, in fact, totally incorrect.

### **2.6.3. Declaration of local state of disaster in terms of Section 55 of the Act**

55. (1) In the event of a local disaster the council of a municipality having primary responsibility for the co-ordination and management of the disaster may, by notice in the provincial gazette, declare a local state of disaster if-

- (a) existing legislation and contingency arrangements do not adequately provide for that municipality to deal effectively with the disaster; or
- (b) other special circumstances warrant the declaration of a local state of disaster.

(2) If a local state of disaster has been declared in terms of subsection (1), the municipal council concerned may, subject to subsection

(3), make by -laws or issue directions, or authorize the issue of directions, concerning-

- (a) the release of any available resources of the municipality, including stores, equipment, vehicles and facilities;
- (b) the release of personnel of the municipality for the rendering of emergency services;
- (c) the implementation of all or any of the provisions of a municipal disaster management plan that are applicable in the circumstances;
- (d) the evacuation to temporary shelters of all or part of the population from the disaster-stricken or threatened area if such action is necessary for the preservation of life;

- (e) the regulation of traffic to, from or within the disaster-stricken or threatened area.
- (f) the regulation of the movement of persons and goods to, from or within the disaster-stricken or threatened area;
- (g) the control and occupancy of premises in the disaster -stricken or threatened area;
- (h) the provision, control or use of temporary emergency accommodation;

### **3.1 Introduction**

The approach to disaster risk in South Africa has undergone major reform since 1994, when government took the decision to move away from the prevailing philosophy and practice that disasters were inevitable and could only be dealt with once they had occurred. As early as 1990, South Africa had aligned itself with new international developments in the field of disaster risk management. These included an emphasis on the use of disaster risk reduction strategies to build resilience and promote sustainable livelihoods among ‘at risk’ individuals, households, communities and environments.

A wide process of consultation was embarked upon, which culminated in the publication of the Green Paper, in 1998 and the White Paper on Disaster Management, which was gazetted in 1999. The White Paper served to consolidate the reform of disaster risk management in South Africa by setting out the following seven key policy proposals:

1. The urgent integration of disaster risk reduction strategies into development initiatives.
2. The development of a strategy to reduce the vulnerability of South Africans, especially poor and disadvantaged communities, to disasters.
3. The establishment of a National Disaster Management Centre (NDMC) to:
  - Ensure that an effective disaster risk management strategy is established and implemented;
  - Coordinate disaster risk management at various levels of government; and
  - Promote and assist the implementation of disaster risk management activities in all sectors of society.
4. The introduction of a new disaster risk management funding system which:
  - Ensures that disaster risk reduction measures are taken;
  - Builds sufficient capacity to respond to disasters; and
  - Provides for adequate post-disaster recovery.
5. The introduction and implementation of a new Disaster Management Act which:
  - Brings about a uniform approach to disaster risk management;
  - Seeks to eliminate the confusion created by current legislation regarding declarations of disasters; and
  - Addresses legislative shortcomings by implementing key policy objectives outlined in the White Paper.

6. The establishment of a framework to enable communities to be informed, alert and self-reliant and capable of supporting and co-operating with government in disaster prevention and mitigation.
7. The establishment of a framework for coordinating and strengthening training and community awareness initiatives.

The seven policy proposals became the essence of the DM Act, which was promulgated in 2002. In giving effect to the fact that disaster risk management is the responsibility of a wide and diverse range of role players and stakeholders, the DM Act emphasizes the need for uniformity in approach and the application of the principles of cooperative governance. In this regard, it calls for an integrated and coordinated disaster risk management policy, which focuses on risk reduction as its core philosophy. In addition, the DM Act calls for the establishment of disaster risk management centres in the three spheres of government to pursue the direction and execution of disaster risk management legislation and policy in South Africa.

The Act also places particular emphasis on the engagement of communities and the recruitment, training and participation of volunteers in disaster risk management. Disaster Risk Management Policy Framework Policy No 17/3/P Page 8 of 145 In terms of a proclamation in Government Gazette, Vol. 465, No. 26228 of 31 March 2004, the President proclaimed 1 April 2004 as the date of commencement of the DM Act in the national and provincial spheres and 1 July 2004 in the municipal sphere. In order to achieve consistency in approach and uniformity in the application of the DM Act, section 6 of the Act mandates the Minister to prescribe a national disaster management framework. In accordance with this mandate, the National Disaster Management Framework (NDMF) was gazetted on 29 April 2005 (Government Gazette, Vol. 478, No. 27534). In pursuance of the national objective, each district and metropolitan municipality is, in terms of section 42 of the DM Act, mandated to establish and implement a policy framework for disaster risk management aimed at ensuring an integrated and uniform approach to disaster risk management in its jurisdiction by:

- All municipal organs of state;
- Statutory functionaries of municipalities;
- Local municipalities and statutory functionaries of the local municipalities (in the case of district municipalities);
- All municipal entities operating in the area of the district municipality;
- Non-governmental organisations (NGOs) involved in disaster risk management in the area; and the private sector.



Section 28 of the DM Act makes similar provisions for the establishment and implementation of a disaster risk management framework in the provincial sphere. Provincial and municipal disaster risk management policy frameworks must be consistent with the DM Act and the NDMF. Disaster Risk Management Policy Framework Policy No 17/3/P Page 9 of 145 .The disaster risk management policy framework of the Mthonjaneni Local Municipality is thus the instrument which gives effect to these legislative imperatives.

### **3.2 From a Municipal Perspective**

In terms of Section 42 of the Disaster Management Act, each Metropolitan and each District Municipality must establish and implement a policy framework for disaster risk management in the municipality aimed at ensuring an integrated and uniformed approach to disaster risk management in its area. It is also clear, from this Section, that Local (Category “B”) municipalities are not required to develop or establish policy frameworks at their level of governance, however, this section does prescribe the consultation and participation of Local municipalities in the development and establishment of District Disaster Risk Management Policy Frameworks.

Irrespective of the fact that the Act does not prescribe the establishment of a policy framework for disaster risk management at Local municipal level, the Act, at the same time, does not prohibit a Local Municipality from developing and implementing its own policy framework for disaster risk management. It would be difficult to imagine how Local Municipalities would be able to effectively implement the Act in the absence of a Disaster Management Policy Framework.

It is, however, necessary to emphasize that the development of a policy framework for disaster risk management at Local Municipal level must be in line with the policy framework of the District and does not, under any circumstances, exclude that Local municipality from participating in the development and establishment of the District Disaster Risk Management Policy Framework.

It is essential that Mthonjaneni Municipality and all the Local Role-players within the area of jurisdiction of the Municipality work together as a team in order to be able to establish a policy framework for the Municipality as a whole, which is unique to Mthonjaneni yet is in line and consistent with the National and Provincial and District policy frameworks.

In terms of this section, the development of a Disaster Risk Management Policy Framework for Mthonjaneni Municipality is, therefore, a combined effort of all the relevant role-players within the jurisdiction of Mthonjaneni Municipality. The basic principles of this Section are equally applicable to both Local and District Municipalities.

### **3.3 Contents of a Disaster Risk Management Policy Framework for Municipalities**

The National Disaster Risk Management Policy Framework, as published in Government Gazette No. 27534 dated 29 April 2005, specifically identifies **four Key Performance Areas (K.P.A.'s) and three Enablers** that form the substance of the Policy Framework, as required in terms of the Act.

#### **3.3.1 Four Key Performance Areas (K.P.A's)**

**KPA 1** -Deals with the establishment of Institutional Arrangements with special emphasis on the principals of co-operative governance.

The Objective is to establish institutional capacity to enable the effective implementation of disaster risk management policy and legislation.

**KPA 2** -Deals with Disaster Risk Assessment.

The Objective is to establish a uniform approach to assessing and monitoring disaster risks that will inform disaster risk management planning and disaster risk reduction undertaken by organs of state and other role-players.

**KPA 3** -Deals with Disaster Risk Reduction.

The Objective is to ensure that all disaster risk management stakeholders develop and implement integrated disaster risk management plans and risk reduction programs in accordance with approved frameworks

**KPA 4** -Deals with Disaster Response and Recovery.

The Objective is to ensure effective and appropriate disaster response and recovery by:-

- Implementing a uniform approach to the dissemination of early warnings.
- Averting or reducing the potential impact in respect of personal injury, health, loss of life, property, infrastructure, environments and municipal services.
- Implementing immediate integrated and appropriate response and relief measures when significant events or disasters occur or threaten to occur.
- Implementing all rehabilitation and reconstruction strategies following a disaster in an integrated and developmental manner.

### **3.3.2 Enablers**

#### **Enabler 1 -Deals with Information Management and Communication**

The Objective is to develop an integrated communication system between all of the relevant role-players in the Municipality's area of responsibility, including the public at large and to develop and maintain an integrated data base.

#### **Enabler 2 -Deals with Education, Training, Public Awareness and Research**

The Objective is to develop a program for projects aimed at Public Awareness, Education, Training and Research.

#### **Enabler 3 -Deals with Funding arrangements for Disaster Risk Management**

The Objective is to identify pre-disaster risk reduction projects that can be funded through alignment with the development projects of the I.D.P. and to identify internal and external funding sources for post-disaster relief, rehabilitation and reconstruction.

### **3.4 Policy Framework in relation to Mthonjaneni Local Municipality**

Mthonjaneni Municipality faces increasing levels of disaster risk. It is exposed to a wide range of natural hazards, including severe storms that can trigger widespread hardship and devastation. The Municipality's extensive forestry industry, coupled to the major transportation routes, inside the municipality as well as those leading to other major centers, present numerous catastrophic and hazardous materials threats. In addition to these natural and human-induced threats and despite ongoing progress to extend essential services to poor urban and rural communities, large numbers of people live in conditions of chronic disaster vulnerability – in underdeveloped, ecologically fragile or marginal areas – where they face recurrent natural and other threats that range from flooding to informal settlement fires.

The Mthonjaneni disaster management Policy Framework is the legal instrument specified by the Act to address such needs for consistency across multiple interest groups, by providing a coherent, transparent and inclusive policy on disaster management appropriate for the Municipality of Mthonjaneni as a whole.

In this context, the disaster risk management framework of Mthonjaneni Municipality recognizes a diversity of risks and disasters that occur or may occur in the Municipal area of responsibility, and gives priority to developmental measures that reduce the vulnerability of disaster-prone areas, communities and households.

Also, in keeping with international and national best practice, the Mthonjaneni disaster risk management framework places explicit emphasis on the risk reduction concepts of disaster prevention and mitigation, as the core principles to guide disaster risk management in the municipality.

In terms of disaster risk reduction principles, the local sphere of government is the first line of response and responsibility and, in the event of a disaster occurring or threatening to occur in the Mthonjaneni municipal area of responsibility, the community is, in reality, the first responder. The primary responsibility for the co-ordination and management of local disasters rests with Mthonjaneni Municipality as the local sphere of governance. Thorough disaster risk management planning and effective co-ordination is, therefore, key to saving lives and limiting damage to property, infrastructure and the environment. They also facilitate the optimal utilization of resources.

Apart from internal arrangements to allow for interdepartmental co-operation within the municipality, the ideal mechanism for dealing with disaster risk management planning and co-ordination would be the establishment of an Mthonjaneni disaster risk management committee or advisory forum which should include all internal and external role-players, including traditional authorities.

Such a committee or forum should:

- Give advice and make recommendations on disaster-related issues and disaster risk management
- Contribute to disaster risk management planning and co-ordination;
- Establish joint standards of practice;
- Implement response management systems;
- Gather critical information about Mthonjaneni's capacity to assist in disasters and to access resources; and
- Assist with public awareness, training and capacity building.

It is therefore strongly recommended that Mthonjaneni municipality establish a municipal disaster risk management committee or advisory forum for its area of responsibility.

### **3.5 Key Performance Area 1: Integrated Institutional Capacity for Disaster Risk Management**

#### **3.5.1 Giving effect to the principle of co-operative governance**

Constitutionally, the government bears primary responsibility for disaster risk management (Schedule 4, Part A, Constitution of the Republic of South Africa, Act No. 108 of 1996). However, political commitment, legal imperatives and institutional processes are not always enough to ensure success. An effective and comprehensive disaster risk management strategy cannot be achieved without participative decision making, involving a wide range of role players.

Strong policy direction is crucial, as is legitimacy, but it is ultimately the commitment of resources to those individuals, households and communities most at risk that will ensure success.

Disaster risk management is a shared responsibility which must be fostered through partnerships between the various stakeholders and co-operative relationships between the different spheres of government, the private sector and civil society. Furthermore, disaster risk management is an Interdepartmental process, with each sphere of government playing a unique role and performing a specific set of responsibilities in the process.

However, the process requires collateral support to enable the sharing of resources fundamental to disaster risk reduction and all facets of response and recovery. In turn, this interdependence also implies that weakness or ineffectiveness in one sphere will result in the failure of the entire system.

In creating institutional arrangements for co-operative governance and co-ordination, the emphasis must be on facilitating co-operation and co-ordination among existing structures, organizations and institutions wherever possible and on harnessing existing skills and expertise. Disaster risk management functions normally performed by the various sectors and disciplines in the national, provincial and municipal spheres should not be duplicated. The institutional arrangements must also facilitate inclusivity and their primary focus must be on capacitating and building resilience in communities at risk.

Disaster risk management should not be construed as a line function. Instead, it is a management facility, whose purpose is to create an enabling environment for the promotion and implementation of integrated disaster risk reduction measures and the development of institutional capacity to provide improved preparedness, response and recovery services.

#### **3.5.2 Co-operation between national, provincial and municipal spheres of Government**

The Intergovernmental Disaster Management Committee (*National*) provides the political mechanism for the application of the principle of co-operative governance, by bringing together political representatives from the three spheres of government.

The National Disaster Management Advisory Forum (NDMAF) provides a further mechanism for co-operative governance by providing a forum for input, including technological and specialist input, by a wide range of stakeholders from, among others, civil society and the private sector.

To streamline co-ordination, meetings of the NDMAF must be preceded by a meeting between the Head of the NDMC, the Heads of provincial disaster management centers and a representative of the SALGA disaster risk management-working group.

Provincial and municipal centers must establish mechanisms to enable the sharing of expertise. They should also give consideration to the development of disaster assistance response teams (DARTs) and other specialist teams composed of professional and technical experts to assist each other in disaster response and recovery activities.

Issues that are fundamental to interdependence and Interdepartmental relations between the three spheres of government include:

- Information sharing;
- Establishment of standards to ensure that the technology required for an integrated information management and communication system is compatible across the spheres;
- Compilation and sharing of directories of institutional role players across the spheres; and
- Submission of disaster risk management plans and annual reports to other spheres and neighboring centers.

### **3.5.3 Mutual assistance agreements**

In accordance with the Act, provinces and municipalities must establish their level of capacity to deal with disaster risk reduction, response and recovery. Where necessary, and to strengthen this capacity, they must enter into mutual assistance agreements with their neighbors, the private sector, other organs of state and communities. At provincial and municipal level, co-operation and co-ordination efforts must be supported by cross-boundary mutual assistance agreements (that is, between provinces, between provinces and municipalities and between municipalities), and by creating partnerships within each sphere, with the private sector and NGOs through memoranda of understanding.

Mutual assistance agreements and memoranda of understanding are legal documents. Their parameters must be clearly defined and they should include details of financial arrangements, reimbursements and liability. They must also be in compliance with the national standard guideline on mutual assistance agreements developed by the NDMC.

### **3.6 Key Performance Area 2: Disaster Risk Assessment:**

#### **3.6.1 Disaster Risk Assessment and Risk Reduction Planning.**

Mthonjaneni Local Municipality faces many different types of risk on a daily basis, including health risks, environmental risks, financial risks and security risks. However, **disaster risk** specifically refers to the likelihood of harm or loss due to the action of natural hazards or other external threats on vulnerable structures, services, areas, communities and households.

Disaster risk assessment is the first step in planning an effective disaster risk reduction program. It examines the likelihood and outcomes of expected disaster events. This would include investigating related hazards and conditions of vulnerability that increase the chances of loss.

Disaster risk assessment planning requires identification of key stakeholders, as well as consultation with them about the design and/or implementation of the assessment and the interpretation of the findings.

Disaster risk assessments, supported with good monitoring systems, are essential for:

- Effective disaster risk management and risk reduction planning.
- Sustainable development planning.
- Identifying potential threats that can undermine a development's success and sustainability, making it possible for appropriate disaster risk reduction measures to be incorporated into the project design prior to implementation.
- Shaping focused disaster risk reduction programs for specific threats.
- Identifying high-risk periods and conditions.
- Activating preparedness and response actions.

Relevant municipal departments must execute systematic disaster risk assessments in the following instances:

- Prior to the implementation of any disaster risk reduction, preparedness or recovery program.

- As an integral component of the planning phase for large-scale housing, infrastructure or commercial/industrial developments.
- As an integral component of the planning phase for significant initiatives that affect the natural environment.
- When social, economic, infrastructural, environmental, climatic or other indicators suggest changing patterns of risk that increase the likelihood of significant disaster impacts.

#### **3.6.1.1 Situations requiring a disaster risk assessment**

Disaster risk assessments must be undertaken to:

- Anticipate and plan for known hazards or disasters in order to prevent losses and to limit the impact on communities and infrastructure; and to
- Ensure that development initiatives maximize their vulnerability reduction outcomes.

#### **3.6.1.2 Undertaking disaster risk assessments for specific known hazards or disasters**

Threat or Hazard Analysis is compiled by analyzing official records and historic information gathered from communities concerning:

- The different types of hazards or threats that have occurred in the area in the past and that are likely to occur again in the future;
- The frequency with which the identified hazards or threats are likely to occur; and
- The magnitude of the effect or impact that the identified hazards or threats have and/or are likely to have on the area or community.

#### **3.6.1.3 Steps involved in a disaster risk assessment**

Disaster risk assessment is a process that determines the level of risk by:

- Identifying and analyzing potential hazards and/or threats;
- Assessing the conditions of vulnerability that increase the chance of loss for particular elements-at-risk (that is, environmental, human, infrastructural, agricultural, economic and other elements that are exposed to a hazard, and are at risk of loss);



- Determining the level of risk for different situations and conditions; and by
- Helping to set priorities for action.

A reliable disaster risk assessment for a specific threat should answer the following questions:

- How frequently can one expect an incident or a disaster to happen?
- Which areas, communities, households or infrastructure are most at risk?
- What are the most likely consequences of impacts?
- What are the vulnerability or environmental and socio-economic risk factors that increase the severity of the threat?
- What capabilities or resources exist to manage the risk?
- Is the risk becoming more serious?
- Is the risk undermining development progress in the areas, communities and households it affects?
- If so, is the management of the risk a development priority?
- In the areas and communities affected by the risk, are there any other significant risks?

#### **3.6.1.4 Undertaking a disaster risk assessment**

There are many different methods for carrying out disaster risk assessments. These vary, depending on the type of risk being assessed, the specific characteristics of the population-at-risk, as well as those related to the area, infrastructure, service or business concerned. Methods used are also determined by the urgency for the assessment and the availability of relevant hazard and vulnerability information, as well as appropriate specialist and other resources to undertake it.

The general process for assessing disaster risk involves the following stages, namely:

- Stage 1:** This initial stage involves identifying the specific disaster risk to be assessed
- Stage 2:** The second stage involves analyzing the disaster risk concerned.

- Stage 3:** The third stage requires an evaluation of the disaster risk being assessed usually in relation to other risks. It involves undertaking much more comprehensive assessments of specific threats and establishes priorities for action.
- Stage 4:** The fourth stage is required to inform ongoing disaster risk assessment and planning. It involves monitoring disaster risks and the effectiveness of risk reduction initiatives. It also involves updating disaster risk assessment information and disseminating this information to all stakeholders.

#### **3.6.1.5 Mthonjaneni standard for assessment of priority disaster risks**

The Mthonjaneni disaster management framework gives priority to the establishment of a uniform approach to disaster risk management. This is necessary for managing cross boundary risks and for consolidating risk and disaster loss information from different sources. In this context, the framework foresees the development of standards for the assessment of priority disaster risks as well as guidelines, developed for assessing priority disaster risks in national, provincial and municipal spheres.

### **3.7 Disaster Risk Profile for Mthonjaneni.**

#### **3.7.1 Consolidating information across disciplines, sectors and government spheres**

Disaster risk assessment information generated by Mthonjaneni Municipality must be consolidated to provide an Indicative Disaster Risk Profile of the Municipality. This risk profile must include maps that represent priority disaster risks affecting the municipality. In this context, geographic information systems (GIS), provides a powerful tool for spatially representing hazard, vulnerability and consolidated risk information. The information, represented in GIS format, must be validated and sufficiently robust for inclusion in the profile. The process of auditing and compiling information must be inclusive.

#### **3.7.2 Monitoring, updating and disseminating disaster risk information**

Just like other risks, disaster risks are not static. They change seasonally and over time. To recognize such changes, and to strategically adjust programs accordingly, all provincial and municipal departments must have monitoring systems in place that are relevant to their specific functional responsibilities.

These systems form the basis for sounding timely warnings of, or alerts for, impending significant events or disasters. They are also essential for monitoring the effectiveness of ongoing disaster risk reduction efforts.

Risk monitoring systems involve:

- Hazard tracking;
- Vulnerability monitoring; and

- Disaster event tracking.

### **3.7.3 Updating a comprehensive disaster risk assessment**

Disaster risk is driven by a combination of hazard and vulnerability processes, including changing patterns of land use, infrastructure development/maintenance, urban growth and settlement densification. Similarly, household size and composition, health status and level of livelihood security, affect household potential for loss. Some risks, particularly those triggered by climate processes, must be reviewed seasonally prior to the rainy season or hot summer months. Other risks, such as flood risk, require extensive flood hydrology investigations.

Provincial and municipal organs of state must seek technical advice from recognized risk specialists to determine the need for updating a comprehensive assessment for a specific threat.

Mthonjaneni municipal organs of state with responsibilities for reducing and managing specific risks must review the Mthonjaneni Disaster Risk Profile for their functional areas annually to determine if risk conditions have changed detrimentally. If physical, atmospheric, environmental, health or socio-economic conditions have worsened considerably, or if there are increasing disaster losses reported from small and medium-size events, the assessment and profile must be updated.

## **3.8 Key Performance Area 3: Disaster Risk Reduction**

### **3.8.1 Disaster Risk Reduction Planning.**

Although Mthonjaneni faces a broad range of Disaster Risks, it is not possible to address all potential threats at once. Effective disaster risk management planning by all municipal departments as well as by other essential external role-players requires careful identification of priority disaster risks and the areas, communities, households and infrastructure most vulnerable to the identified risk.

The Disaster Risk Assessment conducted in terms of Key Performance Area 2 will play a critical role in informing the process of Priority Risk identification

### **3.8.2 Identifying Priority Disaster Risks.**

Disaster priority identification is informed by three important considerations:

- The expected magnitude (or impact) for specific disaster types on communities and/or infrastructure.
- The expected frequency of specific types of disaster
- The expected manageability of specific types of disaster at municipal and district levels.

While a wide range of different disaster events can occur at Mthonjaneni, these would only be relevant as District or Provincial disaster risk management planning priorities when disaster risk assessments and/or ongoing risk monitoring processes indicate that:

- a disaster event or process affects more than one municipality or exceeds the capabilities of a single municipality to manage it effectively;
- the same type of disaster event or process occurs repeatedly and at different times in more than one municipality with significant cumulative impacts on lives, property and the natural environment, but is not necessarily classified as a provincial disaster.

### **3.8.3. Identifying the most vulnerable areas, communities and households**

Not all areas, communities and households face the same disaster risks. In undertaking disaster risk management planning, priority must be placed on those areas, communities and households that are exposed to natural or other threats, and have the least capacity to resist and recover from the resulting impacts.

### **3.8.4 Identifying the most vulnerable areas, communities and households**

Not all areas, communities and households face the same disaster risks. In undertaking disaster risk management planning, priority must be placed on those areas, communities and households that are exposed to natural or other threats, and have the least capacity to resist and recover from the resulting impacts.

### **3.8.5 Priorities for focusing disaster risk protection efforts**

For disaster risk management planning purposes, all municipal organs of state must, according to their functional area of jurisdiction, give priority to protecting;

- strategic infrastructure or services whose damage or disruption during disaster events would result in serious and widespread consequences
- critical economic, commercial, agricultural and industrial zones or sites whose damage or disruption would have serious and widespread consequences
- fragile natural ecosystems and environmental assets that offer protective environmental services and which, if damaged or destroyed in a disaster event, would result in serious natural and economic losses

- communities in areas exposed to extreme weather and/or other natural and technological hazards and which are therefore likely to sustain serious human and property losses in the event of a disaster
- poor and underserved rural and urban communities, including informal settlements, especially those located in fragile ecological areas, that sustain repeated losses from recurrent small, medium, and large disaster events, and who lack insurance coverage to facilitate recovery
- highly vulnerable households at-risk with limited capacity to resist or recover from external shocks, particularly child-headed households or those headed by the elderly or households affected by chronic illness.

Where possible, this process must take place in consultation with those most at risk.

### **3.8.6 Strategic planning: disaster risk reduction**

In keeping with the Act's emphasis on vulnerability reduction and the use of international best practice in this regard, strategic planning must focus efforts on reducing disaster risks. This includes the identification of strategies and measures that would lessen the likelihood of harmful losses by avoiding endangering hazards or reducing vulnerability, as well as those that increase capacity to prepare for and enable timely response and recovery.

Disaster risk management involves a wide range of role players, especially since it requires both developmental efforts that reduce the risk of disasters as well as strengthened capabilities for preparedness, response and recovery. In this context, the disaster risk management plans of different role-players will necessarily differ in their emphasis on disaster risk reduction or on more operational response issues, depending on their respective functional areas.

### **3.8.7 Prevention and mitigation as core disaster risk reduction principles.**

All disaster risk management plans must give explicit priority to the core principles of disaster prevention and mitigation. Disaster prevention, mitigation and preparedness are referred to as disaster risk reduction measures because they lessen the likelihood of harmful losses by avoiding endangering hazards or reducing vulnerability. In this way, prevention and mitigation are central to achieving the goal of disaster risk reduction in which vulnerabilities and disaster risks are reduced and sustainable development opportunities strengthened.

It is often difficult to decide whether an intervention is preventive or mitigative in nature. For this reason, it is more practical to refer to them jointly as disaster risk reduction measures, because both minimise the risk of disasters.

#### **3.8.7.1 Disaster prevention**

Disaster prevention refers to actions that provide ‘outright avoidance’ of the adverse impact of hazards and related environmental, technological and biological disasters. Many disasters can be prevented through effective land-use planning, basic public works and effective municipal services that factor in the frequency and severity of natural or other hazards as well as human actions. Examples include:

- replanting indigenous grasses or trees on a recently burned slope near roads or dwellings to stabilise the soil and prevent damaging land subsidence;
- locating critical rail, road and telecommunications structures behind a coastal ‘setback’ line in areas exposed to storm surges to prevent disruption to critical services during violent storms; and
- careful positioning of storm-water drainage and its on-going maintenance, along with protection of natural wetlands, to prevent destructive flooding during heavy rain.

Unfortunately, many small, medium and large disaster events cannot completely be prevented. Their severity can be reduced, however, through ongoing disaster mitigation efforts.

#### **3.8.7.2 Disaster mitigation**

Disaster mitigation refers to structural and non-structural measures that are undertaken to limit the adverse impact of natural hazards, environmental degradation and technological hazards on vulnerable areas, communities and households. These efforts can target the hazard or threat itself (for example, a fire break that stops a fire spreading close to residential areas). This is often referred to as ‘structural mitigation’, since it requires infrastructure or engineering measures to keep the hazard away from those at risk.

Disaster mitigation efforts can also target people who are at risk, by reducing their vulnerability to a specific threat (for instance, promoting community responsibility for controlling fire risk in an informal settlement). This is often called ‘non-structural mitigation’, as it promotes risk-avoidance behaviours and attitudes.

#### **3.8.7.3 Disaster Risk Reduction Planning and the Mthonjaneni Integrated Development Plan.**

The alignment of Disaster Risk Reduction Plans with the Municipal I.D.P. **does not** mean the whole Plan document must be submitted to the I.D.P. Committee without any further input from Disaster Management.

On the contrary, the I.D.P. is the Municipality's internal platform from which possible funding for Disaster Management Risk Reduction projects may be accessed.

The Plan that must be aligned with the I.D.P. is, in fact, a **Risk Reduction Plan** which identifies Communities or infrastructure at risk from known disaster threats and contains recommendations on possible developmental projects that are in line with the principals of the I.D.P. and which could reduce the risk of the threat to a particular community at Risk.

The sectoral status of Disaster Management in the Development Planning structures of the Municipality has been established and therefore Disaster Management plays an integral role in the development planning process of the I.D.P. and the Municipality.

### **3.9 Key Performance Area 4: Disaster Response and Recovery.**

The Mthonjaneni disaster risk management policy must also incorporate elements of preparedness, response and recovery appropriate to the respective functional areas of different organs of state.

#### **3.9.1 Preparedness**

Preparedness contributes to disaster risk reduction through measures taken in advance to ensure effective response to the impact of hazards, including timely and effective early warnings and the temporary evacuation of people and property from threatened areas.

Preparedness enables the municipality and other institutions involved in disaster risk management, including the private sector, communities and individuals to mobilise, organize, and provide relief measures to deal with an impending or occurring disaster, or with the after-effects of a disaster.

Preparedness differs from prevention and mitigation as it focuses on activities and measures taken in advance of a specific threat or disaster.

Preparedness actions include:

- planning for seasonal threats, such as heavy rainfall, flooding, strong winds, veld or informal settlement fires, and communicable disease outbreaks
- anticipating and planning for the potential dangers associated with large concentrations of people at sporting, entertainment or other events
- establishing clear information dissemination processes to alert communities at risk of an impending seasonal threat, such as a potential outbreak of cholera during the rainy season

- identifying evacuation procedures, routes and sites in advance of expected emergencies, including the evacuation of schools in areas exposed to flash-floods
- developing, in advance, clear communication processes and protocols for different emergency situations, including the dissemination of an early warning for an impending extreme weather threat to isolated or remote communities.

These actions are key components of the contingency plans that should be developed for specific threats as part of the Mthonjaneni disaster risk management plan.

### **3.9.2 Disaster response**

Disaster response refers to the provision of assistance or intervention during or immediately after a disaster to meet the life preservation and basic subsistence needs of those people affected. It can be of an immediate, short-term or protracted duration.

### **3.9.3 Disaster recovery**

Disaster recovery (including rehabilitation and reconstruction) focuses on the decisions and actions taken after a disaster to restore livelihoods, services, infrastructure and the natural environment. In addition, by developing and applying disaster risk reduction measures at the same time, the likelihood of a repeated disaster event is reduced.

Disaster recovery includes:

- rehabilitation of the affected areas, communities and households
- reconstruction of damaged and destroyed infrastructure
- recovery of losses sustained during the disaster event, combined with the development of increased resistance to future similar occurrences.

Disaster recovery initiatives present excellent opportunities to incorporate disaster risk reduction actions. Following a disaster event, there are usually high levels of awareness about the risk factors that increased the impact. These present opportunities to introduce disaster risk reduction efforts consultatively with the affected communities and key stakeholders in order to reduce the likelihood of future loss.

### **3.9.4 Co-ordination of response and recovery efforts**

Responsibility for co-coordinating response to specific known rapid- and slow-onset significant events and disasters must be allocated to a specific organ of state. For example, flood response and recovery efforts would involve the combined efforts of many stakeholders, but the primary responsibility must be allocated to a specific organ of state with the other stakeholders assuming supportive responsibilities. In the case of river floods, for example, the Department of Water Affairs and Forestry could bear primary



responsibility. In the case of drought, the Department of Agriculture could be the primary agency, and in the case of extreme weather events, Mthonjaneni Disaster Management assisted by the District Disaster Management Centre would assume primary responsibility.

The operational plans and guidelines of the various response agencies that contribute to field operations must be considered when allocating responsibilities for response and recovery. In this regard, primary and secondary responsibilities must be allocated for each of the operational activities associated with disaster response, for example, evacuation, shelter, search and rescue, emergency medical services and firefighting.

Response and recovery operations must also make provision for the delegation of responsibilities of the Head of the Centre and the assignment of alternate arrangements for a disaster management centre as a contingency in the event that the particular disaster management centre itself is affected and unable to continue to operate.

### **3.9.5 Resources**

Mechanisms for the activation and mobilization of additional internal as well as external resources for response and recovery measures must be clearly set out in operational plans.

### **3.9.6 Incident Management System**

Incidents and emergencies handled on a daily basis by emergency and essential services personnel are routinely managed by an incident commander of a particular agency in terms of that agency's internal line-function policies. However, in the case of significant events and disasters which occur or are threatening to occur, a response management system must be developed and implemented to ensure a systematic co-ordinated approach to the effective utilisation of facilities, personnel, equipment, resources, procedures and communication.

An Incident Management System provides for the clear allocation of roles, responsibilities and mechanisms for strategic, tactical and operational direction and a participative approach to the management of the event.

Mthonjaneni Municipal Disaster Management must therefore develop an incident command system which complies with the requirements of the national standard for response management systems.

The system must identify specific roles and responsibilities for each response and recovery activity included in the operational plans of the various agencies participating in response and recovery efforts. It must also provide for mechanisms to determine the level of implementation of response and recovery measures according to the magnitude of the event or disaster and the capacity of an agency to deal with it, using only their own resources.

The system must be introduced in all municipal departments and in all spheres of governance situated within the area of responsibility of Mthonjaneni Municipality. It should also make provision for the development of partnerships, for the purpose of enhancing capacity, between external agencies involved in response and recovery, including the private sector, NGOs, traditional leaders, technical experts, communities and volunteers.

Each agency identified in the incident management system must establish standard operating protocols or procedures (SOPs) for co-ordinating response and recovery operations and for ensuring government and business continuity. The SOPs must be consistent with the requirements of relevant legislation, regulations and standards.

The Incident Management system must clearly identify the stakeholders responsible for the operational command, control and co-ordination of an event at both, the on-scene and Incident Management Committee levels.

The system must take into account conditions where frequent significant events occurring on a daily basis require extraordinary measures but do not necessarily justify the declaration of a local state of disaster.

The system must provide for a mechanism to track escalation of incidents and facilitate the reporting of 'trigger' indicators. 'Trigger' indicators must be clearly identified and must be reported to the disaster management centres in the various spheres. Examples include the routine reporting of all veld and forest fire incidents to the disaster management centre when fire danger rating indices are at certain levels, or the reporting of all incidents that require a predetermined level of response.

### **3.10 Enablers for Attainment of KPAS**

#### **3.10.1 Enabler 1. Information Management**

Disaster risk management is a collaborative process that involves all spheres of government, as well as NGOs, the private sector, a wide range of capacity-building partners and communities. It requires capabilities to manage risks on an ongoing basis, and to effectively anticipate, prepare for, respond to and monitor a range of natural and other hazards.

Integrated disaster risk management depends on access to reliable hazard and disaster risk information as well as effective information management and communication systems to enable the receipt, dissemination and exchange of information.

It requires systems and processes that will:

- provide an institutional resource database, including a reporting and performance measurement facility

- facilitate information exchange between primary interest groups
- facilitate risk analysis, disaster risk assessment, mapping, monitoring and tracking
- guide and inform focused risk management and development planning and decision making
- facilitate timely dissemination of early warnings, public awareness and preparedness, especially for at-risk people, households, communities, areas and developments
- enable timely and appropriate decision making to ensure rapid and effective response and recovery operations
- facilitate integrated and co-ordinated multi-agency response management
- record and track real-time disaster response and recovery information
- facilitate education, training and research in disaster risk management
- facilitate the funding and financial management of disaster risk management.

The system must have the capabilities to acquire, sort, store and analyse data for the purposes of targeting information for primary interest groups. In addition, it must include GIS (geographical information systems) mapping and information display applications, as well as standardised multimedia communication capabilities.

In order to provide a comprehensive information service, Mthonjaneni Disaster Management must undertake the following:

- develop an information database;
- establish a library or resource centre on disaster risk reduction; and
- make provision for easy access to the information database.

### **3.10.2 Enabler 2. Education, Training, Public Awareness and Research**

Sections 15 and 20(2) of the Act specify the encouragement of a broad-based culture of risk avoidance, the promotion of education and training, and the promotion of research into all aspects of disaster risk management.

This enabler addresses the requirements for the development and implementation of a national education, training and research needs and resources analysis and a national disaster risk management education and training framework, the development of an integrated public awareness strategy, including effective use of the media, the development of education and training for disaster risk management and associated professions, and the incorporation of disaster risk management in school curricula. It also outlines mechanisms for the development of a disaster risk research agenda.

#### **3.10.2.1 Responsibility for conducting an education, training and research needs and resources analysis**

It is the responsibility of the National Disaster Management Centre (NDMC) to undertake a national education, training and research needs and resources analysis and to facilitate the process. In order to achieve the KPIs within the national framework all provincial and municipal disaster management structures, including Mbonambi Municipality will be required to participate in this initiative.

#### **3.10.2.2 Responsibility for developing a disaster risk management education and training framework**

The NDMC is responsible for the development of a national education and training framework which must be completed within two years of the implementation of the national disaster management framework.

The NDMC must ensure that all education and training standards and qualifications comply with the requirements of the South African Qualifications Authority Act, 1995 (Act No. 58 of 1995) and the guidelines prescribed in the NQF.

#### **3.10.2.3 Training programs for communities**

Training programs for communities must focus on disaster risk awareness, disaster risk reduction, volunteerism and preparedness. Local indigenous knowledge needs to be incorporated into training programs aimed at local communities. Where appropriate, communities must be given the opportunity to modify and enhance training programs through the inclusion of indigenous knowledge, practices and values, and the incorporation of local experience of disasters and disaster risk management. Indigenous

knowledge must also be harnessed and incorporated into needs analyses and course development processes.

#### **3.10.2.4 Responsibility for the development of training programs**

The Provincial Disaster Management Centre (PDMC) is responsible for promoting, facilitating and overseeing the development and implementation of training programs and materials for practitioners in disaster risk management and associated fields.

Provincial and municipal organs of state must plan, organise and implement training programs relevant to their respective areas of responsibility in consultation with local communities.

#### **3.10.2.5 Schools**

The Disaster Management Section of Mthonjaneni Municipality must seek to establish links with existing community risk awareness programs in schools for the purposes of disseminating information on disaster risk management and risk avoidance. The creation of programs in schools, focusing on relevant and appropriate aspects of disaster risk management, must be encouraged.

#### **3.10.2.6 Research**

The Act calls for ongoing research into all aspects of disaster risk reduction and management. Mthonjaneni Municipality, through a process of consultation, must develop a strategic disaster risk reduction research agenda to effectively inform disaster risk management planning and implementation in the municipality. Research initiatives must also be linked to the IDP processes. Research is the responsibility of each and every role player in the disaster risk management arena.

### **3.10.3 Enabler 3. Funding Arrangements**

Section 7(2)(k) of the Act requires that the national disaster management framework makes provision for ‘a framework within which organs of state may fund disaster risk management with specific emphasis on preventing or reducing the risk of disasters, including grants to contribute towards post-disaster recovery and rehabilitation.

Given the provisions of the Act, funding arrangements must be designed in a manner that ensures that disaster risk management activities are funded adequately and in a sustainable way.

This enabler describes the disaster risk management funding arrangements for organs of state in the national, provincial and local spheres of government and builds on the recommendations made by the

### 3.10.3.1 Legislative framework for funding arrangements

The following primary legislation provides the context within which funding arrangements for disaster risk management should be designed

- Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- Disaster Management Act, 2002, (Act No. 57 of 2002)
- Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA)
- Municipal Finance Management Act, 2003 (Act No. 53 of 2003) (MFMA)
- Municipal Systems Act, 2000 (Act No. 32 of 2000).

The Constitution assigns exclusive or concurrent functions to different spheres of government. Schedule 4 of the Constitution designates disaster risk management as a concurrent national and provincial competence. However, the Act places the responsibility for certain disaster risk management activities squarely within the local government sphere. For example, section 23(7) of the Act states that until a disaster is classified as either a national or a provincial disaster, it must be regarded as a local disaster.

In terms of section 10A of the Municipal Systems Act as amended, the disaster risk management function imposes new constitutional obligations on local government. These obligations are that the responsible Cabinet member, MEC or other organ of state must take appropriate steps to ensure sufficient funding and capacity-building initiatives as may be needed for the performance of the assigned function. Since disaster risk management at municipal level encompasses a wide range of activities (including disaster risk reduction, preparedness, response and recovery), funding mechanisms must be designed to allocate optimal resources to each of these activities.

Chapter 6 of the Disaster Management Act outlines two principles that should be applied to funding the cost of a disaster when such an event is declared. Firstly, section 56(2) of the Act states that in the event of a disaster, ‘national, provincial and local organs of state may financially contribute to response efforts and post-disaster recovery and rehabilitation’. Secondly, the Act assigns the responsibility for repairing or replacing infrastructure to the organ of state responsible for the maintenance of such infrastructure.

Section 57 of the Act, however, provides some leeway for a municipality or provincial government to request financial assistance for recovery and rehabilitation from national government.

The Act attempts to encourage budgeting for disaster recovery and rehabilitation through threshold funding. Section 56(3) allows the Minister to prescribe a percentage of the budget of a provincial or municipal organ of state as a threshold for accessing national funding for disaster response efforts. The extent to which an organ of state has implemented disaster risk reduction efforts will be taken into account when requests for disaster response and post-disaster rehabilitation funding are considered. The broad funding guidelines set out in sections 56 and 57 of the Act make access to disaster recovery and rehabilitation funding contingent on organs of state earmarking funds for disaster risk reduction activities.

This principle reduces the risk of moral hazard behaviour on the part of provincial or municipal organs of state by ensuring that they budget for all disaster risk management activities. In this way, national government does not implicitly guarantee the provision of financial assistance to organs of state for disasters that could have been reasonably prevented or reduced in some way.

Apart from the Act, there are other legislative provisions that govern the release of funds for disaster recovery and rehabilitation. Sections 16 and 25 of the PFMA allow the Minister of Finance or relevant MEC to appropriate funds from their respective revenue funds for use in emergency situations. Funds released in terms of these provisions must be reported to either Parliament or the provincial legislature, as the case may be, and to the Auditor-General within 14 days of their authorisation. In addition, these funds must be attributed to a vote when the adjustments budget is passed.

Similarly, section 29 of the MFMA allows the Mayor of a municipality to authorize unforeseeable and unavoidable expenditure in an emergency. Such expenditure must be ratified by the council in an adjustments budget within 60 days of the expenditure having been incurred. Furthermore, section 29(2) (b) of the MFMA states that unforeseeable and unavoidable expenditure may not exceed a percentage of the budget. This restricts the amount of funds available to respond to emergencies. This percentage must be prescribed by National Treasury in regulations.

### **3.10.3.2 Principles underpinning funding arrangements**

Any funding arrangement must be consistent with the principles set out in the Act and any other related legislation (see section 7.1 above). Furthermore, the management of intergovernmental transfers must be grounded in public finance theory. Anwar Shah, in his seminal book, *The Reform of Intergovernmental Fiscal Relations in Developing and Emerging Market Economies* (published in 1994), points out that the design of any funding mechanism should ensure that the objectives of the relevant legislation are

safeguarded, and that the recipients of the funds are held accountable for implementation of the legislation. According to Shah, the important criteria against which any funding mechanism should be evaluated include:

- **Adequacy.** Municipalities should have adequate resources to perform their functions effectively. In relation to disaster risk management, all organs of state should have access to sufficient funding to be able to discharge their legislative responsibilities.
- **Equity.** Funding mechanisms should ensure that legislation is implemented equitably across provinces and municipalities. This would help to avoid inter-jurisdictional spillovers arising from uneven and inequitable implementation.
- **Predictability.** Any funding mechanism that includes intergovernmental transfers should ensure predictability by making allocations from national to provincial and local organs of state over the term of the Medium-term Expenditure Framework (MTEF). Any allocations to municipalities should be disclosed timeously so that municipalities are able to take cognisance of these allocations in their annual budgets.
- **Administrative efficiency.** The cost of administering the funding mechanisms should be kept to a minimum. Ideally, the funding mechanisms should not impose new reporting obligations on municipal organs of state. Rather, the reporting process should be integrated into the existing reporting cycle.
- **Incentive effects.** Funding mechanisms should be designed in such a way that they provide incentives for sound fiscal management and reduce the likelihood of inefficient fiscal practices. In this way, perverse incentives in the system may be minimized and the risk of moral hazard behaviour by recipients of the funds discouraged.
- **Autonomy.** The assignment of functions or the transfer of funds between spheres of government should not undermine the constitutionally mandated autonomy of municipal organs of state. The autonomy criterion should be viewed within the context of co-operative governance.

#### 3.10.3.3 Risk pooling.

The cost of a disaster can become so substantial that no single provincial and municipal organ of state is able to fund recovery efforts on its own. In such cases, funding mechanisms should make provision for



post-disaster recovery costs to be shared across the widest possible population rather than being a burden on the affected population.

In addition, it should be borne in mind that disaster risk management has certain unique characteristics which differ markedly from other public services such as education and street lighting. Disasters are by their very nature unpredictable and require an immediate and decisive response. It is vital, therefore, that a balance is struck in the financing framework between the need for financial controls and oversight and the need to ensure that rapid response and recovery are not compromised. Section 214(2) (j) of the Constitution explicitly mentions ‘the need for flexibility in responding to emergencies or other temporary needs’ as one of the criteria for the equitable division of nationally collected revenue among the three spheres of government.

#### **4.1 Introduction**

In terms of Section 53 of the Disaster Management Act of 2002 (Act 57 of 2002), each municipality must prepare a Disaster Risk Management Plan for its area of operation. In order to develop this plan, it then becomes necessary for the municipality to initially conduct a risk analysis which would identify and prioritize potential hazards and threats that are likely to occur within the area of responsibility of the municipality.

#### **4.2 An Overview of Mthonjaneni Local Municipality**

Mthonjaneni is located in the central north eastern part of the province of KZN. It comprises of Melmoth which serves as the Central Place Town for its surrounding rural areas. The larger part of the areas that forms the sphere of influence of Melmoth is deep rural the majority of the people ranging from low to middle income earners. Most of the area under Mthonjaneni Municipality is owned by Ingonyama Trust under the leadership of INkosi Biyela of Obuka, INkosi Zulu of Ntembeni and INkosi Biyela of Yanguye. Part of the area is privately owned with vast areas being owned by white farmers.

Mthonjaneni Municipality experiences warm humid climate with more rainfall being experienced during the summer season. This becomes the favoring factor towards agricultural production. Forests and sugarcane production are the major commercial agricultural practices and livestock farming which is mostly subsistence in most surrounding rural areas.

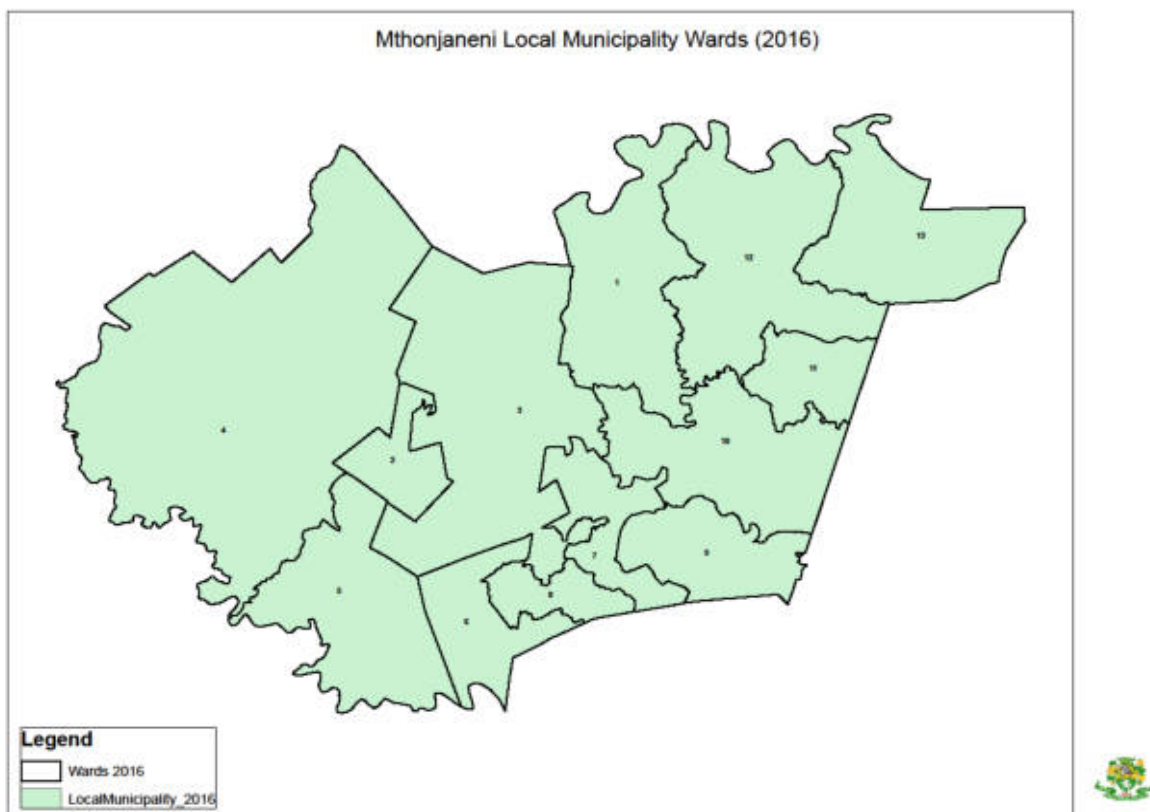
Mthonjaneni (KZ 285) is one of the five local municipalities that make up King Cetshwayo District together with Mfolozi (KZ 281), uMhlathuze (KZ 282), uMlalazi (KZ 284) and Nkandla (KZ 286). The Mthonjaneni Municipality consists of 13 wards as per the new demarcations after the 2016 Local Government Elections.

King Cetshwayo is a district municipality situated in the north eastern region of KwaZulu-Natal province on the eastern seaboard of South Africa. King Cetshwayo covers an area of approximately 8213 square kilometres, from the agricultural town of Gingindlovu in the south to the uMfolozi river in the north and inland to the mountainous beauty of rural Nkandla.

**Map1 – King Cetshwayo District Map**



**Map 2:Mthonjaneni Local Municipality Map**



#### **4.2.1 Population Analysis**

- According to the latest census that was conducted in 2011 there is a total population of 47 818 people residing in municipal area of jurisdiction.

- According to the 2011 census there has been a decreases in population in the municipal area of jurisdiction. The total population as per 2001 census there were 50 382 people residing in the municipal area of jurisdiction. The Municipality is currently experiencing out migration.
- There is an overrepresentation of females in Mthonjaneni LM, with females accounting for 53.8% of the municipal population in 2011, whilst males only accounts for 46.5%.
- According to 2011 Statistics the total labour force for the Municipality was 13 534. Using the escalation of 7%, it indicates that the current labour force in the municipality is 14 481 people.

#### 4.2.2 Current Employment Statistics

The 2011 statistics reflect that a large amount of people in Mthonjaneni area of jurisdiction are either unemployed or discouraged work seekers.

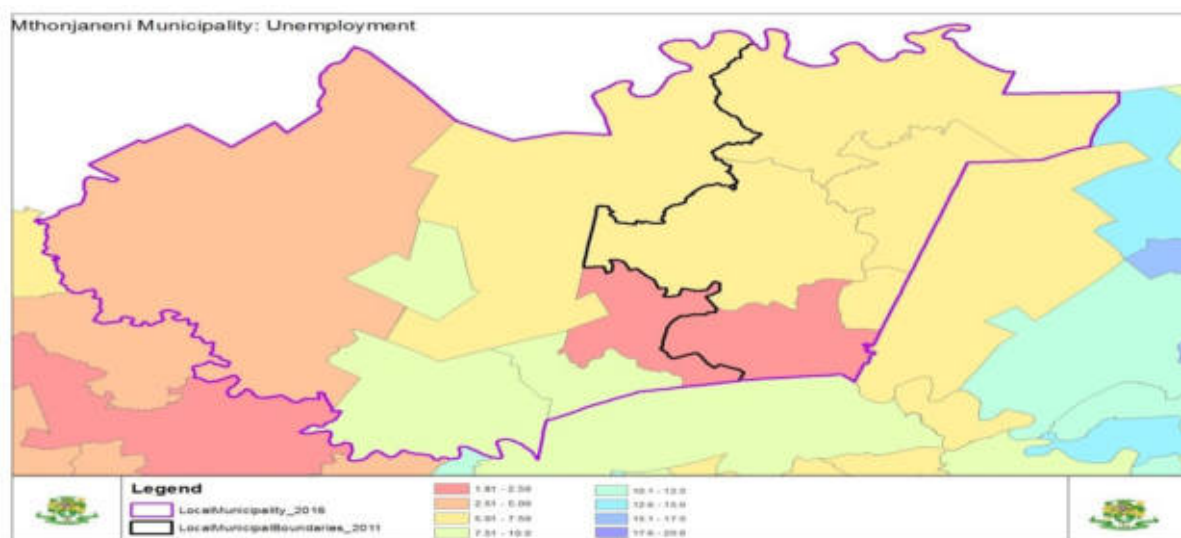
The table below shows the number of persons in the respective municipal wards that are employed and unemployed. The highest percentage of employment is in Ward 1. This ward is located in the developed urban area Melmoth.

**Table 1: Employment statistics based on old demarcation of wards (census 2011)**

Ward	Employed	Unemployed	Discouraged work-seeker	Other not economical active	Not applicable
1	3036	797	<b>265</b>	1640	8259
2	2088	284	<b>352</b>	1745	7117
3	331	690	<b>365</b>	3143	8845
4	988	523	<b>450</b>	2184	7722
5	747	206	<b>521</b>	3719	9960
6	379	520	<b>356</b>	1898	5914
<b>Total</b>	<b>7569</b>	<b>3020</b>	<b>2309</b>	<b>14330</b>	<b>47818</b>

The employment statistics for the new wards inherited from the former Ntambanana Municipality decreased slightly from 54% in 2001 to 46% in 2011. This is considered to be considerably high when one takes into account the number of the active labour force within the area. The fact that these wards are all rural with poor infrastructure is one of the factors that contribute to the unemployment figures. In order to find employment opportunities, the economically active population has to travel to areas such as Richards Bay and Empangeni.

**Map 3: Reflecting unemployment within the area of Mthonjaneni Municipality**



#### 4.2.3 Traditional Authorities

There are currently three Traditional Authority areas within the Mthonjaneni Municipality. All these Traditional Authority areas are solely owned by Ingonyama Trust:

- Kwanguye Traditional Authority is located to the north-east of the municipality and incorporates the KwaYanguye area and surrounding settlements.
- Entembeni Traditional Authority is located to the south-east of the municipality and incorporates Makasaneni and Ndundulu and surrounding settlements.
- Obuka Traditional authority is located towards the East of the municipality and incorporates areas like Sqhomaneni, Upper Nseleni and other surrounding rural settlements.

#### 4.2.4 Challenges Faced by the Mthonjaneni Local Municipality

- The projections indicate that approximately **3, 1 %** of households (317) within the municipal area, are in the homeless and informal dwelling/shack category.
- The population is highly dependent on the agricultural sector for employment opportunities whilst there is opportunity to develop other development sectors including the service sector, Industry and commercial sectors.
- Unresolved Land claims that impact on future development.
- Limited access to basic household and community services.
- Increased incidents of HIV/AIDS and communicable diseases.

- Emergency of Covid-19 positive cases which possess great threat to human lives
- High rate of unemployment which leads to poverty and low economic growth.
- Depletion of infrastructure due to variations in climatic conditions.

#### **4.2.5 Mthonjaneni Municipal Vision and Mission**

##### **4.2.5.1 Municipal Vision**

Improved livelihoods for our communities

##### **4.2.5.2 Mission**

We will realize our vision by:

- Providing exemplary leadership and creating an environment where talented people thrive and grow
- Running up-to-date and integrated IT Management Systems
- Upholding good, corruption free governance principles
- Nurturing transparent, sustainable and mutually beneficial relationships with our key stakeholders
- Ensuring efficient and effective service delivery as our core Business.

#### **4.3 Disaster Risk Assessment Design and Methodology**

##### **4.3.1 Disaster Risk Assessment Design**

For the Municipality to perfect data capturing and holistic planning, a community based participatory approach was the methodology in implementing this project. A combination of participatory activities that includes but not limiting to stakeholder meetings, ward meetings, transect walks, participatory community mapping, problem tree and venn diagram is our tool used for data capturing, processing and reporting. The methodology was however not fully implemented due to poor attendance and unavailability of other stakeholders; we none the less strived to achieve maximum performance within the possible means.

##### **Literature review and Stakeholder Consultation**

Analyse the available data from previous disaster incidents reports, Mthonjaneni IDP, Universities, Disaster Centres and Provincial Sector Departments

Conduct knowledge sharing meetings with government departments and agencies

Interview community members ( Councillors, traditional and church leaders )

<b>Assessing Disaster Management Framework and its impact</b> Assess effectiveness during implementation Establishing previous occurrences and its usefulness Does it cater for mixed varieties of risks Community interviews, group discussions, transect walks and resource mapping
<b>Assess Institutional Capacity</b> Budget and human resources Internal structures ( Disaster capturing and reporting system, stakeholder workshops and reports assessment
<b>Analyse Risk Factors and Develop Strategies</b> Identify hazards and vulnerabilities Determine the probability and frequency thereof ( Community interviews and resource mapping)
<b>Approval of the Disaster Management Plan</b> Compile the plan Submit the draft to relevance council committees for adoption and approval

Since the beginning of this financial year (2019/2020), the Municipality through the Disaster Management Section embarked on a participatory approach to source data from communities at ward level, which was based on historical events and experience, as well as indigenous knowledge. The municipality worked closely with municipality stakeholders to collect different kinds of data from different sources, using different platforms.

The PDMC provided risk assessment tools for sourcing data from municipal wards, using community-based structures. The assessment tool was explained to all practitioners prior to the commencement of the data collection process. Data collection was designed to sample on multi-hazard assessment, vulnerability assessment, and quantifying capacity within Organs of State and, within the 13 wards.

#### **4.3.2. Analysis and Interpretation of Data**

The Community-Based Risk Assessment adopted numerous complex models to analyze the data. The following models were employed to determine the total risk profile. The assessment used the basic NOAA model process with selected of the SMUG model, the logic of the HIRV model and principles and participatory methodology of the CVCA model. The assessment deduces that the disaster risk is dependent on the capacity to deal with the prevailing hazards, the datasets were consolidated. These



datasets were subsequently captured into GIS and analyzed. The analyzed data was then used to produce hazard, vulnerability, capacity and overall risk maps. The assessment analysis deduced that the disaster risk is dependent on the vulnerability and capacity to deal with the prevailing hazards, as depicted on figure A below:



Mthonjaneni Municipality has 13 wards and all were profiled and analyzed and results were as follows:

Wards	Brief of Overview	Hazards and Threads
1	Ward 1 is situated on the North Western part of Mthonjaneni municipal area. Ward 1 shares municipal boundaries with Ulundi Local Municipality and ward boundaries with ward 12, 10 and 3 of uMthonjaneni Municipality. The ward is entirely populated by the Traditional Rural Communities and Subsistence Farming is the only form of economic activity. There are no emergency facilities situated in this ward. The nearest SAPS Station is situated in Melmoth Town and clinic is at Uppenseleni in ward 12 of the Municipality. There are sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.	The following are the possible hazards and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster: <ul style="list-style-type: none"> <li>• Structural and bush fires</li> <li>• Storms and heavy rains</li> <li>• Drought</li> <li>• Lightning</li> <li>• Motor Vehicle Accidents in R66/R34</li> </ul>
2	Ward 2 is situated in the middle of the ward 3, 4 and 5. The whole ward falls within a greater part of the Melmoth town and the surroundings. The economic activity of the area is the mall and other small shops. There is SAPS, Magistrate Court, Clinic and municipal offices which serve as the emergency facilities in the ward. There are sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.	Interviews conducted with ward committee members and random members of the war room structure, have identified the hazards and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster: <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Structural Fire</li> <li>• Drought</li> <li>• Motor Vehicle Incidents in R66/R34</li> </ul>
3	Ward 3 is situated in the central west part of Mthonjaneni Municipality and shares the Municipal boundary with Ulundi Municipality and ward boundaries with ward 1,2, 4,5,6,7 and 8. The ward consists of	Interviews conducted with different community sectors revealed the following hazards and threats as the common occurrences in the ward with high potential to escalate to the



	<p>the melmoth town, and large scale of land is occupied by commercial timber farmers and subsistence farmers. Melmoth Clinic, Police station are the only emergency facilities within the ward.</p> <p>There are sufficient schools, Early Childhood Development Centres and Town Hall that would be suitable for use as evacuation centres if necessary.</p>	<p>level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Structural Fire</li> <li>• Bush fires</li> <li>• Motor Vehicle Incidents</li> <li>• Drought</li> </ul>
4	<p>Ward 4 is situated in the South/West part of Mthonjaneni and share municipal boundaries with Nkandla Municipality and ward boundaries with ward 2,3 and 5 of Mthonjaneni Municipality. The ward comprised of Mfule and Magwaza Missionary areas. The most economic activities in this ward are the subsistence farming and Commercial Timber Farming. In this ward there is Magwaza Hospital which can provide emergency services to the victims of the disaster incidents. The area is serviced by Melmoth SAPS and all other emergency services are provided in this town.</p> <p>There are sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.</p>	<p>Interviews conducted with different community sectors revealed the following hazards and threats as the common occurrences in the ward with high potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Floods</li> <li>• Structural Fire</li> <li>• Bush fires</li> <li>• Motor Vehicle Incidents</li> <li>• Drought</li> </ul>
5	<p>Ward 5 is situated in the South part of the Mthonjaneni Municipality and shares the municipal boundaries with uMlalazi municipality and ward boundaries with ward 2,3,4 and 6. The most economic activities in this ward are the subsistence farming and Commercial Timber Farming. The area is serviced by Melmoth SAPS and all other emergency services are provided in this town.</p> <p>There are sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.</p>	<p>Interviews conducted with ward committee members and random members of the war room structure, have identified the hazards and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Structural Fire</li> <li>• Bush Fires</li> <li>• Lightning</li> <li>• Motor Vehicle Incidents</li> <li>• Drought</li> </ul>
6	<p>Ward 6 is situated in the South part of the Mthonjaneni Municipality and shares the municipal boundaries with uMlalazi municipality and ward boundaries with ward 5,3, and 8 of Mthonjaneni Municipality. The most economic activities in this ward are the subsistence farming and Commercial Timber Farming. In this ward there is Nogajula Clinic which renders emergency services to the community. The area is serviced by Melmoth SAPS and all other emergency services are</p>	<p>Interviews conducted with ward committee members and random members of the community, have identified the hazards and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Structural Fire</li> </ul>

	<p>provided in this town.</p> <p>There are sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.</p>	<ul style="list-style-type: none"> <li>• Bush Fires</li> <li>• Motor Vehicle Incidents</li> <li>• Drought</li> </ul>
7	<p>Ward 7 is situated on the South part of Mthonjaneni municipal area. The ward shares municipal boundaries with uMlalazi Local Municipality and ward boundaries with ward 3, 8 and 9 of Umthonjaneni Municipality.</p> <p>The ward is entirely populated by the Traditional Rural Communities under Inkosi Zulu and Subsistence Farming is the only form of economic activity and community members use Ndundulu Market Stalls to sell their production. There are no emergency facilities situated in this ward and they get their health related services at Ndundulu Clinic in ward 8 of Mthonjaneni Municipality and Nkwadini Clinic situated uMlalazi Municipality. The nearest SAPS Station is situated in Melmoth Town.</p> <p>There are sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.</p>	<p>Interviews conducted with ward committee members and random members of the war room structure, have identified the hazards and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Structural Fire</li> <li>• Run-away fires</li> <li>• Motor Vehicle Accidents</li> <li>• Drought</li> </ul>
8	<p>Ward 8 is situated on the North part of Mthonjaneni municipal area. The ward shares municipal boundaries with uMlalazi Local Municipality and ward boundaries with ward 3, 6 and 7 of Umthonjaneni Municipality.</p> <p>The ward is entirely populated by the Traditional Rural Communities under Inkosi Zulu and Subsistence Farming is the form of economic activity and they use Ndundulu Market Stalls to sell their production. There is Ndundulu Clinic which is used as emergency facility and they also access their health related services from Nkwadini Clinic under Mlalazi Municipality. The nearest SAPS Station is situated in Melmoth Town.</p> <p>There are sufficient schools, churches and early childhood development centres including Tembeni Traditional Court that would be suitable for use as evacuation centres if necessary.</p>	<p>Interviews conducted with ward committee members and random members of the war room structure, have identified the hazards and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Structural Fire</li> <li>• Run-away Fires</li> <li>• Motor Vehicle Incidents</li> <li>• Drought</li> </ul>
9	<p>Ward 9 is situated on the South East part of Mthonjaneni municipal area. Ward 9 shares municipal boundaries with uMhlathuze and uMlalazi Local Municipalities and ward boundaries with ward 7 and 10 of Umthonjaneni Municipality. The ward is entirely populated by the Traditional Rural Communities under Inkosi PC Biyela and Subsistence Farming is the only</p>	<p>Interviews conducted with ward committee members and random members of the war room structure, have identified the hazards and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p>

	<p>form of economic activity. There is Nomponjwane Clinic in this ward which serves as the emergency facility and they are also closer to both Nkwadini Clinic and Nogajula Clinic. The nearest SAPS Station is situated in Melmoth Town.</p> <p>There are sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.</p>	<ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Structural Fire</li> <li>• Run-away Fires</li> <li>• Drought</li> </ul>
10	<p>Ward 10 is situated on the East part of Mthonjaneni municipal area. Ward 10 shares municipal boundaries with uMhlathuze Local Municipality and ward boundaries with ward 1,3,7, 9,11 and 12 of Umthonjaneni Municipality. The ward is entirely populated by the Traditional Rural Communities under Inkosi PC Biyela and Subsistence Farming is the only form of economic activity. There are no emergency facilities situated in this ward and they get their health related services at KwaMbiza Clinic in ward 12 of Mthonjaneni Municipality and Bhuchanana Clinic in ward 33 of uMhlathuze Municipality. The nearest SAPS Station is situated in Melmoth Town and ward 33 of uMhlathuze Municipality.</p> <p>There are sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.</p>	<p>Interviews conducted with ward committee members and random members of the war room structure, have identified the hazards and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Run away fires</li> <li>• Tornadoes</li> <li>• Drought</li> </ul>
11	<p>Ward 11 is situated on the North part of Mthonjaneni municipal area. Ward 11 shares municipal boundaries with uMhlathuze Local Municipality and ward boundaries with ward 10 and 12 of Umthonjaneni Municipality. The ward is entirely populated by the Traditional Rural Communities under Inkosi PC Biyela and Subsistence Farming is the only form of economic activity. There are no emergency facilities situated in this ward and they get their health related services at KwaMbiza Clinic in ward 12 of Mthonjaneni Municipality and Bhuchanana Clinic in ward 33 of uMhlathuze Municipality. The nearest SAPS Station is situated in Melmoth Town and ward 33 of uMhlathuze Municipality.</p> <p>There are sufficient schools, churches and early childhood development centres, including Obuka Traditional Court that would be suitable for use as evacuation centres if necessary.</p>	<p>Interviews conducted with ward committee members and random members of the war room structure, have identified the hazards and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Structural Fire</li> <li>• Run-away Fires</li> </ul>
12	<p>Ward 12 is situated on the North part of Mthonjaneni municipal area. Ward 12 shares municipal boundaries with Ulundi Local Municipality and ward boundaries with ward</p>	<p>Interviews conducted with ward committee members and random members of the war room structure, have identified the hazards and threats that are</p>

	<p>1, 10, 11 and 13 of Umthonjaneni Municipality. The ward is entirely populated by the Traditional Rural Communities under Inkosi PC Biyela and Subsistence Farming is the only form of economic activity. There are no emergency facilities situated in this ward and they get their health related services at KwaMbiza Clinic in ward 12 of Mthonjaneni Municipality and Bhuchanana Clinic in ward 33 of uMhlathuze Municipality. The nearest SAPS Station is situated in Melmoth Town and ward 33 of uMhlathuze Municipality.</p> <p>There are sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.</p>	<p>common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Floods</li> <li>• Structural Fire</li> <li>• Drought</li> </ul>
13	<p>Ward 13 is situated on the North East part of Mthonjaneni municipal area. It shares municipal boundaries with Ulundi, Umhlathuze and Mfolozi Local Municipalities and ward boundary with ward 12 of Umthonjaneni Municipality. The ward is entirely populated by the Traditional Rural Communities of Inkosi uMthiyane and PC Biyela . Subsistence Farming is the only form of economic activity in the ward. There are no emergency facilities situated in this ward and they get their health related services at KwaMbiza Clinic in ward 12 of Mthonjaneni Municipality and Bhuchanana Clinic in ward 33 of uMhlathuze Municipality. The nearest SAPS Station is situated in Melmoth Town and ward 33 of uMhlathuze Municipality.</p> <p>There are sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.</p>	<p>Interviews conducted with ward committee members and random members of the war room structure, have identified the hazards and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Floods</li> <li>• Structural Fire</li> <li>• Run-away Fires</li> <li>• Lightning</li> <li>• Drought</li> </ul>

#### 4.4 Coronavirus outbreak

Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus. Most people who fall sick with COVID-19 will experience mild to moderate symptoms and recover without special treatment. The **COVID-19 pandemic in South Africa** is part of the ongoing pandemic of coronavirus disease 2019 (COVID-19) caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). On 5 March 2020, it was confirmed that the virus spread to South Africa, with the first known patient being a male citizen who tested positive upon his return from Italy. The first death to have occurred from the disease was reported on 27 March 2020.

On 15 March, the President of South Africa, declared a national state of disaster in terms of the Disaster Management Act , 57 of 2002, section 27(1), and announced measures such as immediate travel restrictions and the closure of schools from 18 March. On 17 March, the *National Coronavirus Command*

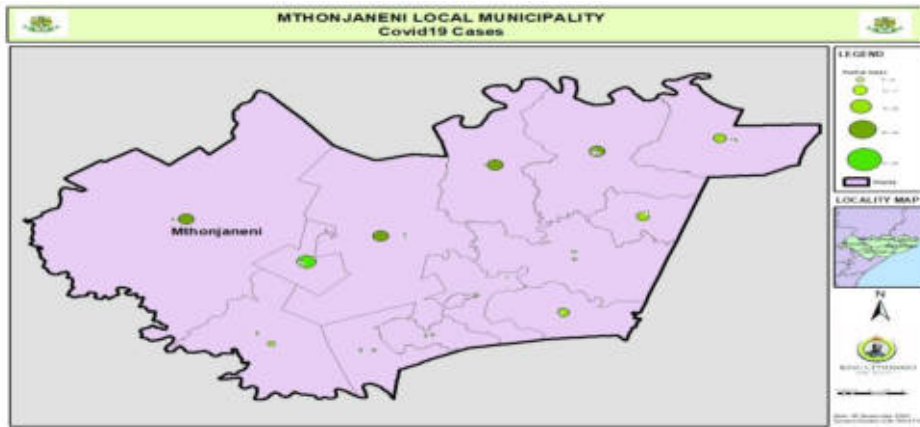
*Council* was established, to lead the nation's plan to contain the spread and mitigate the negative impact of the coronavirus". On 23 March, a national lockdown was announced, starting on 26 March 2020. On 21 April, a 500 billion rand stimulus was announced in response to the pandemic. Above 640 000 people who got affected by the virus and above 16 500 succumb to it by the end of September 2020 in the whole country and Gauteng.

In Mthonjaneni Municipality, JOC was established on the 16 March 2020 to co-ordinate all covid19 related activities and chaired by the Manager: Disaster Management. JOC Meetings are held every Mondays of the week at SAPS Boardroom. During the compilation of this plan, Mthonjaneni Municipality has already recorded 573 confirmed positive cases of covid-19 and 05 people already succumbed to it. This number is expected to grow drastically as the country continues to experience spread of the virus in many corners of the society.

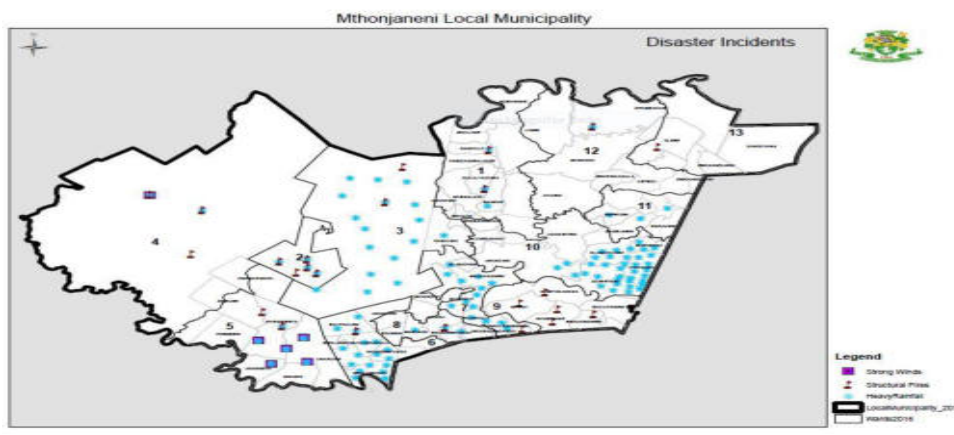
The following table reflect the status quo of the covid-19 in Mthonjaneni Municipality:

NAME OF THE AREA- (TRACEABLE ADDRESS)	MUNICIPAL WARD	NUMBER OF CONFIRMED COVID-19 CASES	CONTACTS TRACED	NUMBER OF RECOVERIES	NUMBER OF ACTIVE CASES	NUMBER OF DEATH CASES
Kwayanguye	1	62	412	60	2	0
Thubalethu /	2	100	234	97	3	2
Ngcongco/Mayeni	3	60	190	60	0	0
Magwaza Mission next to Magwaza	4	70	350	70	1	1
Mgabhi	5	22	33	22	0	0
Ekuthuleni/Nogajuka/	6	11	80	11	0	0
Hlabathini/Makhasan	7	13	106	13	-1	1
Ndundulu	8	10	14	10	0	0
Nkwenkwe/Nomponj	9	26	216	26	0	0
KwaTiki/Ngqungqu	10	21	94	21	1	0
Kwambiza	11	32	408	32	0	0
Mkhandlwini/Oviceni	12	48	227	48	0	0
Buchanana/Maduma	13	31	223	31	-1	1
Other		67	136	67	0	0
		<b>573</b>	<b>2723</b>	<b>568</b>	<b>5</b>	<b>5</b>

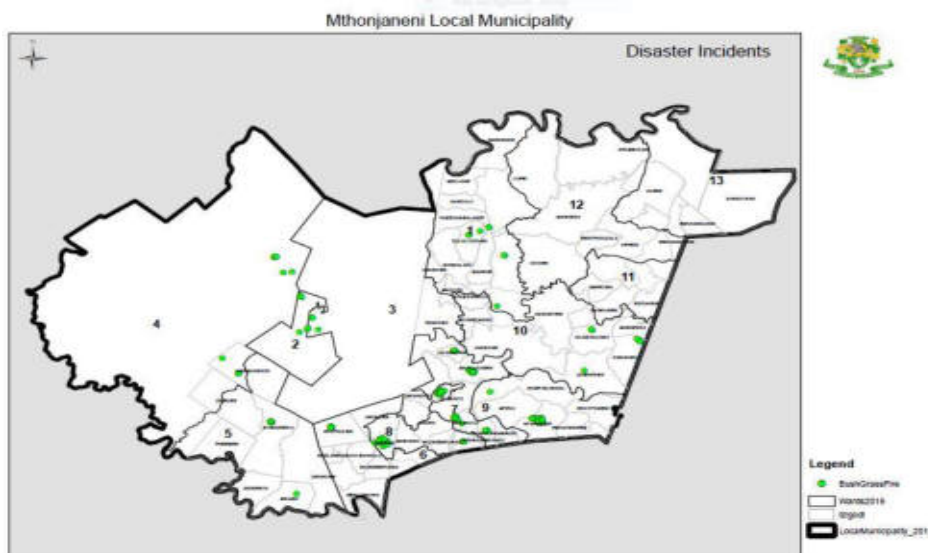
**Map 4 reflecting COVID-19 Cases in South Africa**



**Map 5 reflecting disaster incidents in all affected wards**



**Map 6 reflecting Bush fire in all wards of Mthonjaneni Municipality**





#### 4.5 Disaster Risk Reduction

After the assessment as outlined above, the following project were identified for implementation per hazard as illustrated in table 2 below:

Hazards	Possible Projects
Run-away Fires Structural Fires Bush Fires	<ul style="list-style-type: none"> <li>• Procurement of fire beaters</li> <li>• Conduction of awareness's</li> <li>• Burning of fire brakes</li> <li>• Improving fire fighting equipment</li> </ul>
Floods	<ul style="list-style-type: none"> <li>• Construction of dams</li> <li>• Construction according to building standards</li> <li>• Consistency in Awareness Campaigns</li> <li>• Consistency in Early Warning Systems</li> <li>• Building Bridges</li> </ul>
Storms and Heavy Rains	<ul style="list-style-type: none"> <li>• Consistent Awareness Campaigns</li> <li>• Consistency in Early Warnings</li> </ul>
Lightning	<ul style="list-style-type: none"> <li>• Lightning Conductors</li> <li>• Consistency Awareness Campaigns</li> <li>• Consistency in Early Warnings</li> </ul>
Drought	<ul style="list-style-type: none"> <li>• Conduct Awareness Campaigns</li> </ul>
Motor Vehicle Incidents	<ul style="list-style-type: none"> <li>• Upgrading and Road Maintenance</li> <li>• Visibility of Road Traffic Officers</li> <li>• Awareness Campaigns</li> </ul>
Covid-19	<ul style="list-style-type: none"> <li>• Conduct Awareness and Campaigns</li> <li>• Provide PPE to all frontline workers</li> <li>• Ensure compliance to all precautionary measures as outlined by the Health Department</li> </ul>

#### 4.6 Conclusion

Based on the outcomes of the Disaster Risk assessment, the following matrix which reflects the hazards threatening Mthonjaneni Municipality as compared to King Cetshwayo District Municipality was developed.

Risk in relation to District Municipality	King Cetshwayo District Municipality	Mthonjaneni Municipality	Local
Drought	X	X	
Fires	X	X	
Flood	X	X	

Heavy Rains	x	x
Epidemic	x	x
Storm	x	x
Tidal Surge	x	
Hazmat	x	
Aviation	x	
Maritime	x	
Railway	x	x



### 5.1 Introduction

In terms of disaster risk reduction principles, the local sphere of government is the first line of response and responsibility and therefore, in the event of a disaster occurring or threatening to occur in the Mthonjaneni municipal area of responsibility, the Municipality remains responsible for the co-ordination and management of the disaster incident until such time that the responsibility escalates to a higher level of Governance.

Thorough disaster risk management planning and effective co-ordination of all line function response agencies is, therefore, key to saving lives and limiting damage to property, infrastructure and the environment. They (disaster risk management plans) also facilitate the optimal utilization of resources.

The Mthonjaneni Disaster Management Advisory Forum is the most effective platform from which disaster risk reduction and operational plans can be developed.

### 5.2 Content of an Operational Plan

In terms of the provisions of the Mthonjaneni Disaster Risk Management Policy Framework, the Municipality is mandated to develop Operational Plans which are aimed at:-

- Response Protocols;
- Contingency Planning
- Access to Resources for:
  - Immediate relief;
  - Equipment; and
  - Recovery and rehabilitation.
- Guidelines for:
  - Funding; and
  - Declaration of a State of Disaster.

### 5.3 Response Protocols

Having conducted, in terms of the provisions of the approved Disaster Risk Management Policy Framework, a Disaster Risk analysis of the individual Wards within the Mthonjaneni Municipal area, the

Advisory Forum will now be able to identify specific communities and infrastructure that are most vulnerable to the risks or threats that are prevalent in that particular Ward.

It is important for the Advisory Forum to be fully acquainted with the Legislative provisions in respect of Line Function Policies and Responsibilities of all Response Agencies who are likely to respond to a Disaster Incident or other Emergency which would require the activation of the Disaster Management co-ordination structures of the Municipality. This is particularly important for the development of Incident Specific Contingency Plans where it is necessary to assign functions and responsibilities to Responding Agencies without deviating from the individual line function policies of the responders.

Although the Disaster Management Act assigns the responsibility for the co-ordination and management of the activities of all responders to a disaster incident, it is of vital importance that the on-scene Command and Control be assigned to the Response Agency most qualified, in terms of line function, to deal with the consequences of the incident. An example of this would be the assignment of Command and Control to the Fire Brigade during a fire.

The Response Protocol of Mthonjaneni will therefore identify the relevant agencies and individuals within those agencies who would respond to a specific incident and then, in a collective process, a plan of action or a Contingency Plan must be developed for each incident.

The Mthonjaneni Disaster Management Advisory Forum has studied the Risk / Hazard Analysis as contained in the Mthonjaneni Disaster Risk Profile and has identified the relevant agencies and individuals within those agencies who would respond to a specific incident.

Having identified the response agencies that have a specific line function responsibility in relation to a particular disaster incident, the Advisory Forum must, in a collective process, develop the Response Protocol for Mthonjaneni which will inform the development of a Contingency Plan (or Plan of Action) for each identified risk or hazard.

The following Risk Response Protocol Matrix has subsequently been developed by the Mthonjaneni Disaster Management in a consultative process.

#### **Response Protocols for Mthonjaneni Local Municipality**

<b>OPERATIONAL RESPONSE</b>	<b>FIRE</b>	<b>STORMS</b>	<b>HEAVY RAINS</b>	<b>LIGHTNING</b>	<b>DROUGHT</b>	<b>FLOOD</b>	<b>MOTOR VEHICLE ACCIDENTS</b>	<b>EPIDEMICS</b>
<b>MTHONJANENI MUNICIPALITY</b>								
<b>MANAGER: DISASTER SECTION</b>	X	X	X	X	X	X	X	X
<b>MUNICIPAL MANAGER</b>	X	X	X	X	X	X		

<b>MAYOR</b>	X	X	X	X	X	X		X
<b>PROTECTION SERVICES</b>	X	X	X			X	X	
<b>TECHNICAL DEPARTMENT</b>	X	X	X	X	X	X		
<b>FINANCE DEPARTMENT</b>	X	X	X	X	X	X		X
<b>KING CETSHWAYO DISTRICT MUNICIPALITY</b>								
<b>DISTRICT D.M. CENTRE</b>	X	X	X	X	X	X		X
<b>DISTRICT CHIEF FIRE OFFICER</b>	X		X				X	X
<b>PROVINCE</b>								
<b>KZN PROVINCIAL D.M.C.</b>	X	X	X	X	X	X	X	X
<b>E.M.R.S.</b>	X	X	X	X	X	X	X	X
<b>R.T.I.</b>	X	X	X			X	X	X
<b>Dept. Agriculture, Environment and Rural Development</b>	X	X	X	X	X	X		X
<b>DEPT OF TRANSPORT (Roads)</b>	X	X	X	X	X	X	X	X
<b>DEPT. SOCIAL DEVELOPMENT</b>	X	X				X		X
<b>DEPT. OF HEALTH</b>	X	X	X	X		X	X	X
<b>DEPT. OF EDUCATION</b>	X	X		X		X		X
<b>DEPT. ENVIRONMENTAL AFFAIRS</b>	X							X
<b>NATIONAL</b>								
<b>N.D.M.C.</b>	X	X	X	X	X	X	X	X
<b>S.A.P.S.</b>	X	X	X	X		X	X	X
<b>D.W.A.F.</b>	X	X	X	X	X	X		X
<b>DEPT. HOME AFFAIRS</b>								
<b>CORRECTIONAL SERVICES</b>								
<b>N.G.O.</b>								
<b>S.A. RED CROSS</b>	X	X	X	X	X	X		X
<b>ORG. AGRICULTURE</b>	X	X	X	X	X	X		
<b>Z.I.F.P.A.</b>	X							
<b>M.R.A.</b>	X	X	X	X		X		
<b>SAPPI Forest</b>								

## 5.4 Contingency Planning

Contingency Plans are alternatives to the normal. Having determined who is likely to be threatened by what hazard and which Emergency Services are likely to respond, it is of vital importance that the responders have a plan of action that must be followed in order to address the particular circumstances at hand.

Contingency plans, therefore, need to identify the availability and accessibility of resources (human, material, financial and structural). This will provide for the re-prioritization of projects in order to make emergency relief or rehabilitation projects possible using own resources.

Contingency plans must also identify developmental projects and programs, aimed at risk reduction, which need to be aligned with the municipal I.D.P.'s in order to identify funding sources.

### 5.4.1 Steps to Follow

<b>Step 1.</b>	Use the Maps and Risk Profiles to identify particular vulnerable infrastructure and communities within the area of
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	<b>responsibility of the Municipality;</b>
<b>Step 2.</b>	Associate a particular infrastructure or community with all of the identified threats or hazards to which that infrastructure or community is vulnerable.
<b>Step 3.</b>	<p>Develop a specific plan of action, (contingencies) unique to that particular infrastructure or community, in respect of each of the identified threats or hazards providing for:-</p> <ul style="list-style-type: none"> <li>• Emergency response protocols;</li> <li>• Emergency Relief (Immediate Response);</li> <li>• Prime responsibility (clearly allocate command and control);</li> </ul> <p>Emergency resources ( human, material, financial and structural);</p> <ul style="list-style-type: none"> <li>• Reconstruction rehabilitation guidelines; and</li> <li>• Disaster declaration process.</li> </ul>

## 5.5 Mthonjaneni Municipality Contingency Checklist for Drought

### 5.5.1 Drought Reporting Template

<b>Name of the Municipality :</b>	<b>Mthonjaneni Local Municipality</b>
<b>Description of Threat :</b>	<b>Drought</b>
<b>Location of Risk :</b>	
<b>Community at Risk :</b>	
<b>Vulnerable Infrastructure :</b>	
<b>Prime Responsibility</b>	
<b>Early Warning Systems</b>	

## 5.5.2 Communications and Response Sequence

### 5.5.2.1 Call received by Communications Centre attendant who records the:

<b>Date of Incident :</b>	
<b>Time of Call :</b>	
<b>Name of Caller :</b>	
<b>Telephone Number :</b>	
<b>Location of Incident :</b>	
<b>Remarks :</b>	

### 5.5.2.2 Immediate Operational Response

SEQUENCE	ACTION	AGENCY	TELEPHONE	RADIO Ch.
1.	Dispatch Immediate Response to Scene.	D.W.A.F. Dept. Agriculture KZN. Wildlife	080 020 0200 082 8323 797 082 465 3664	
2.	Assess magnitude and establish Forward Control Point	First Responder on scene		
3.	Notify Disaster Management Section	Manager: Disaster Management	0710247041	
4.	Notify Head of Corporate and Community Services	DCCS	0647579118	
5.	Notify Accounting Officer	Municipal Manager	0647579116	
6.	Establish Incident Management Committee.	Disaster Manager	071 0247041	

### 5.5.2.3 Activation of District Incident Management Structures

SEQUENCE	ACTION	TELEPHONE
1.	Disaster Manager	071 024 7041
2.	Municipal Manger	035 450 2082 Ext 326
3.	Mayor	035 450 2082 Ext 207
4.	Senior Representatives of All Responding Agencies	REFER TO CONTACT REGISTER

5.	<b>Notify Provincial Disaster Management Centre</b>	082 897 6696
6.	Media Liaison Official	Appointed by the I.M.C.

#### 5.5.2.4 Relief Organizations

	NAME	TELEPHONE
1.	DEPARTMENT OF SOCIAL DEV ELOPMENT	035) 450-8700
2.	S.A. RED CROSS	073 209 0942
3.	GIFT OF THE GIVERS	083 655 2405
4.	MELMOTH FARMERS ASSOCIATION	082 773 4545

#### 5.5.2.5 Access to Specialised Equipment

NO	TYPE OF EQUIPMENT	CONTAT	TELEPHONE
1.	Transport for Emergency Water	King Cetshwayo Disaster Management Centre	078 460 3422
2.	Borehole Drilling Equipment	Department of Agriculture	082 8323 797

#### 5.5.2.6 Reconstruction and rehabilitation

SEQUENCE	ACTION	RESPONSIBILITY
1.	Damage Assessment – infrastructure - Residential	Mthonjaneni Municipality Department of Human Settlement
2.	Funding Sources – Municipal Provincial National Private Sector Donation Foreign Donations	King Cetshwayo District Disaster Management Centre
3.	Project Programs	Municipality – Local and District

4.	Reconstruction Contracts	Municipality – Local and District
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## 5.6 Mthonjaneni Local Municipality Contingency Checklist for Epidemics

### 5.6.1 Reporting Epidemic Template

District Municipality	King Cetshwayo
Description of Threat :	Epidemic
Location of Risk :	
Community at Risk :	•
Vulnerable Infrastructure :	• • • •
Prime Responsibility	•
Early Warning Systems	•

### 5.6.2 Communications and Response Sequence

#### 5.6.2.1 Call received by Communications Centre attendant who records the:

Date of Incident :	
Time of Call :	
Name of Caller :	
Telephone Number :	
Location of Incident :	
Remarks :	

#### 5.6.2.2 Immediate Operational Response

SEQUENCE	ACTION	AGENCY	TELEPHONE	RADIO Ch.

1.	Dispatch Immediate Response to Scene.	Dept. of Health	079 8527 111	
		D.W.A.F.	082 317 7581	
		W.S.A.	078 460 3422	
		Dept. Agriculture	082 8323 797	
		KZN. Wildlife	033 845 1999	
2.	Assess magnitude and establish Forward Control Point	First Responder on scene		
4.	Notify Head of Disaster Management	Manager: Disaster Management	035 450 2082 Ext 246	
	Notify Head of Department	Director Corporate and Community Services	035 450 2082 Ext 213	
5.	Notify Municipal Manager	Municipal Manager	035 450 2082 Ext 325	
6.	Establish Incident Management Committee. (JOC)	Disaster Manager	071 024 7041	

#### 5.6.2.3 Activation of District Incident Management Structures

SEQUENCE	ACTION	TELEPHONE
1.		
	Disaster Manager	071 042 7041
	Municipal Manger	035 450 2082 Ext 325
	Mayor	035 450 2082 Ext 326
	Senior Representatives of All Responding Agencies	REFER TO CONTACT REGISTER
5.	Notify Provincial Disaster Management Centre	082 897 6696
6.	Media Liaison Official	Appointed by the I.M.C.

#### 5.6.2.4 Relief Organisations

	NAME	TELEPHONE
1.		
	DEPARTMENT OF SOCIAL DEV ELOPMENT	035) 450-8700



2.	S.A. RED CROSS	073 209 0942
3.	GIFT OF THE GIVERS	083 655 2405
4.	MELMOTH FARMERS ASSOCIATION	082 773 4545

#### 5.6.2.5 Access to Specialised Equipment

NO	TYPE OF EQUIPMENT	CONTACT	TELEPHONE
1.	Transport for Emergency Water	King Cetshwayo Disaster Management Centre	078 460 3422
2.	Borehole Drilling Equipment	Department of Agriculture	082 8323 797

#### 5.6.2.6 Reconstruction and rehabilitation

SEQUENCE	ACTION	RESPONSIBILITY
1.	Damage Assessment – infrastructure - Residential	Mthonjaneni Municipality Department of Human Settlement
2.	Funding Sources – Municipal Provincial National Private Sector Donation Foreign Donations	King Cetshwayo District Disaster Management Centre
3.	Project Programs	Municipality – Local and District
4.	Reconstruction Contracts	Municipality – Local and District

### 5.7 Mthonjaneni Local Municipality Contingency Checklist for Fire

#### 5.7.1 Fire Reporting Template

Local Municipality	Mthonjaneni
Description of Threat :	Fire
Location of Risk :	
Community at Risk :	•

Vulnerable Infrastructure :	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> <li>•</li> </ul>	5.7.2  Communications and Response Sequence
Prime Responsibility	•	
Early Warning Systems	•	

## Sequence

### 5.7.2.1 Call received by Communications Centre attendant who records the:

Date of Incident :	
Time of Call :	
Name of Caller :	
Telephone Number :	
Location of Incident :	
Remarks :	

### 5.7.2.2 Immediate Operational Response

SEQUENCE	ACTION	AGENCY	TELEPHONE	RADIO Ch.
1.	Dispatch Immediate Response to Scene.	Mthonjaneni Fire Services	0861003473 0781202091 0781201973 035 4507691	
		Ambulance S.A.P.S. Traffic (Municip) Traffic (RTI) Z.I.F.P.A.	072 686 2205 083 942 2179 083 632 2466 083 636 1153 083 324 0757	
2.	Assess magnitude and establish Forward Control Point	First Responder on scene		
4.	Notify Head of Disaster Management  Establish Incident Management Committee.	Disaster Manager	0710247041	
5.	Notify the Head of Corporate and Community Services	Director Community Services	035 450 2082 Ext 213	

6.	Notify Municipal Manager	Municipal Manager	035 450 2082 Ext 325	

### 5.7.2.3 Activation of Municipal Incident Management Structures

SEQUENCE	ACTION	TELEPHONE
1.	Disaster Manager	071 042 7041
2.	Municipal Manger	035 450 2082 Ext 325
3.	Mayor	035 450 2082 Ext 326
4.	Senior Representatives of All Responding Agencies	REFER TO CONTACT REGISTER
5.	Notify Provincial Disaster Management Centre	082 897 6696
6.	Media Liaison Official	Appointed by the I.M.C.

### 5.7.2.4 Co-ordinated On-Scene activities (All radios must operate on same channel)

	EMERGENCY SERVICES ON SCENE CO-ORDINATED VIA FORWARD CONTROL POINT	PRIMARY AGENCY
1.	Command and Control - (Disaster Team) - Most Senior Fire Officer on Scene	Mthonjaneni Disaster Section
2.	Search and Rescue	S.A.P.S./ S.A.N.D.F. Fire Brigade Services
3.	On scene treatment and evacuation of injured	Ambulance Services
4.	Establish Cordon	Traffic (Municipal & RTI)
5.	Establish and control access routes to and from scene and FCP	Traffic
6.	Establish alternative routes	Traffic
7.	Commence evacuation of area	Mthonjaneni Municipality
8.	Maintain crowd control	S.A.P.S.

MEDICAL SERVICES – Dept of Health and EMRS	
1.	Commence Triage and medical treatment
2.	Establish first aid post
3.	Establish casualty clearing station (CCS)
4.	Transport of Injured persons to Treatment Centres

FORWARD COMMAND POST (FCP)	
1.	All Operational messages to and from the scene must pass through the FCP
2.	FCP Co-Ordinator to assess the situation and report to Incident Management Committee
3.	Personnel of ALL responding agencies on scene to report to FCP.

### 5.7.2.5 Evacuation

1.	Identified Evacuation Centres - -
2.	Identified Access routes and alternative routes - -
3.	Record personal identity details of all refugees on arrival at centre
4.	Provide Immediate Relief - - Shelter, Warmth and Food - - Refer to Resource Register

### 5.7.2.6 Activation of Local Incident Management Structures

SEQUENCE	ACTION	TELEPHONE
1.	Disaster Manager	071 024 7041
2.	Municipal Manger	035 450 2082 Ext 326
3.	Mayor	035 450 2082 Ext 207
4.	Senior Representatives of All Responding Agencies	REFER TO CONTACT REGISTER
5.	Notify Provincial Disaster Management Centre	082 897 6696

6.	Media Liaison Official	Appointed by the I.M.C.
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### 5.7.2.7 Relief Organizations

	NAME	TELEPHONE
1.	DEPARTMENT OF SOCIAL DEV ELOPMENT	035) 450-8700
2.	S.A. RED CROSS	073 209 0942
3.	GIFT OF THE GIVERS	083 655 2405
4.	MELMOTH FARMERS ASSOCIATION	082 773 4545

### 5.7.2.8 Access to Specialised Equipment

NO	TYPE OF EQUIPMENT	CONTAT	TELEPHONE
1.	Transport for Evacuation	King Cetshwayo Disaster Management Centre Mthonjaneni Disaster Management Section	078 460 3422 071 024 7041
2.	Earth moving equipment Grader Backscatter Tractor	Dept of Transport Local Municipality Farmers Association	082 907 2183 071 024 7041 082 773 4545

### 5.7.2.9 Reconstruction and rehabilitation

SEQUENCE	ACTION	RESPONSIBILITY
1.	Damage Assessment – infrastructure - Residential	Mthonjaneni Municipality Department of Human Settlement

2.	<b>Funding Sources – Municipal</b> <b>Provincial</b> <b>National</b> <b>Private Sector Donation</b> <b>Foreign Donations</b>	King Cetshwayo District Disaster Management Centre
3.	<b>Project Programs</b>	Municipality – Local and District
4.	Reconstruction Contracts	Municipality – Local and District

## 5.8 Mthonjaneni Local Municipality Contingency Checklist for Floods

### 5.8.1 Floods Reporting Template

Local Municipality	Mthonjaneni
Description of Threat :	Floods
Location of Risk :	
Community at Risk :	•
Vulnerable Infrastructure :	• • • •
Prime Responsibility	•
Early Warning Systems	•

### 5.8.2 Communications and Response Sequence

#### 5.8.2.1 Call received by Communications Centre attendant who records the:

Date of Incident :	
Time of Call :	
Name of Caller :	
Telephone Number :	
Location of Incident :	
Remarks :	

### 5.8.2.2 Immediate Operational Response

SEQUENCE	ACTION	AGENCY	TELEPHONE	RADIO Ch.
1.	Dispatch Immediate Response to Scene.	Mthonjaneni Disaster Section	078 120 2091 078 120 1973 035 450 7691	
		Ambulance S.A.P.S. Traffic (Municip) Traffic (RTI) Z.I.F.P.A.	072 686 2205 083 942 2179 083 632 2466 083 636 1153 083 324 0757	
2.	Assess magnitude and establish Forward Control Point	First Responder on scene		
4.	Notify Head of Disaster Management  Establish Incident Management Committee.	Disaster Manager	0710247041	
5.	Notify the Head of Corporate and Community Services	Director Community Services	035 450 2082 Ext 213	
6.	Notify Municipal Manager	Municipal Manager	035 450 2082 Ext 325	

### 5.8.2.3 Activation of Municipal Incident Management Structures

SEQUENCE	ACTION	TELEPHONE
1.	Disaster Manager	071 042 7041
2.	Municipal Manger	035 450 2082 Ext 325
3.	Mayor	035 450 2082 Ext 326
4.	Senior Representatives of All Responding Agencies	REFER TO CONTACT REGISTER
5.	Notify Provincial Disaster Management Centre	082 897 6696
6.	Media Liaison Official	Appointed by the I.M.C.

#### 5.8.2.4 Co-ordinated On-Scene activities (All radios must operate on same channel)

	EMERGENCY SERVICES ON SCENE CO-ORDINATED VIA FORWARD CONTROL POINT	PRIMARY AGENCY
1.	Command and Control - (FIRE) - Most Senior Fire Officer on Scene	Mthonjaneni Fire
2.	Search and Rescue	S.A.P.S./ S.A.N.D.F. Fire Brigade Services
3.	On scene treatment and evacuation of injured	Ambulance Services
4.	Establish Cordon	Traffic (Municipal & RTI)
5.	Establish and control access routes to and from scene and FCP	Traffic
6.	Establish alternative routes	Traffic
7.	Commence evacuation of area	Mthonjaneni Municipality
8.	Maintain crowd control	S.A.P.S.

MEDICAL SERVICES – Dept of Health and EMRS	
1.	Commence Triage and medical treatment
2.	Establish first aid post
3.	Establish casualty clearing station (CCS)
4.	Transport of Injured persons to Treatment Centres

FORWARD COMMAND POST (FCP)	
1.	All Operational messages to and from the scene must pass through the FCP
2.	FCP Co-Ordinator to assess the situation and report to Incident Management Committee
3.	Personnel of ALL responding agencies on scene to report to FCP.



### 5.8.2.5 Evacuation

1.	Identified Evacuation Centres - -
2.	Identified Access routes and alternative routes - -
3.	Record personal identity details of all refugees on arrival at centre
4.	Provide Immediate Relief - - Shelter, Warmth and Food - - Refer to Resource Register

### 5.8.2.6 Activation of Local Incident Management Structures

SEQUENCE	ACTION	TELEPHONE
1.	Disaster Manager	071 024 7041
2.	Municipal Manger	035 450 2082 Ext 326
3.	Mayor	035 450 2082 Ext 207
4.	Senior Representatives of All Responding Agencies	REFER TO CONTACT REGISTER
5.	Notify Provincial Disaster Management Centre	082 897 6696
6.	Media Liaison Official	Appointed by the I.M.C.

### 5.8.2.7 Relief Organizations

	NAME	TELEPHONE
1.	DEPARTMENT OF SOCIAL DEV ELOPMENT	035) 450-8700
2.	S.A. RED CROSS	073 209 0942
3.	GIFT OF THE GIVERS	083 655 2405
4.	MELMOTH FARMERS ASSOCIATION	082 773 4545

### 5.8.2.8 Access to Specialised Equipment

NO	TYPE OF EQUIPMENT	CONTAT	TELEPHONE

1.	Transport for Evacuation	King Cetshwayo Disaster Management Centre	078 460 3422
		Mthonjaneni Disaster Management Section	071 024 7041
2.	Earth moving equipment	Dept of Transport	082 907 2183
	Grader	Local Municipality	071 024 7041
	Backacter	Farmers Association	082 773 4545
	Tractor		

### 5.8.2.9 Reconstruction and rehabilitation

SEQUENCE	ACTION	RESPONSIBILITY
1.	Damage Assessment – infrastructure - Residential	Mthonjaneni Municipality Department of Human Settlement
2.	Funding Sources – Municipal Provincial National Private Sector Donation Foreign Donations	King Cetshwayo District Disaster Management Centre
3.	Project Programs	Municipality – Local and District
4.	Reconstruction Contracts	Municipality – Local and District

## 5.9 Contact Register and Access to Resources

Disaster risk management is a collaborative process that involves all spheres of government, as well as NGOs, the private sector, a wide range of capacity-building partners and communities. It requires capabilities to manage risks on an on-going basis, and to effectively anticipate, prepare for, respond to and monitor a range of natural and other hazards. Integrated disaster risk management depends on access to reliable hazard and disaster risk information as well as effective information management and communication systems to enable the receipt, dissemination and exchange of information. It requires systems and processes that will:

- Provide an institutional resource database, including a reporting and performance measurement facility

- Facilitate information exchange between primary interest groups
- Facilitate risk analysis, disaster risk assessment, mapping, monitoring and tracking
- Guide and inform focused risk management and development planning and decision making
- Facilitate timely dissemination of early warnings, public awareness and preparedness, especially for at-risk people, households, communities, areas and developments
- Enable timely and appropriate decision making to ensure rapid and effective response and recovery operations
- Facilitate integrated and co-ordinated multi-agency response management
- Record and track real-time disaster response and recovery information
- Facilitate education, training and research in disaster risk management
- Facilitate the funding and financial management of disaster risk management.

The system must have the capabilities to acquire, sort, store and analyse data for the purposes of targeting information for primary interest groups. In addition, it must include GIS (geographical information systems) mapping and information display applications, as well as standardised multimedia communication capabilities.

In order to be able to properly respond to disaster incidents it is necessary for Mthonjaneni Municipality to develop a register of essential contact persons and resources that are available within the area of the municipality. The Contact Register must identify all essential Services and Role-players who are likely to respond to any emergency situation.

#### **The Resource Register must identify:**

- The resources (human, financial material and structural) likely to be required to effectively manage a particular disaster event that could possibly occur in a specifically identified area.
- The contact details of the suppliers or providers of the required resources.

It is essential that the source from which resources are to be accessed should be adequately represented on the Mthonjaneni Advisory Forum.

#### **5.9.1 Mthonjaneni Municipal contacts in case of a Disaster**

<b>Department</b>	<b>Community Services</b>
<b>Designation</b>	<b>Director –Corporate and Community Services</b>

<b>Name</b>	<b>Mr Z Mthethwa</b>	<b>E Mail</b>	<b>dcomms@mthonjaneni.org.za</b>
<b>Cell Phone</b>	<b>073 334 6496</b>	<b>Office Phone</b>	<b>035 450 2082 (Ext. 216)</b>
<b>Res Phone</b>		<b>Fax Number</b>	<b>035 450 3224</b>
<b>Home Address</b>			

<b>Section Disaster Management, Fire and Rescue Services</b>			
<b>Designation</b>		<b>Manager</b>	
<b>Name</b>	<b>Mr FS Mazibuko</b>	<b>E Mail</b>	<b>dm@mthonjaneni.org.za</b>
<b>Cell Phone</b>	<b>0710247041</b>	<b>Office Phone</b>	<b>035 450 2082 (246)</b>
<b>Res Phone</b>		<b>Fax Number</b>	<b>035 450 3224</b>
<b>Home Address</b>			

Alternate Official

<b>Department Disaster and Fire Services</b>			
<b>Designation</b>		<b>Fire Officer</b>	
<b>Name</b>	<b>Mr V shange</b>	<b>E Mail</b>	<b>chieffirefighter@mthonjaneni.org.za</b>
<b>Cell Phone</b>	<b>0780 120 1973</b>	<b>Office Phone</b>	<b>035 450 2082(316)</b>
<b>Res Phone</b>		<b>Fax Number</b>	
<b>Home Address</b>			

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<b>Department Office of the Municipal Manager</b>			
<b>Designation</b>		<b>Municipal Manager</b>	
<b>Name :</b>	<b>Mr. P Sibiya</b>	<b>E Mail Address :</b>	<b>mm@mthonjaneni.org.za</b>
<b>Cell Phone :</b>	<b>073 494 5358</b>	<b>Office Phone :</b>	<b>035 450 2082 (ext. 325)</b>
<b>Res Phone :</b>		<b>Fax Number :</b>	<b>035 450 3224</b>

<b>Home Address :</b>	
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<b>Department Office of the Mayor</b>			
<b>Designation</b>		<b>Mayor</b>	
<b>Name</b>	<b>Cllr. S.B.K Biyela</b>	<b>E Mail Address</b>	<b>mayorsecretary@mthonjaneni.org.za</b>
<b>Cell Phone</b>		<b>Office Phone</b>	<b>035 450 2082 (ext. 326)</b>
<b>Res Phone</b>		<b>Fax Number</b>	<b>035 450 3224</b>
<b>Home Address</b>			

Alternate Official

<b>Department Office of the Mayor</b>			
<b>Designation</b>		<b>Deputy Mayor</b>	
<b>Name :</b>	<b>Cllr PE Ntombela</b>	<b>E Mail Address :</b>	
<b>Cell Phone :</b>		<b>Office Phone :</b>	<b>035 450 2082 (ext. 321)</b>
<b>Res Phone :</b>		<b>Fax Number :</b>	<b>035 450 3224</b>
<b>Home Address :</b>			

Remarks

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<b>Department Protection Services</b>			
<b>Designation</b>		<b>Acting Manager: Protection Services</b>	
<b>Name</b>	<b>Mr. S Masango</b>	<b>E Mail</b>	<b>mps@mthonjaneni.org.za</b>
<b>Cell Phone</b>	<b>083 632 2466</b>	<b>Office Phone</b>	<b>035 450 2082 (Ext. 204)</b>
<b>Res Phone</b>		<b>Fax Number</b>	<b>035 450 3131</b>
<b>Home Address</b>			

Alternate Official

Designation			
Name		E Mail	
Cell Phone		Office Phone	
Res Phone		Fax Number	
Home Address			

Remarks

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Department Finance			
Designation		Chief Finance Officer	
Name	Mr N.M Mnyeni	E Mail	cfo@mthonjaneni.org.za
Cell Phone		Office Phone	035 450 2082 (Ext. 206)
Res Phone		Fax Number	035 450 2056
Home Address			

Alternate Official

Department Finance			
Designation		Supply Chain	
Name	Mr Dosi Mlondo	E Mail	scmmanager@mthonjaneni.org.za
Cell Phone		Office Phone	035 450 2082 (Ext. 253)
Res Phone		Fax Number	
Home Address			

Remarks

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<b>Department</b>		<b>Technical Services</b>	
<b>Designation</b>		<b>Director</b>	
<b>Name</b>	<b>Mrs S. Mchunu</b>		<b>dts@mthonjaneni.org.za</b>
<b>Cell Phone</b>	<b>0604551984</b>		<b>035 450 2082 (Ext. 301)</b>
<b>Res Phone</b>			
<b>Home Address</b>			

Alternate Official

<b>Department</b>		<b>Technical Services</b>	
<b>Designation</b>			
<b>Name</b>		<b>E Mail</b>	
<b>Cell Phone</b>		<b>Office Phone</b>	
<b>Res Phone</b>		<b>Fax Number</b>	
<b>Home Address</b>			

Remarks

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### 5.9.2 King Cetshwayo District Municipality' contacts

<b>Department</b>		<b>District Disaster Management Centre</b>	
<b>Designation</b>		<b>Manager: District Disaster Management Centre</b>	
<b>Name</b>	<b>Ms. S. Kunene</b>	<b>E Mail</b>	<b>mokoenas@kingcethswayo.gov.za</b>
<b>Cell Phone</b>	<b>078 460 3422</b>	<b>Office Phone</b>	<b>035 787 3244</b>
<b>Res Phone</b>		<b>Fax Number</b>	<b>035 787 0317</b>
<b>Home Address</b>			

Alternate Representative

<b>Designation</b>		<b>District Disaster Management Centre</b>	
<b>Designation</b>		<b>Chief Fire Officer</b>	
<b>Name</b>	<b>Mr Mlambo</b>	<b>E Mail</b>	<b>mlambot@kingcetshwayo.go</b>

			<b>v.za</b>
<b>Cell Phone</b>	<b>072 625 2983</b>	<b>Office Phone</b>	
<b>Res Phone</b>		<b>Fax Number</b>	
<b>Home Address</b>			

Remarks

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### 5.9.3 KZN Provincial Contacts

<b>Department Provincial Disaster Management Centre</b>			
<b>Designation</b>		<b>Deputy Manager – PDMC</b>	
<b>Name</b>	<b>Mr S. Ngema</b>	<b>E Mail</b>	<b>Sibongiseni.Ngema@kzncogta.gov.za</b>
<b>Cell Phone</b>	<b>0664752308</b>	<b>Office Phone</b>	<b>033 846 9021</b>
<b>Res Phone</b>		<b>Fax Number</b>	<b>033 897 5766</b>
<b>Home Address</b>			

Alternate Representative

<b>Designation</b>			
<b>Name</b>	<b>Thulani Wiso</b>	<b>E Mail</b>	<b>Thulani.wiso@kzncogta.gov.za</b>
<b>Cell Phone</b>	<b>073 761 2752</b>	<b>Office Phone</b>	<b>033 846 9021</b>
<b>Res Phone</b>		<b>Fax Number</b>	<b>033 897 5766</b>
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Remarks

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<b>Res Phone</b>		<b>Fax Number</b>	
<b>Home Address</b>			

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#### Remarks

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#### Alternate Representative

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<b>Cell Phone</b>		<b>Office Phone</b>	
<b>Res Phone</b>		<b>Fax Number</b>	
<b>Home Address</b>			

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Alternate Representative

Designation			
Name		E Mail	
Cell Phone		Office Phone	
Res Phone		Fax Number	
Home Address			

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<b>Department:</b>		<b>Transport (RTI – Road Traffic Inspectorate )</b>	
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Res Phone		Fax Number	
Home Address			

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Cell Phone		Office Phone	
Res Phone		Fax Number	
Home Address			

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<b>Department:</b>		<b>Home Affairs</b>	
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Res Phone		Fax Number	
Home Address			

Remarks

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<b>Department:</b>		<b>Water Affairs (DWAF)</b>	
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<b>Home Address</b>			

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Alternate Representative

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**5.9.5 Private Sector (NGO) Contacts**

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**Remarks**

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### Alternate Representative

Designation			
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Res Phone		Fax Number	
Home Address			

### Remarks

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Designation			
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Home Address			

### Remarks

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<b>Home Address</b>	
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## **5.10 Conclusion**

Some wards of the Mthonjaneni Municipality lack basic infrastructure such roads, water, housings and health care facilities. The basic needs are a priority for the disaster management plan to be successfully implemented. Without proper road structures, it will be very cumbersome for emergency services to respond to disaster incidents.

The lack of access to basic services increase the vulnerability of the community to be exposed to many types of disasters such structural fire, heavy rains and storms. It is their poor socio-economic status which subject many community members to natural disasters which most of them have major impact such as loss of income, loss of life and human suffering. Effective implementation of the above 5 years action plan can minimise the community vulnerability.

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# **2020/2021 FINANCIAL YEAR**

## **DISCUSSION DOCUMENT**

**Compiled in-House**

## **SOCIAL SERVICES SECTION**

**MTHONJANENI LOCAL MUNICIPALITY**



**DRAFT REVIEWED MTHONJANENI LOCAL ECONOMIC DEVELOPMENT  
STRATEGIC PLAN 2020/2021 FINANCIAL YEARS**

## Abbreviations and Acronyms

<b>COGTA</b>	Cooperative Governance and Traditional Affairs (Department of)
<b>DPLG</b>	Department of Local Government
<b>IDP</b>	Integrated Development Plan
<b>LDP</b>	Limpopo Development Plan
<b>LED</b>	Local Economic Development
<b>SEZ</b>	Special Economic Zone
<b>UNDP</b>	United Nations Development Program
<b>PSC</b>	Project Steering Committee
<b>NDP</b>	National Development Plan
<b>MLM</b>	Mthonjaneni Local Municipality
<b>KCDM</b>	King Cetshwayo District Municipality



### 1. Brief Analysis of Mthonjaneni Economic Status

Mthonjaneni Municipality is part of the global village. As such, its economy and lives of its community members are affected directly and indirectly by global, continental, national, provincial and regional economic phenomena at macro and microeconomic levels. The challenge of LED practice is to understand the nature, depth and effects of these phenomena on the political, strategic, institutional, economic and social aspects of the municipality and its people. The analysis of the socio-economic and physical situation of the municipality area indicates that:

- The economy is dominated by government, forestry, agriculture, finance, retail, accommodation, and general and personal services. These account for much of formal employment in the public service, banks, retail centers, services, and consulting and household services. There are no firms in manufacturing, , mining, construction
- In the absence of major productive economic sectors like minerals, manufacturing, construction, the economy is consumption driven as individuals and households spend more than 80% of income on consumer and durable goods like furniture, transport, electronics, food, apparel, services and public goods.
- This consumption economy is indicated by the growth of retail and informal business, which have been the only major economic developments in the past decade in the area. Consumption is driven by unsustainable levels of credit card debt, medium term loans and mortgage debt.
- More than half of economically active people are unemployed or under-employed. The rural villages have huge backlogs of basic infrastructure, public services and employment opportunities.

- This economic structure (characterized by consumption rather than production), together with population growth and lack of public/private sector investment, presents a major political challenge to the municipality and its potential partners in the provincial government and the business sector to design innovative LED programs that will achieve economic growth, social progress and create jobs.

The analysis further reveals that the municipality needs to deal with the following structural challenges in order to grow its economy:

- Chronic poverty, structural unemployment and a relatively small market.
- Poor education and skills development outcomes – which exacerbate poverty and unemployment.
- Environmental degradation and depletion of soil nutrients.
- Lack of industrialization programs.
- Spatial distances between the urban/rural divide and within urban areas, and binding constraints posed by poor physical planning and network infrastructure.
- Distance from main markets globally and limited market access.
- Poor implementation and coordination at provincial and municipal levels

## **2 Sources of Information**

The information used during the development of this strategy was obtained from the following sources:

- Informal Traders Association
- Farmers Association
- Tourism Association
- Interaction with LED Department
- War rooms
- Project Steering Committee meetings:

- Interaction with key stakeholders
- Statistics:
- Observation
- IDP and LED Strategy

## **2. Strategies**

Mthonjaneni Municipality can tap into the implementation of the National Development Plan (NDP). The NDP sees the potential to create close to 1million new jobs by 2030, a significant contribution to the overall employment target. To achieve this target the NDP identified the following key activities:

- Maintain and expand irrigated agriculture
- Make use of under-utilized land in communal areas and land-reform projects for commercial production. Better land use in communal areas could improve the livelihoods of its people, and create jobs in communal areas.

Growing the local economy and improving the quality of life of the community will be achieved through the following strategies:

- To promote agriculture and agro-processing
- To promote Tourism and Hospitality
- To promote the Services, Retail and Light Manufacturing Sector
- To undertake Business Retention, Attraction and Expansion
- Institutional Arrangements and Capacity Building of the LED Unit

A number of projects have been identified in order to realize the LED vision of the municipality and improve the local economy. Care has been taken to ensure that only bankable and implementable projects which are in line with the municipality's vision and are

realistic are included in the strategy. The strategy has also taken into consideration the development in the fourth industrial revolution by acknowledging and incorporating information communication technology as one of the area of development that must influence the growth of the local economy.

Achieving the above requires strategic leadership by political and administrative office bearers who are willing to take bold and far-reaching steps to deal with obstacles such as structural economic inefficiencies, lack of skilled labor and de-industrialization, among others. Finally the programs and projects herein must form part of the Municipal Integrated Development Plan to ensure that they are taken into consideration and implemented as part of the annual review

## Definitions of Key Concepts

1. **Local Economic Development (LED)** is an approach towards economic development which allows and encourages local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and improved quality of life for all residents in a local municipal area
2. **Integrated Development Plan (IDP)** is a super **plan** for an area that gives an overall framework for **development**. It aims to co-ordinate the work of local and other spheres of government in a coherent **plan** to improve the quality of life for all the people living in an area.
3. **Strategy development**, also known as **strategic** planning, is fundamental to creating and running a business. Simply put, it's a game plan that sets specific goals and objectives but like a game plan, it is capable of being changed in response to shifting market dynamics.
4. **Development Framework (SDF)** An **SDF** is a **framework** that seeks to guide, overall **spatial** distribution of current and desirable land uses within a municipality in order to give effect to the vision, goals and objectives of the municipal IDP
5. **Land Use Management** is a system that ensures that the right things get built, in the right place, at the right time. The system consists of legal requirements and regulations that ensure that **land** is developed in a desirable and sustainable way.
6. **Nodal Development** involves concentrating **development** in existing or new centers and around planned roadway and intersection improvements at a higher density than the surrounding area. This allows the land between nodes to be used for lower density, lower traffic land uses.

### 1.1 Introduction

Local Economic Development is one of the Key Performance Areas of municipalities. As a municipality, Mthonjaneni has a Constitutional mandate to promote local economic development. Section 153 of the Constitution states:

*A municipality must structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.*

Section 152 of the Constitution sets out the five basic objectives of municipalities:

- to provide democratic and accountable government for local communities;
- to promote social and economic development of their communities;
- to promote a healthy and safe environment;
- to encourage the involvement of communities and community organizations in the matters of local government by consulting with the community and letting the community participate in the decision-making process; and
- to provide basic services to communities in a sustainable manner – services such as water and sanitation, electricity, refuse removal, health and fire-fighting services, public transport and roads and parks.

The South African government has prioritized rural development and urban renewal as key strategies to counter the legacy of uneven development in the country. As a rural municipality, Mthonjaneni Local Municipality must take advantage of this declaration by national government and ensure that its people benefit optimally from rural development efforts. The municipality must be driven by the desire to make the municipal area attractive places to live in, invest in and visit. This is to be achieved by making LED fashionable and important.

Mindful of the fact that local government is not directly responsible for creating jobs, but rather to create an enabling environment for jobs, Mthonjaneni Local Municipality's LED strategy will develop a clear vision and strategic agenda for economic development. The overall goal of the

strategy is to unlock economic development opportunities in the municipal area through the involvement and collaboration of all stakeholders

An LED plan or strategy must be based on the prevailing conditions of a municipality so that the municipality can implement it and attain its goal of growing the local economy. A thorough analysis of the local environment, both economic and social will be the primary focus of the chapter. The analysis will enable the municipality and other role players to have a clearer picture of the economic possibilities and obstacles in the municipal area and develop strategies to grow the local economy.

## **1.2 Objectives of the LED Strategy**

- To determine what sectors, commodities and market opportunities exist in the municipal area that are important to economic activity and could be developed in order to positively impact on economic development.
- To undertake a comprehensive economic analysis to identify key economic trends in the municipal area. The economic and business intelligence data gathering process should focus on formal businesses, macro economy and informal businesses.
- To identify economic needs and inputs through stakeholder consultation.
- To make effective use of the current established stakeholder forum for this initiative.
- To analyze key stakeholder trends in relation to LED in the municipal area.
- To collect pertinent socio-economic data and information to identify trends and potentials.
- To conceptualize the economic role of Mthonjaneni within the broader context of the region/district and the province.
- To provide for clear linkages with National, Provincial and Local Government priorities and development policies to leverage a policy thrust for the region, based on the priorities.
- To create meaningful synergy with the National Programs and the KZN government's Provincial Growth and Development Strategy, which represents the emerging consensus regarding the approach to be followed in dealing with the socio-economic challenges in the Province.

- To formulate key strategies and programs. The potential to link with existing programs should be analyzed. There should further be a high degree of innovation and visioning in identifying new and realistic opportunities.
- To compile a database of projects currently being implemented together with economic development opportunities or projects that can be pursued in the future, and to compile a matrix to assist in the identification and prioritization of strategic economic development projects.
- To develop a spatial economic strategy for the broader Mthonjaneni Municipality that identifies, among other things, areas for future agricultural and tourism development as well as nature/orientation of such sectors, spatial integration to reverse the spatial distortions of the past.
- To develop an implementable LED Strategic Framework for the Municipality in partnership with local stakeholders and relevant agencies to support sustainable economic development.
- Ultimately, the LED strategy will assist the Mthonjaneni Municipality in attaining its economic goals and objectives in line with national policy framework on Local

### **1.3 The Purpose of Local Economic Development Strategy**

This strategy seeks to achieve the following:

- promote local economic development
- promote SMME development (entrepreneurship)
- promote tourism initiatives;
- promote forestry development;
- promote Agrarian Reform;

Mthonjaneni Municipality's Local Economic Development Unit will be a facilitator and conduit for required resources and identified socio-economic community needs with a clear development focus on the creation of a growing local economy. Municipality is committed to promote quality economic development facilitation and coordination services to its communities by:



- Facilitating opportunities for SMME's;
- Supporting poverty alleviation projects;
- Facilitating agriculture, value-adding and market access opportunities;
- Developing an investment attraction and marketing strategy for our area;
- Facilitating finance, funds and resources from non-governmental, private and donor sectors;
- Monitoring the creation of jobs/business opportunities created by Mthonjaneni Local Municipality.

#### **1.4 Approach and Methodology**

Compilation of the strategic plan took place within the context of the Integrated Development Plan of the Municipality, the District's Plans and the Provincial and National Development Plans such as the PGDS and the National LED Policy. Current Strategic Plans and Reports and previous research work that concluded in the past were taken into account in the formulation of the Plan. It must be pointed out that there is a large number of economic development-related studies and projects that have been undertaken within the municipal boundaries that could be used to substantiate and elaborate on the identified strategies and related programs.

The methodology to be adopted involves a systematic analysis of the district and local economies in order to gain an in-depth understanding of their composition, the past and current dynamics, and the factors that impact on them. Each step will produce a specific deliverable, and the process will culminate in various deliverables. The economic strategies will inform the multi-year planning budgeting cycle of the Municipality. As such, the economic strategy developed will promote and facilitate a high return on investment for the capital and operational budgets of the Municipality. This will ultimately ensure that the service delivery objectives of the Municipality are realized.

The following approach is proposed and will be followed in the development of an LED Strategy for the Mthonjaneni Local Municipality. The approach clearly defines each step and action to be followed during the execution of the Study.

The process to be followed can diagrammatically be shown as follows:

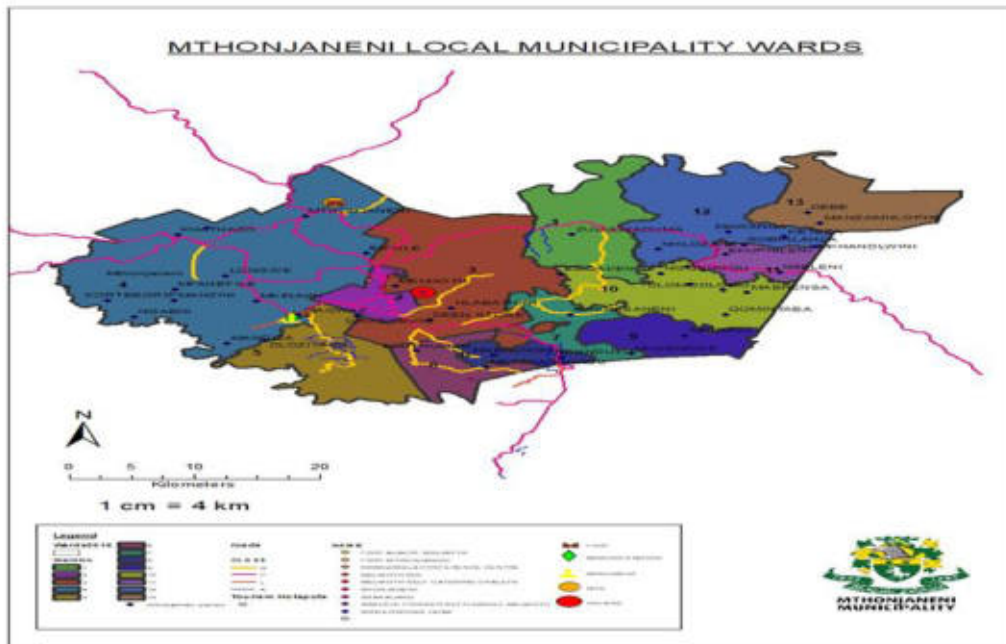
<b>Phase one</b>	<ul style="list-style-type: none"> <li>• <b>Data gathering</b></li> <li>• <b>Desktop Analysis</b></li> <li>• <b>Empirical research</b></li> </ul>
<b>Phase two</b>	<ul style="list-style-type: none"> <li>• <b>Swot Analysis</b></li> <li>• <b>Socio-economic analysis</b></li> </ul>
<b>Phase three</b>	<ul style="list-style-type: none"> <li>• <b>Projects identification</b></li> <li>• <b>Evaluation and Prioritization</b></li> <li>• <b>Database of businesses</b></li> </ul>
<b>Phase four</b>	<ul style="list-style-type: none"> <li>• <b>Strategic Framework</b></li> <li>• <b>Implementation Plan</b></li> </ul>

### 1.5 Geographic Location of Mthonjaneni

Mthonjaneni is located in the central north eastern part of the province of KZN and is one of the five local municipalities that make up King Cetshwayo District together with Mfolozi (KZ 281), uMhlathuze (KZ 282), uMlalazi (KZ 284) and Nkandla (KZ 286). The Mthonjaneni Municipality consist of 13 wards as per the new demarcations after the 2016 Local Government Elections. It comprises of Melmoth which serves as the Central Place Town for its surrounding rural areas. The larger part of the areas that forms the sphere of influence of Melmoth is deep rural the majority of the people ranging from low to middle income earners. Most of the area under Mthonjaneni Municipality is own by Ingonyama Trust under the leadership of INkosi Biyela of Obuka, INkosi Zulu of Ntembeni and INkosi Biyela of Yanguye. Part of the area is privately owned with vast areas being owned by white farmers.

Mthonjaneni Municipality experiences warm humid climate with more rainfall being experienced during the summer season. This becomes the favoring factor towards agricultural production. Forests and sugarcane production are the major commercial agricultural practices and livestock farming which is mostly subsistence in most surrounding rural areas.

**Map 1: Mthonjaneni Local Municipality Map**



King Cetshwayo is a district municipality situated in the north eastern region of KwaZulu-Natal province on the eastern seaboard of South Africa. King Cetshwayo covers an area of approximately 8213 square kilometres, from the agricultural town of Gingindlovu in the south to the UMfolozi River in the north and inland to the mountainous beauty of rural Nkandla.

**Map 2: King Cetshwayo Municipality Map**



## **1.6 Limitations of the Strategy**

The municipality is reviewing and developing the LED strategy having observed the following limitations:

- Absence of housing sector plan by the Municipality.
- Unavailability of the most crucial agricultural sector plan.
- Unavailability of the tourism sector plan.
- Unavailability of investment attraction strategy.
- Unavailability of the reviewed Spatial Development Strategy and LUMS

Based on the unavailability of most critical sector plans, we will conduct more research to ensure that the information necessary for the LED strategy is obtainable.

### 2.1 Introduction

Economic development is driven by laws and policies from international organizations such as the United Nations and laws and regulations governing economies of individual countries and municipalities. Some of the international and national policies and laws that have an impact on economic development will be briefly discussed below.

### 2.2 Sustainable Development Goals

Sustainable Development Goals are a set of 17 goals agreed to by countries of the world after two years of intensive negotiations to guide and set development targets for 2030. The goals are backed by 169 detailed targets which have a universal application, i.e. they apply to all countries of the world adopted a set of goals to stimulate action for people, planet, prosperity, peace and partnership as part of a new international sustainable development plan. Meeting the needs of the present generations, without compromising (& perhaps even creating a better platform) the ability of future generations to meet their needs; Balancing the needs for economic growth, social development and environmental integrity.

Figure 1: Sustainable Development Goals



As a member of the United Nations, South Africa is committed to the attainment of the SDGs and the National Development Plan is aligned to these goals. The responsibility of working towards the SDGs does not only lie on the part of national government, provinces, municipalities and individuals are challenged to contribute towards the 169 targets.

## 2.3 Constitution of South Africa, (Act 108 of 1996)

The constitution is the overarching legislation in South Africa and all other policies, legislation and strategies have to align to it. It mandates all levels and spheres of government, to promote social and economic development.

**Section 152** of the Constitution relates to economic development by stating the following objectives of local government:

- To promote social and economic development.
- To promote democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organizations in the matters of local government.

The objects of local government compel municipalities such as Mthonjaneni to take responsibility for and lead efforts to develop the local economies. The constitution also put emphasis on the centrality public participation in matters of developmental government.

**Section 217** of the constitution also enjoins all organs of state to conduct procurement of goods and services in a fair **fair, equitable, transparent, competitive and cost-effective** manner. Procurement is central to economic development and as part of government Mthonjaneni Local municipality is required to comply with this requirement in its dealings with SMMEs.

## 2.4 National Development Plan

The National Development Plan 2030 recognizes that inclusive economic growth in South Africa is critical for addressing inequality. Development at local government should also be based on the NDP as all government planning targets and indicators are contained in the NDP.

### **2.4.1 The six Pillars of the National Development Plan**

The objectives of the plan are the elimination of poverty and the reduction of inequality through:

- Uniting South Africans around a common program to eliminate poverty and reduce inequality
- Encourage an active citizenry, also in keeping government accountable
- Raising economic growth, promoting exports and making the economy more labour absorbing
- Focusing on key capabilities of both people and the country (Capabilities include skills, infrastructure, social security, strong institutions and partnerships both within the country and with key international partners)
- Building a capable and developmental state
- Strong leadership throughout society that work together to solve our problems

### **2.4.2 Core Themes of National Development Plan**

Through the NDP, South Africa has set-a number of targets and indicators, which are aimed at achieving a decent standard of living for all by 2030. The plan aims to develop the lives of all South Africans by focusing on the themes displayed below.

**Figure: 2 National Development Plan Themes**

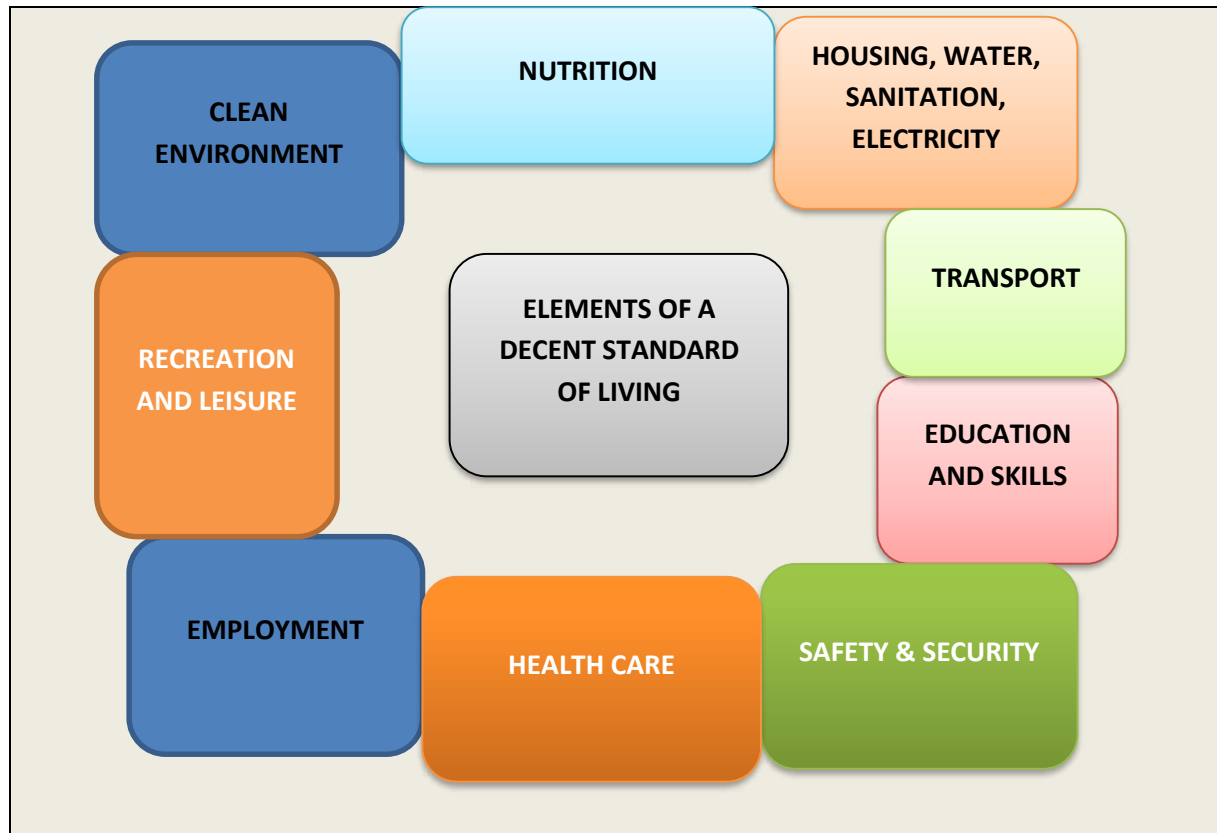


Figure 2 above depicts the elements of a decent standard of live, which the NDP has identified as key to the improvement in the socio-economic wellbeing of all South Africans. Mthonjaneni Local Municipality must also ensure that its LED efforts address some of these standards. This calls for the alignment of the LED Strategy with the pillars of the NDP.

### **2.4.3 NDP Chapters and LED**

Although all chapters in the NDP are relevant to the growth of the economy of the country, province and local municipality, this section will focus on the three chapters of the NDP, which are concerned with Economic and Employment, Economic Infrastructure and Inclusive Rural Economy.

#### **2.4.3.1 Economic and Employment**

According to the NDP, (pg., 110), “the key measures of economic success identified in the plan are that South Africa achieves average Gross Domestic Product (GDP) growth of over 5 percent, and that by 2030 GDP per capita is more than twice the present level, export growth has accelerated, income levels have risen above the



poverty line for all, inequality has been substantially reduced, and unemployment has been reduced from 25 percent to 6 percent. These targets will result in the positive growth of the economy and the reduction in the rate of unemployment in the country. A growth in the economy will also lead to the elimination of poverty and inequality among the section of the citizens who are categorized as poor. Actions that will lead to the growth of the economy and reduction of unemployment include:

- Reduce the cost of living for poor households and costs of doing business through microeconomic reforms.
- Remove the most pressing constraints on growth, investment and job creation, including energy generation and distribution, urban planning etc.
- Offer a tax incentive to employers to reduce the initial cost of hiring young labour market entrants. Facilitate agreement between employers and unions on entry-level wages.
- Give a subsidy to the placement sector to identify, prepare and place matric graduates into jobs.
- Business and labour to develop their own proposals to reduce youth unemployment.

#### **2.4.3.2 Economic Infrastructure**

The NDP has identified economic Infrastructure as the basic requirement for the growth of the economy. Although infrastructure does not directly produce goods and services it plays an important role in development by facilitating production in primary, secondary and tertiary economic activities by creating positive external economies. A number of actions have been proposed to grow the country's economy through the improvement of the economic infrastructure, these include:

- Increasing access to water
- Resolving maintenance refurbishment backlogs in the water and electricity infrastructure
- Expanding transport networks and systems
- Increased access to communications technologies, in particular broadband,

#### **2.4.3.3 Inclusive Rural Economy**

The improvement of the economy of rural areas is one of the goals of the NDP. The main objective with regard to the creation of an inclusive rural economy is creating a balance in the development of both the rural and urban areas by maintaining their interdependence and support of each other. According to the NDP, the following actions should enable the government to create an inclusive rural economy:

- Rural economies will be activated through improved infrastructure and service delivery, a review of land tenure, service to small and micro farmers, a review of mining industry commitments to social investment, and tourism investments
- Create tenure security for communal farmers, especially women; investigate different forms of financing and vesting of private property rights to land reform beneficiaries that does not hamper beneficiaries with a high debt burden.

#### **2.4.3.4 Key Economic Development issues for Local Government**

- Develop flexible human settlements, responsive to changing locations of work (such as available rental stock, and good and affordable public transport systems).
- Reduce the cost of living in relation to food, transport, education, health and other basic services
- Government procurement should help reduce racial patterns of ownership of wealth and income
- Lowering the costs of transport and logistics and investing in remedies to address spatial divides
- Reduce red tape
- Focus on infrastructure that promotes efficiency in the economy and reduces costs for business and for individuals

### **2.5 Broad-Based Black Economic Empowerment Act (N0. 53 of 2003)**

This means the economic empowerment of all so called black people of South Africa namely, the Africans, Coloureds and the Indians as well as various groups including women,

workers, youth, and people with disabilities and people living in rural areas, through diverse but, integrated socio-economic strategies that include, but not limited to the following:

- Increasing the number of black people that manage, own and control enterprises and productive assets;
- Facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises;
- Human resource and skills development;
- Achieving equitable representation in all occupational categories and levels in the workforce;
- Preferential procurement; and
- Investment in enterprises that are owned or managed by black people.

The objectives of this Act are to facilitate broad-based black economic empowerment by promoting economic transformation in order to enable meaningful participation of black people in the economy. There will be the achievement of a substantial change in the racial composition of management structures and in the skilled occupations of existing and new enterprises. This will increase the extent to which communities, workers, co-operatives and other ownership collective enterprises own and manage existing and new enterprises and increasing their access to economic activities, infrastructure and skills training.

It is also aimed to increase the extent to which black women own and manage existing and new enterprises, and increasing their access to economic activities, infrastructure and skills training. This will subsequently promote the investment programs that lead to broad-based and meaningful participation in the economy by black people of Mthonjaneni in order to achieve sustainable development and general prosperity. Another objective of the Act is to empower rural and local communities by enabling access to economic activities, land, infrastructure, ownership and skills and promoting access to finance for black economic empowerment.

## **2.6 National Strategy for the Development and Promotion of Small Business in South Africa**

This is a strategy that provides an integrated coordinated and uniform approach to development and promotion and facilitate the development of plans for financing small business and provide a system for organs of state, public entities, the private sector, non-governmental organizations, local communities and other stakeholders to report on compliance with those plans and be consistent with this Act.

## **2.7. Municipal Systems Act 2000 (MSA)**

This Act provides for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities, and ensure universal access to essential services that are affordable to all; to define the legal nature of a municipality as including the local community within the municipal area, working in partnership with the municipality's political and administrative structures; to provide for the manner in which municipal powers and functions are exercised and performed; to provide for community participation; to establish a simple and enabling framework for the core processes of planning, performance management, resource mobilization and organizational change which underpin the notion of developmental local government; to provide a framework for local public administration and human resource development; to empower the poor and ensure that municipalities put in place service tariffs and credit control policies that take their needs into account by providing a framework for the provision of services, service delivery agreements and municipal service districts; to provide for credit control and debt collection; to establish a framework for support, frontline development agency capable of integrating the activities of all spheres of government for the overall social and economic upliftment of communities in harmony with their local natural environment; to provide for legal matters pertaining to local government.

## **2.8 Growth, Employment and Redistribution (GEAR)**

GEAR is aiming to broaden the support from all the previously disadvantaged community members of South Africa. This program also includes the mechanism aimed at aligning

spatial choices around government investment and development spending across all spheres of government.

## **2.9 Provincial Policy Framework**

### **2.9.1 KZN Industrial Development Strategy**

The Department of Economic Development and Tourism has completed an extensive research and consultation process resulting in the KwaZulu-Natal Industrial Development Strategy. The strategy essentially identifies the strengths, weaknesses, opportunities and threats to all of the economic sectors in the Province, and then proposes a program of action to ensure that Mthonjaneni, firstly, stop losing jobs in key employment industries, and secondly, begins to grow jobs in targeted sectors.

The strategy very firmly identifies those areas where government can make the best impact and proposes a number of priority actions to develop the international competitiveness and the job creation capacity of the targeted sectors. The sectors targeted for intervention and support from government are: clothing and textiles, wood products, information and communication technologies, agri-business, tourism and the arts, crafts and cultural industries.

### **2.9.2 KZN Provincial Growth and Development Strategy**

This is the Strategy for the provincial government to guide all departments to work together in coordinating service delivery to the community of KwaZulu-Natal, in particular and integrate all government sectors. These include Transport, Water Affairs and Forestry, Environmental Affairs and Tourism, Housing, Provincial and Local Government, Mineral and Energy Affairs, Communications, Agriculture, Labour, Education, Welfare/Social Development, Health, Finance. All these Departments believe that a PGDS would assist them to priorities more effectively, especially since it should enable them to better co-ordinate their programs with those of other line-function Departments.

### **2.9.3 Provincial Spatial Economic Development Strategy**

The key objectives of the Provincial Spatial Economic Development Strategy are to:

- Provide a framework within which to discuss the future development of the Province's space economy by reflecting the localities of severe deprivation and need, of resource potential, of infrastructure endowment and of current and potential economic activity by describing the key social, economic and natural resource trends and issues shaping the national geography.
- Act as a common reference point for national, provincial and local governments to analyze and debate the comparative development potentials of localities in the country by providing a coarse-grained national mapping of potential.
- Identify key areas of tension and/or priority in achieving positive spatial outcomes with government infrastructure investment and development spending.
- Provide provincial government's strategic response to the above for a given time frame.

## **2.10 King Cetshwayo LED Strategy**

KCDM LED strategy acknowledged that Mthonjaneni focuses primarily on the agricultural including forestry and tourism sectors. Formulating and integrated agricultural plan, developing local markets as well as generating and enabling environment for agricultural growth are all key features. Tourism related LED programs are fairly diverse, key issues relate to the recognition of local potential, intensive marketing as well as environmental concerns. Business retention plans are an essential component of Mthonjaneni's LED, centred on infrastructure improvements and retention mechanisms.

The District LED Strategy had then identified the following key gaps in the Mthonjaneni LED:

- Capacity building, training, mentoring and support services – facilitating training and building systems in the municipality.
- Developing a tourism sector utilizing existing district tourism infrastructure and building on TKZN's brandings.
- Focusing on moving beyond subsistence and into the commercial realm, notably developing new crop choices and focusing on animal husbandry.
- SMME development linked into business retention and expansion strategy.

- Business retention and expansion strategy, linked to improved physical infrastructure provision for economic activities.
- Identify capital investment projects, new product development and funding access.
- Promotion of market research and marketing knowledge and awareness campaigns.
- Implement BBBEE, PDI, Gender Promotion & HIV/AIDS awareness in LED.

### 3.1 Introduction

Local Economic Development is described as a participatory process in which local people from all sectors work together to stimulate local commercial activity, resulting in a resilient and sustainable economy that brings economic benefits and improved quality of life to all in the community. An LED Plan should therefore encourage public, private and civil society sectors to establish partnerships and collaboratively find solutions to common local economic development challenges. At the same time, Local Economic Development capitalizes on what the local area does well, the local needs and wants, and the local opportunities.

### 3.2 LED Approaches

There are two main approaches to the attainment of local economic development. The municipalities can either utilize the Economic Need Approach or the Opportunity-driven Approach. These approaches are briefly discussed hereunder.

#### 3.2.1 Economic Need Approach

The Economic Need Approach is poverty alleviation-driven. An LED is viewed as a key component to reduce poverty. It is based on the thinking that for an LED to be sensitive to poverty alleviation it has to be inclusive of poverty reduction actions. It therefore, focuses on the equipment of local people with resources such as micro enterprise development, land, capital, labour skills and other local resources that are utilized to achieve local priorities.

This approach confronts the fact that those in greatest need are seldom well-equipped to engage in small business activities. This is so because they lack business and enterprise skills have scarce resources, they lack access to external support and market opportunities. The Economic Need Approach therefore tries to avail resources, skills and support to those who are in greatest need.



### 3.2.2 Opportunity Driven Approach

The Opportunity-driven Approach, on the other hand, looks at a wider range of LED strategies that would attract investment at the same time retain and grow existing businesses. Opportunities are exploited where they are found as opposed to where they needed and the benefits may or may not reach the most disadvantaged communities.

There are no clear cuts as to which approach ought to be adopted. However, in order to achieve sustainable local economic development, the key challenge is to ensure the pursuit of both approaches, i.e. promote local wealth creation and at the same time promote poverty alleviation to exhibit the parallel relationship between poverty alleviation and economic growth. This can be done by promoting the development and exploitation of opportunities followed by the assurance that the traditionally left out are active participants and have access to the opportunities resulting from the development, and by recognizing both the formal and informal economies.

In the formal economy, the actions might include targeting business expansion aimed at creating jobs for the poor. Similarly, the formal economy can support the informal economy by strengthening the skills and resources of people engaged in the informal economy. LED is therefore an important process that assists in alleviating poverty and in the development of sustainable local economies. It is also important because it assists in the following manner:

- It creates jobs and new employment opportunities,
- It increases income levels thereby enabling people to pay for services,
- It broadens the tax and revenue base of a local authority,
- It enables the local authority to provide more and better services and facilities,
- It concentrates on human resource potential as well as on opportunities for development,
- It promotes linkages between developed and under-developed areas, and
- It builds new institutions for sustainable economic development.

### **3.3 Mthonjaneni Response to National and Provincial Policies**

There is little economic regeneration within the Municipality, Melmoth Town has been identified as the District's principal service centre and administrative node, and is the future focus for economic growth and development.

The objective is to provide a well-functioning town so as to enable and stimulate economic and job creation opportunities and a future sustained town. This will also assist in providing security of tenure and ownership of land, which will act as a catalyst and provide investment opportunities in the Melmoth Town.

This will mostly assist in meeting the principles set by the Development Facilitation Act 1995, namely, to create an enabling environment for development and investment, create opportunities for job creation and help to discourage land invasions, by providing formal development for the poorer sector of the community, promoting efficient and Integrated Development.

### **3.4 Mthonjaneni Nodal Areas**

#### **3.4.1 Primary Nodes**

##### **Melmoth Town including Thubalethu**

Melmoth town is most suited for the primary nodes as it has adequate facilities and meets most requirements in terms of services and facilities for a primary node. The town does not have the hospital (KwaMagwaza is 10 km away) but has a clinic, similarly it does not have high school but Thubalethu has one. A serious gap in terms of primary node is the availability of the Tertiary Training Facility/ Institution. The following services and facilities exists in the primary node:

- Municipal Offices.
- Clinic.
- Welfare Offices.
- Primary - High Schools.
- Permanent Information Centre.
- Post Office + Post Boxes.

- Private Banks.
- Public Library.
- Bus and Taxi Terminals.
- Motor repair services.
- Petrol service stations.
- Traffic police centre.
- Police Station.
- Magistrates Court.
- Home Affairs Offices.
- Hotel and lodges (including B&Bs).
- Community Hall.
- Wholesalers/Stores/Shops (mall).
- Cemetery.
- Correctional service centre.
- Waste water treatment plant.
- Refuse site.
- Worship Centres

Melmoth and the adjoining settlement of Thubalethu form the primary node and commercial and administrative hub of the Municipality. Located within this area are the municipal offices, provincial government offices, schools, police station, magistrate's court and various supermarkets and shops. Melmoth has an existing Town Planning Scheme which guides land use and development within the town. The primary corridor (R66/R34) runs through Melmoth and links Melmoth with Thubalethu making them highly accessible and opening up economic opportunities.



### 3.4.2 Secondary Node

Ndundulu, KwaMagwaza, Yanguye, Uppernseleni and Mkhandlwini are identified as secondary nodes and are linked by the R34, P700, R66 and R68 respectively. These areas play an important role as service centres to the rural communities which are further removed from the primary node.

The KwaMagwaza area is relatively close to the primary node and is also relatively well established with a range of services and facilities. The other four areas identified as secondary nodes (Ndundulu, Yanguye, Upper-nseleni and Mkhandlwini) need further planning and development in order to adequately fulfill their function as service centres. According to the Public Capital Investment and Settlement Growth guideline (Dewar, D and Iyer, N 2009) capital investment should aim to develop support facilities and formalize the current activities. This would involve the establishment of a formal market, taxi rank and the development of a multi-purpose hall as a first step. The development of a library and resource centre is another social facility that would complement the existing facilities at the next level of development. This should be easily accessible to the existing schools.

The following are minimum levels of services and facilities which should be available at a secondary node.

- Hospital & mobile clinics.
- Primary & high schools.
- Regular bus service.
- Stores & shops.
- Rural service information centre.

### KwaMagwaza Secondary Node



The KwaMagwaza area has the following facilities and receive the following services:

- Hospital & mobile clinics.
- Primary & high schools.
- Regular bus service.
- Informal taxi rank.
- Stores & shops.
- Rural service information centre.

However the following gaps still exists:

- Unavailability of SAPS satellite station.
- Shortage of post boxes.

### Ndundulu Nodal Area



The area has the following services:

- Primary & high schools
- Informal taxi rank
- Clinic
- Traditional Council house

The following facilities and services are still outstanding for the node:

- SAPS Satellite station
- Rural information centre
- Regular bus service
- Stores/ shops

- Post boxes

## Yanguye Nodal Area



The area has the following services:

- Primary school
- Informal taxi rank
- Post boxes
- Cemetery
- Clinic
- Traditional Council house

The following facilities and services are still outstanding for the node:

- SAPS Satellite station
- High school
- Rural information centre
- Regular bus service
- Stores/ shops

### 3.4.3 Tertiary Nodes

The areas of Imfuli Mission, Mfanefile and Ekuthuleni have been identified as tertiary nodes. These nodes play a role in servicing the densely populated rural communities that surround them. All three nodes are accessible via minor linkages branching off the R66.

### **3.5 Implications for LED at Mthonjaneni**

Based on the preceding sections, it is evident that several pieces of legislation, strategies and policies do exist to address the issue of local economic development. LED involvement requires government intervention in the form of facilitation, support and funding. In Mthonjaneni, all tiers of government (national, the district and the Local Municipality) have an important role to play in the successful implementation of the local economic development initiatives.

All these spheres have established principles and provide a framework for the formulation of localized economic development strategies. They create a range of opportunities for funding, institutional development and initiatives for economic growth and development in Mthonjaneni. Based on this, it is important that LED within Mthonjaneni focuses on the following areas:

- Addressing local development needs, crises and job creation requirements;
- A partnership between all key stakeholders – the local authority, communities, and the private sector;
- Local leadership;
- Initiative and entrepreneurship;
- The use of local resources and skills;
- Appropriate external support, advice and facilitation; and
- Creating an environment that facilitates economic growth and diversification.

### **3.6 Linkage of Mthonjaneni LED with IDP, District LED Plan, PGDS, PSEDS, NSDP, National LED Strategy**

This section of the Report identifies the alignments and the relationships between the Integrated Development Plan (IDP), District LED Strategy, the PGDS and the National LED Strategy. Particularly because the need to obtain a shared approach to planning and alignment between the Provincial Growth and Development Strategies (PGDSs), the municipal Integrated Development Plans (IDPs) and the National Spatial Development Perspective (NSDP), was stressed in the Cabinet Lekgotla and the President's State of the Nation Address in 2016.



It is therefore a key priority of government to make government as a whole work together and improve the impact of its programs in achieving common objectives and outcomes, particularly with respect to economic growth, job creation and in addressing the needs of the poor.

**Figure 3: Linkage between Mthonjaneni LED Strategy and Mthonjaneni IDP**

MTHONJANENI IDP	MTHONJANENI LED
Is aimed at promoting quality and sustainable delivery of municipal services.	The Mthonjaneni LED would facilitate the process of the provision of quality and sustainable services by the municipality through identifying backlogs that exist as far as the economic services are concerned in the Mthonjaneni Local Municipality.
Vigorous community participation in development programmes	The Mthonjaneni LED would identify the outsourcing opportunities to the local people so as to achieve this goal of the IDP of involving the communities in the development of the area.
Strengthen partnerships with strategic partners in development to ensure speedy and coordinated service delivery.	The Mthonjaneni LED Strategy would assist in identifying areas of strategic investment across all sectors of the economy such as agriculture (including forestry), tourism, manufacturing, government, mining, commerce, construction, informal and tertiary services. The government, the parastatals, the private sector, the CBOs and the NGOs would assist in taking advantage of these potential opportunities either through the provision of funding and other technical assistance.



**Figure 4: Linkage between Mthonjaneni LED Strategy and King Cetshwayo LED Strategy**

MTHONJANENI IDP	MTHONJANENI LED
Is aimed at promoting quality and sustainable delivery of municipal services.	The Mthonjaneni LED would facilitate the process of the provision of quality and sustainable services by the municipality through identifying backlogs that exist as far as the economic services are concerned in the Mthonjaneni Local Municipality.
Vigorous community participation in development programmes	The Mthonjaneni LED would identify the outsourcing opportunities to the local people so as to achieve this goal of the IDP of involving the communities in the development of the area.
Strengthen partnerships with strategic partners in development to ensure speedy and coordinated service delivery.	The Mthonjaneni LED Strategy would assist in identifying areas of strategic investment across all sectors of the economy such as agriculture (including forestry), tourism, manufacturing, government, mining, commerce, construction, informal and tertiary services. The government, the parastatals, the private sector, the CBOs and the NGOs would assist in taking advantage of these potential opportunities either through the provision of funding and other technical assistance.

The above figure indicates that there is also a strong relationship between the aims of the Mthonjaneni LED Strategy and that of the King Cetshwayo District LED Strategy, which stresses the commitment of all the spheres of the civil society in development planning.

### **3.7 Stakeholder Analysis**

This section of the report discusses the role of all the stakeholders in Local Economic Development within both uThungulu and Mthonjaneni Municipalities and outlines the already existing programs aimed at promoting viable and sustainable local economic behavior. The section commences by looking at the role of the government structure at local, provincial and national level, then the role of NGOs, CBOs, the Traditional Authorities, the Farmers, the Business Associations, and the Tourism Association/s.

#### **3.7.1 Local, Provincial and National Partnerships**

Local government structures within both uThungulu District Municipality and Mthonjaneni Local Municipality have a critical role to play in LED. This includes investment promotion,

facilitation and creating an enabling framework for job creation and economic growth. While there is general acceptance of this mandate, the municipality experience a number challenges. These challenges can be summarized as follows:

- Lack of sufficient and appropriately qualified human capacity.
- Lack of clarity about the LED role of local government and poor understanding of LED.
- Poor integration of LED into the service delivery functions of the Municipality.
- Lack of LED vision and strategy, apart from the uThungulu District Municipality LED and Tourism Strategies.

### **3.7.2 Poor access to relevant information.**

The level of coordination between the Municipalities and sector Departments is generally weak. The participation of government Departments in the preparation of IDPs has generally been poor. In fact, IDPs tend to be seen as municipal documents, with limited relevance to government Departments. As a result, a number of government Departments have not aligned their programs with the IDPs, and are implementing some of their programs outside the IDP framework.

The following government Departments are involved in LED-related activities within Mthonjaneni Local Municipality:

- Department of Agriculture, Environmental Affairs and Rural Development.
- Department of Economic Development & Tourism (DEDT).
- Department of Arts and Culture.
- Department of Human Settlements.
- Department of Social Development.
- Department of Transport.
- Department of Public Works.
- Department of Rural Development and Land Reform.
- Department of Co-operative Governance & Traditional Affairs.
- Department of Health.

The above mentioned Departments can be divided according to the three spheres of government, namely, local, provincial and national spheres. These spheres are the key drivers for LED. Very importantly, for the effective use of resources and implementation, the government as a whole has to have a synergy. The key performance areas of the National and Provincial spheres of government are:

- Economic growth.
- Employment creation.
- Competitiveness.
- Broad-based economic empowerment and,
- Appropriate geographic spread of economic activity.

The key performance areas of the local government sphere include mobilization of local communities in development activities under the framework of the PGDS, PSEDs and the NSDP.

#### **3.7.4 The Role of Non-Governmental Organizations (NGOs)**

A Non-Governmental Organization (NGO) is an organization that is not part of a government and was not founded by the State. NGOs are therefore typically independent of governments. Although the definition can technically include profit corporations, the term is generally restricted to social, cultural, legal, and environmental advocacy groups having goals that are primarily non-commercial. NGOs are usually non-profit organizations that gain at least a portion of their funding from private sources.

#### **3.7.4 The Role of Community Based Organizations (CBOs)**

The national and provincial governments are promoting the establishment of cooperatives mainly the agricultural and manufacturing. Hence the Provincial Department of Economic Development and Tourism (DEDT) has established a unit specializing in the cooperatives.

#### **3.7.5 Local Business Associations**

There is quite a number of businesses taking place in the Melmoth Town due to it being declared a primary node. These businesses are limited to the commercial stores and transport related businesses. These businesses specialize in servicing the basic needs of the public. The existence of business forum is of prime importance to facilitate all matters

pertaining to business development and support. The Department of Economic Development & Tourism (DEDT) has established a special unit called SMME Development to assist local business with technical support, training and fulfil the liaison role for funding purposes.

### **3.7.6 Tourism Associations**

Tourism is one of the key economic sectors in the Mthonjaneni Municipality. It has developed and remains a generally white dominated industry. The local communities mainly in the rural areas tend to be excluded. The existence of the Tourism Associations at Mthonjaneni Local Municipality is critical to promote tourism development and give support to local tourism operators.

### **3.7.7 Farmers' Associations**

The provincial farmers' association/ union called KwaZulu-Natal Agricultural Union (Kwanalu) are critical for farmer development and support. However there is also local farmers association called ZIFPA. The following are the roles and functions of ZIFPA:

- Serves as a catalyst to initiate an essential change within agriculture in order to secure a sustainable future for agriculture in KwaZulu-Natal.
- Negotiates a positive policy framework on behalf of agriculture in KwaZulu-Natal, by pro-actively ensuring that laws, regulations, ordinances, attitudes and assumptions subjacent to this framework are optimally agricultural friendly.
- Ensures that the attitude within agriculture in KwaZulu-Natal is positive and focused on the future and that agriculture in KwaZulu-Natal secures its own future by positive commitment in all walks of life.
- Ensures that the umbrella image of agriculture in Mthonjaneni is optimally positive and that the most important contribution made by agriculture to the economy in KwaZulu-Natal, be drawn to the attention of all the inhabitants of KwaZulu-Natal in the most explicit and impacting ways.
- Offers to agriculture in Mthonjaneni a focus point through which the collective interest of agriculture in Mthonjaneni is optimally enhanced.

### **3.7.8 The Role of Traditional Councils**

There is a concerted effort on the part of the District Municipality to involve traditional leaders in all aspects of their functioning. Although the Traditional Authorities are not directly involved in LED, they control a significant amount of land within the Mthonjaneni, and are responsible for land tenure, rights and allocation of sites to their subjects. In fact, Traditional Authorities have (in the past) performed some of the duties that have been allocated to Municipalities. However, this situation is gradually changing following the establishment of wall-to-wall Municipalities, establishment of systems and procedures for municipal planning (which includes land use management) and transformation of the traditional authority structures.

In future, traditional authorities will not be involved in land use management, but will still be responsible for the allocation of land rights. They will make land available for LED purposes and sign lease agreements on behalf of their communities. It is therefore important to introduce traditional leaders to LED and build their capacity to facilitate job creation, poverty alleviation and economic growth.

There are three Traditional Councils/ Authorities within the Mthonjaneni Municipality. All Traditional Councils/ Authorities area are solely owned by Ingonyama Trust. The Yanguye Traditional Council is located to the north-west of the municipality and incorporates the Kwa Yanguye area and surrounding settlements. Obuka Traditional Council is located to the far north-east of the municipality incorporates all KwesakwaBiyela area and Entembeni Traditional Council is located to the south-east of the municipality.

It should be noted that the Ingonyama Trust Board (ITB) is the custodian of all lands that fall under the Traditional Councils in the KwaZulu-Natal province. It is for this reason that prior using any land for business, Permission to Occupy (PTO) needs to be sought with ITB. This process had been run smooth by the Traditional Councils and ITB officials based in Ulundi (Satellite Office) and Pietermaritzburg (Head Office). The Traditional Councils reports to the KZN Department of Cooperative Governance and Traditional Affairs (COGTA) administratively.

### 3.7.9 Synopsis of the Stakeholders

The table below provides the summary of the roles and implications of all the stakeholders both at a district and local municipal level.

**Figure 4: Synopsis of the Stakeholders and Implication**

Categories	Implications	Stakeholders
Local Government	Investment promotion, jobs creation and economic growth promotion.	Mthonjaneni Local Municipality. King Cetshwayo District Municipality.
Provincial & National Government Departments	Co-ordination & planning at provincial level including: investment promotion, jobs creation, sustainable livelihood, health and welfare and economic growth promotion.	<ul style="list-style-type: none"> <li>• Department of Agriculture, Environmental Affairs and Rural Development.</li> <li>• Department of Economic Development and Tourism.</li> <li>• Department of Arts and Culture.</li> <li>• Department of Human Settlements.</li> <li>• Department of Social Development.</li> <li>• Department of Transport.</li> <li>• Department of Public Works.</li> <li>• Department of Co-operative Governance &amp; Traditional Affairs.</li> <li>• Department of Health.</li> <li>• Department of Transport.</li> </ul>
National Government	Co-ordination & planning at national level including: investment promotion, jobs creation, sustainable livelihood, health and welfare and economic growth promotion.	<ul style="list-style-type: none"> <li>• Department of Human Settlements.</li> <li>• Department of Rural Development and Land Reform.</li> <li>• Department of Agriculture, Forestry and Fisheries.</li> <li>• Department of Social Development.</li> <li>• Department of Trade and Industry.</li> <li>• Department of Transport.</li> <li>• Department of Water Affairs.</li> <li>• Department of Health</li> </ul>
Non-Governmental Organizations (NGOs)	Sponsoring LED-related activities	<ul style="list-style-type: none"> <li>• <b>Ubumbano Community Care Centre – Ward 3 (Ekuthuleni area)</b></li> </ul>

Community Based Organizations (CBOs)	Facilitating LED activities and HIV/ AIDS projects	<ul style="list-style-type: none"> <li>Philasande Development Organization Ward 1</li> <li>Ukuphila Kwethu – Ward 5</li> <li>Siyakha Women’s Development (All wards) dealing with sustainable development</li> </ul>
Traditional Councils (Ingonyama Trust Board)	<p>Indirectly Involved in LED decisions.</p> <ul style="list-style-type: none"> <li>Responsible for the allocation of land/sites, protection of &amp; decisions on security of tenure issues.</li> <li>Sign lease agreement on behalf of their communities/Ingonyama Trust Board.</li> <li>Make/facilitate land availability for LED purposes and businesses.</li> </ul>	<p>3 Traditional Councils namely:</p> <ul style="list-style-type: none"> <li>Biyela-Kwa Yanguye Traditional Council</li> <li>Zulu/Entembeni Traditional Council</li> <li>Biyela-Obuka Traditional Council</li> </ul>
Farmers Associations	<ul style="list-style-type: none"> <li>Provide technical know-how and support and identify finance for agricultural development to emerging/small-scale Farmers.</li> </ul>	<ul style="list-style-type: none"> <li>Whether formal or informal, the following structures exist within the farming community of Mthonjaneni: Melmoth Farmers’ Association, Melmoth Agricultural Society and Citrus Farmers’ Co-operative.</li> </ul>
Tourism Associations	<ul style="list-style-type: none"> <li>There is a need for the existence of Tourism Association at Mthonjaneni whose purpose is to co-ordinate tourism-related support &amp; impart knowledge on tourism issues.</li> </ul>	<ul style="list-style-type: none"> <li>Mthonjaneni Tourism Association</li> </ul>

## Strategic Partners

The following strategic partners have been identified:

Name	Core Business	Role to Bring Change	Possible Actions to Address Stakeholder Interest
Department of Agriculture, Environmental Affairs and Rural Development	To promote sound agricultural and environmental practices through sustainable development. To harness the massive potential for agricultural growth and development within the Province.	<ul style="list-style-type: none"> <li>○ Agricultural extension services</li> <li>○ Agricultural engineering services</li> <li>○ Agricultural technology development</li> <li>○ Veterinary services</li> <li>○ Agricultural training</li> </ul>	<ul style="list-style-type: none"> <li>○ Mobilize and participate in the process.</li> <li>○ Provide support in sourcing funding.</li> <li>○ List projects within the IDP.</li> </ul>
		<ul style="list-style-type: none"> <li>○ Agricultural economics and marketing</li> <li>○ Farmer support program</li> </ul>	
King Cetshwayo District Municipality	To undertake District level planning, provide bulk services and support to Local Municipalities.	<ul style="list-style-type: none"> <li>○ Source funding to assist in setting up projects.</li> <li>○ Ensure that bulk infrastructure needs are taken into account.</li> </ul>	<ul style="list-style-type: none"> <li>○ Mobilize and participate in the process.</li> <li>○ Provide support in sourcing funding.</li> <li>○ List projects within the IDP.</li> </ul>



Department of Economic Development and Tourism	To formulate and implement effective economic development strategies that create sustainable jobs in KwaZulu-Natal	<ul style="list-style-type: none"> <li>○ Facilitate local economic development.</li> <li>○ Promote economic development through the championing of public-private partnerships.</li> <li>○ Promote and facilitate economic empowerment programs.</li> <li>○ Promote SMME development.</li> <li>○ Assist with access to finance for SMMEs.</li> <li>○ Assist with the registration of various legal entities including the Cooperatives,</li> </ul>	<ul style="list-style-type: none"> <li>○ Mobilize and participate in the process.</li> <li>○ Provide support in sourcing funding.</li> </ul>
SEDA: King Cetshwayo	To support and provide small enterprises and prospective entrepreneurs with information with a view encourage them to start and build sustainable businesses.	Provide business support services including training and capacity building especially on business plan development.	<ul style="list-style-type: none"> <li>○ Mobilize and participate in the process.</li> <li>○ Provide support in sourcing funding.</li> </ul>
Tourism KwaZulu-Natal (TKZN)	To initiate, facilitate co-ordinate and implement strategic tourism marketing and product development	<ul style="list-style-type: none"> <li>○ Support and coordinate the branding/marketing of designated product regions.</li> <li>○ The promotion of tourism awareness in localized areas.</li> </ul>	<ul style="list-style-type: none"> <li>○ Mobilize and participate in the process.</li> <li>○ Provide support in sourcing funding.</li> </ul>

	<p>programs that provide an enabling framework within</p>		
	<p>which regional, provincial and private sector stakeholders can achieve their goals to the benefit of the Province.</p>	<ul style="list-style-type: none"> <li>○ The provision of tourism infrastructure in localized areas.</li> <li>○ Facilitate private sector involvement in the marketing and development effort.</li> <li>○ Local product development effort</li> <li>○ Local product development</li> <li>○ Tourism information and publicity.</li> </ul>	

## Key Role-Players

The following key role-players have been identified:

Name	Core Business	Role to Bring Change	Possible Actions to Address Stakeholder Interest
<b>Department of Social Development</b>	To promote self-reliance, sustainable development and beat poverty through an all-inclusive social welfare program.	<ul style="list-style-type: none"> <li>○ Provide care and support towards people affected and infected by HIV/AIDS.</li> <li>○ Develop and implement comprehensive social welfare programs and integrated community based- services for children, youth, women,the disabled, the elderly, victims of crime and their families.</li> <li>○ Build capacity among er previously und er-resourced areas.</li> <li>○ Give access to all customers who qualify for social assistance.</li> </ul>	<ul style="list-style-type: none"> <li>○ <b>Mobilize and participate in the process.</b></li> <li>○ <b>Provide support in sourcing funding.</b></li> <li>○ <b>List projects within the IDP.</b></li> </ul>
<b>Traditional Councils</b>	To control/administer land and to support the development of people who live on the land.	<ul style="list-style-type: none"> <li>○ <b>Support development initiatives and release land for such purposes.</b></li> </ul>	<ul style="list-style-type: none"> <li>○ <b>Mobilize and participate in the process.</b></li> </ul>

## Support Stakeholders

The following support stakeholders have been identified:

Name	Core Business	Role to Bring Change	Possible Actions to Address Stakeholder Interest
<b>Department of Social Development</b>	To promote self-reliance, sustainable development and beat poverty through an all-inclusive social welfare program.	<ul style="list-style-type: none"> <li>○ Provide care and support towards people affected and infected by HIV/AIDS.</li> <li>○ Develop and implement comprehensive social welfare programs and integrated community based- services for children, youth, women, the disabled, the elderly, victims of crime and their families.</li> <li>○ Build capacity among previously under-resourced areas.</li> <li>○ Give access to all customers who qualify for social assistance.</li> </ul>	<ul style="list-style-type: none"> <li>○ <b>Mobilize and participate in the process.</b></li> <li>○ <b>Provide support in sourcing funding.</b></li> <li>○ <b>List projects within the IDP.</b></li> </ul>
<b>Traditional Councils</b>	To control/administer land and to support the development of people who live on	<ul style="list-style-type: none"> <li>○ <b>Support development initiatives and release land for such purposes.</b></li> </ul>	<ul style="list-style-type: none"> <li>○ <b>Mobilize and participate in the process.</b></li> </ul>

	the land.		
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### 3.8 Conclusion

Following the above discussion, it is noted that different sector Departments, Associations and Organizations play a meaningful role in Local Economic Development of Mthonjaneni and King Cetshwayo District Municipality. The organogram that follows below indicates the conceptualized idea of the LED stakeholders and their roles in Local Economic Development of both Mthonjaneni and King Cetshwayo Municipality, respectively.



### 4.1 Introduction

The purpose of this section is to provide an overview of the local economy of the Mthonjaneni Municipality in order to gain an understanding of its salient characteristics and the importance of such characteristics. The section begins with a summary of the level of infrastructure and spatial profile within the municipal area. It then highlights the key economic sectors within Mthonjaneni, focusing on the major features, trends and implications for future economic growth of the area. Consultations with key local stakeholders in the area formed the basis of the SWOT analyses that were conducted for the various economic sectors. The economic development of Mthonjaneni is considered as one of the most important aspects of developing the Municipality. In all of the economic activities identified, it appears of great importance to, on one hand, protect the unique natural environment, while, on the other, exploiting the opportunities arising from the various economic sectors.

The identification of viable development opportunities is dependent on a number of factors, including aspects such as demographic trends in the study area, various socio-economic indicators, the economic profile of the municipal area, as well as spatial concentration and distribution of activities. Our analysis of the municipality will focus on the assessment of these various development issues and their impact on the formulation of development strategies for the area.

### 4.2 Vision

Mthonjaneni Local Municipality strives to:

- promote local economic development through investments and establishment of partnerships.
- provide quality services to all residents through establishment of proper communication channels, improved infrastructure, and maintenance of financial viability

### **4.3 Mission**

The municipal mission is to promote a quality social economic environment for all living within its boundaries by:

- providing opportunities for all to aspire to a better future;
- providing a safe and secure environment;
- providing a high level of affordable essential basic services;
- supporting the poorest of the poor and vulnerable groups;
- providing service excellence;
- encouraging community participation in service delivery; and
- subscribing to and promoting good governance.

### **4.4 Demographic Profile of Mthonjaneni Municipality**

Demographics in general refer to the characteristics of the population residing and working within a specific area. Demographic indicators within Mthonjaneni Local Municipality include the total population; gender structure; population growth and the impact of HIV/AIDS; age structure; household size; poverty levels and educational levels.

#### **4.4.1 Population Distribution**

- According to the latest census that was conducted in 2011 there is a total population of 47 818 people residing in municipal area of jurisdiction.
- According to the 2011 census there has been a decrease in population in the municipal area of jurisdiction. The total population as per 2001 census there were 50 382 people residing in the municipal area of jurisdiction. The Municipality is currently experiencing out migration.
- There is an overrepresentation of females in Mthonjaneni LM, with females accounting for 53.8% of the municipal population in 2011, whilst males only accounts for 46.5%.

- According to 2011 Statistics the total labour force for the Municipality was 13 534. Using the escalation of 7%, it indicates that the current labour force in the municipality is 14 481 people.

#### 4.4. 2 Current Employment Statistics

The 2011 statistics reflect that a large amount of people in Mthonjaneni area of jurisdiction are either unemployed or discouraged work seekers. The table below shows the number of persons in the respective municipal wards that are employed and unemployed. The highest percentage of employment is in Ward 1. This ward is located in the developed urban area Melmoth.

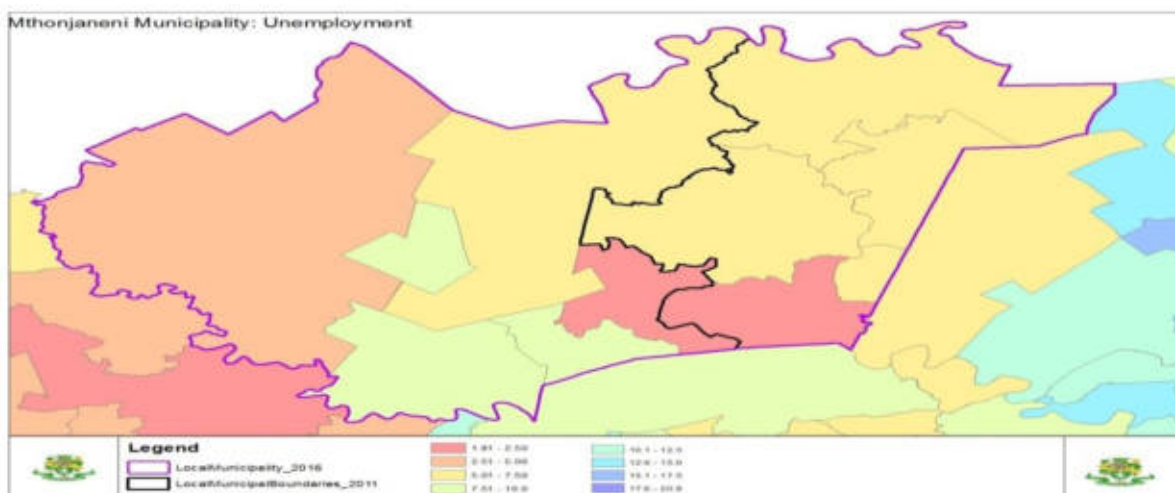
**Table : Employment statistics based on old demarcation of wards (census 2011)**

Ward	Employed	Unemployed	Discouraged work-seeker	Other not economical active	Not applicable
1	3036	797	<b>265</b>	1640	8259
2	2088	284	<b>352</b>	1745	7117
3	331	690	<b>365</b>	3143	8845
4	988	523	<b>450</b>	2184	7722
5	747	206	<b>521</b>	3719	9960
6	379	520	<b>356</b>	1898	5914
<b>Total</b>	<b>7569</b>	<b>3020</b>	<b>2309</b>	<b>14330</b>	<b>47818</b>

The employment statistics for the new wards inherited from the former Ntambanana Municipality decreased slightly from 54% in 2001 to 46% in 2011. This is considered to be considerably high when one takes into account the number of the active labour force within the area. The fact that these wards are all rural with poor infrastructure is one of the factors that contribute to the unemployment figures. In order to find employment opportunities, the economically active population has to travel to areas such as Richards Bay and Empangeni.

**Map : Reflecting unemployment within the area of Mthonjaneni Municipality**





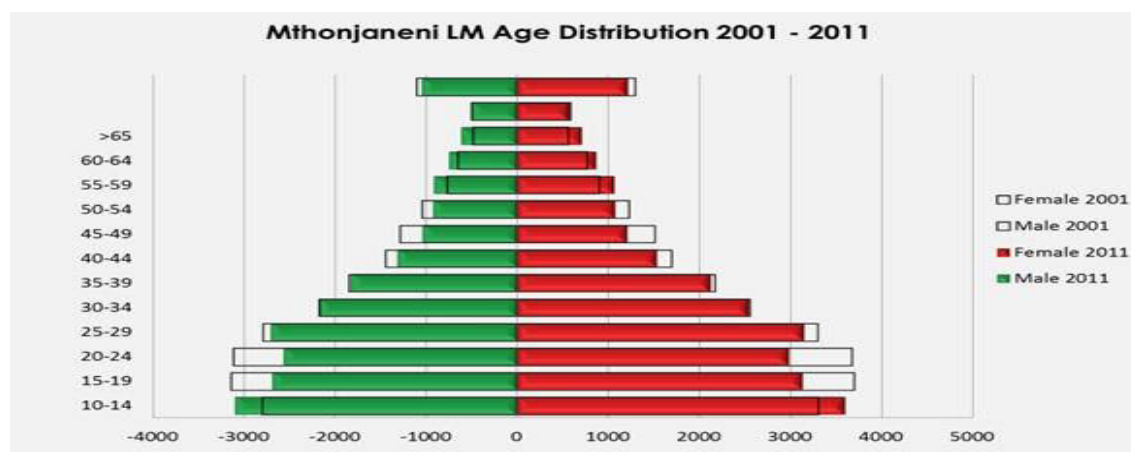
#### 4.4.3 Gender Statistics

The 2011 figures indicate that there are 46.2% men in the municipality and 53.8% females. This indicates that there may be high levels of migratory labour from the municipality to other centres around the province and country.

Ward	Male	Female	Grand Total
1	3886	4373	8259
2	3444	3673	7117
3	4121	4725	8845
4	3433	4289	7722
5	4565	5395	9960
6	2653	3261	5914
<b>Grand Total</b>	<b>22102</b>	<b>25716</b>	<b>47818</b>

#### 4.4.4 Age Group Profile

These figures below indicate that 58% of the population are economically active and in the age groups 15 to 64. Conversely, 42% of the population are dependent on the economically active population.



#### **4.4.5 Traditional Authorities**

There are currently three Traditional Authority areas within the Mthonjaneni Municipality. All these Traditional Authority areas are solely owned by Ingonyama Trust:

- Kwanguye Traditional Authority is located to the north-east of the municipality and incorporates the KwaYanguye area and surrounding settlements.
- Entembeni Traditional Authority is located to the south-east of the municipality and incorporates Makasaneni and Ndundulu and surrounding settlements.
- Obuka Traditional authority is located towards the East of the municipality and incorporates areas like Sqhomaneni, Upper Nseleni and other surrounding rural settlements.

#### **4.5 Access to Basic Services**

##### **4.5.1 Water Supply**

###### **4.5.1.1 Piped Water**

In terms of water, a suitable standard of water supply is to have access to piped water either to the dwelling or at least within 200 metres of the dwelling. According to the 2007 Community Survey, 66.1% of the households of Mthonjaneni have access to piped water. This is a marked improvement on the 2001 Census data which indicated only 43.8% of households had access to piped water. Access to piped water is one of the key indicators utilized in the Multiple Deprivation Index.

###### **4.5.1.2 Alternative water supply**

In the absence of piped water, communities and settlements do make use of alternative water supplies, for instance boreholes, rivers and springs. In some instances even if piped water is available at a standpipe, significant distances have to be walked to access that water. The Assessment of the Scope for Alternative Technologies and Potential for

Expanding the Resource Base guideline (PPT, 2009) looks at alternative technology to ensure a sustainable supply of water to households that do not have piped water.

Rainwater harvesting can be effectively utilized in both residential households and public facilities. The Mthonjaneni Municipality is well endowed with water resources in terms of rivers and has an above average rainfall which makes rainwater harvesting a viable and sustainable option.

#### **4.5. 2 Electricity Supply**

The Multiple Deprivation Index utilizes the supply of electricity for lighting purpose as a key indicator. It is not used as an indicator for cooking or heating as households may have a preference for another mode of energy supply. In terms of the Community Survey 2007, 38.5% of households use electricity for lighting which is an improvement on the 2001 Census which recorded 29.9% of households using electricity for lighting. Approximately 29% of households use electricity for cooking and heating.

It should be noted that the statistics and research has indicated that the central band is well capacitated but that there are huge gaps in the eastern section of the municipality. There are a number of sub-stations and powerlines which service Imfuli Mission, KwaMagwaza, Melmoth/Thubalethu, Ekuthuleni and Ndundulu. Makhasaneni and Kwa Yanguye to the east of the municipality have limited access to formal electricity supply. What is significant is that just outside of the eastern boundary, running through wards from former Ntambanana and Ulundi, near the Kwa Yanguye area is an existing electrical network which could possibly be expanded to supply this area.

The King Cetshwayo Energy Sector Plan shows intended expansion of the network and prioritization thereof. The Melmoth/Thubalethu and Imfuli Mission area are prioritized, followed by the area to the west of it which incorporates KwaMagwaza. There is also an indication that the KwaYanguye area will be getting a 400kV overhead line. Although this does not provide adequate supply to the area considering its status as a secondary node, it is an improvement.

#### **4.5.2.3 Alternative Energy**

The draft uThungulu Energy Sector Plan Review (2009) looks at renewable and alternate energy sources and identified the need to do feasibility studies and pilot projects on Micro Hydro, Wind and Bio-Gas generation and Solar Water Heating. The Assessment of the Scope for Alternative Technologies and Potential for Expanding the Resource Base guideline (PPT, 2009) looks at the utilization of alternative technology to help address basic needs of the poor and marginalized. In terms of Mthonjaneni this primarily relates to the dispersed rural settlements. There are areas such as Kwa Yanguye and Makhasaneni which are off the Eskom grid and therefore need to utilize other resources.

Recommended technologies include safer and more efficient cookers such as gas fuel and more efficient and sustainable use of wood fuel at a household level. At a social facility level, such as at schools or community halls, solar water heaters, solar power and biogas are viable options.

#### **4.5.3 Roads and Transport**

Mthonjaneni Municipality has a well-established road network servicing all settlements. No national roads run through the municipality. There are a number of key provincial roads which service the area. The central band is well serviced by provincial roads and there are links from north to south and east to west. The R66/R34 runs from the south east corner of the Municipality, through Ndundulu and Melmoth/Thubalethu and up towards the north. Lower level roads branch off the R66/R34 and provide access to Makhasaneni, Ekuthuleni, Mfanefile, KwaMagwaza and Imfuli Mission. It provides linkages with the Empangeni, Richards Bay area in the south and Ulundi and Nongoma in the north.

The R68 runs through Kwa Yanguye in the east, then through Melmoth to the western boundary. It provides linkages with Ntambanana in the east and Nkandla and Babanango in the west.

##### **4.5.3.1 Road Classification**

Four types of road classes have been identified according to the KwaZulu-Natal Department of Transport database. This classification is as follows:

- (a) National Roads

These roads denoted with the prefix 'N' e.g. N11 and are primarily the responsibility of the Department of Transport and are maintained through the South African National Roads Agency. The N2 is approximately 70 km away from Melmoth town which is the economic hub of Mthonjananeni municipality.

(b) Provincial Main Roads

These are higher order provincial roads all with the prefix 'P' e.g. P47-3. There is a further breakdown of this class into types of main roads, each type meeting certain requirements pertaining to traffic volumes, freight requirements and so forth and hence not all main roads are surfaced roads. The Department of Transport also uses another classification system and therefore some provincial roads are also referred to as Routes (R). In the case of Mthonjaneni, the P47-3 is also referred to as the R66, and the P253 and P48 as the R68.

(c) Provincial District Roads

All these roads are the responsibility of the Department of Transport and the majorities are not surfaced. Again there is a further breakdown into types of district roads, each allocated different design and maintenance specifications. These roads normal have a prefix 'D' e.g. D550.

(d) Provincial Local Roads

Formerly, these were known as "Community Access Roads" and are classified as third order roads with minimum design requirements. In this class there is a further breakdown into two types, namely gravel and earth roads (tracks). These roads generally have a prefix 'A'.

#### **4.5.3.2 Accessibility**

A country's road network has an important role to play in economic and social development. Areas with inadequate transports systems limit access to economic and social opportunities. Without the means to generate income and improve the quality of life, such communities remain poverty stricken. Rural poverty, in particular has been linked to the isolation of communities from economic centers. There is thus a relationship between poverty and the lack of adequate transportation systems.

#### **4.5.4 Public Transport**

As many of the community do not have their own motor vehicles, public transport is essential in providing mobility and accessibility of these communities to socio-economic facilities. Transportation within the Municipality is almost exclusively achieved through the use of road vehicles. Categories of transport are as follows:

- Public Transport – Buses
- Public Transport – Taxis
- Private Transport – Passenger Vehicles
- Private Transport – Trucks

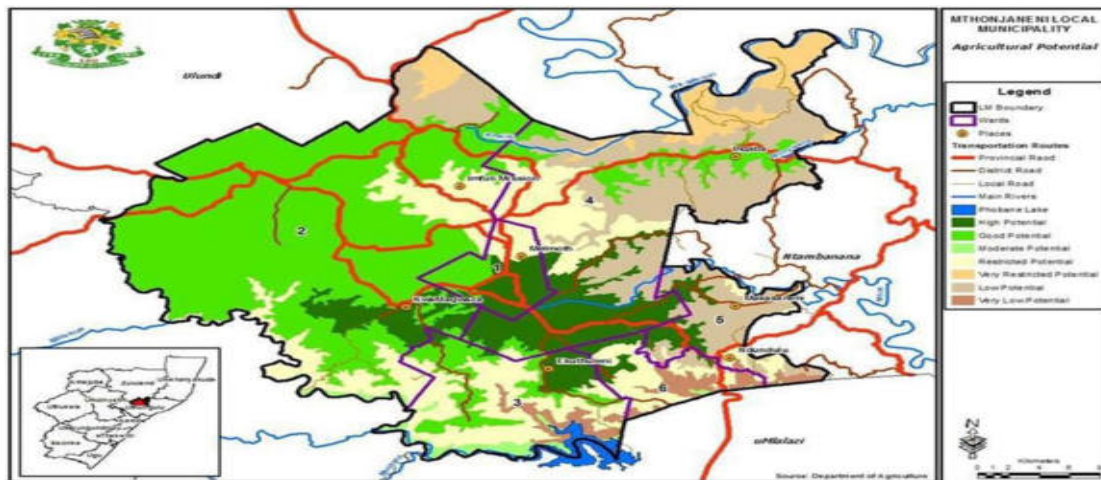
There is a widespread bus network which focuses primarily on short trips to the minor population centres. There is also a large taxi service operating in the Municipality. This network focuses on short trips to the larger population centres and long trips to the large regional and national nodes.

#### **4.6 Agricultural Sector Development**

Agriculture is the backbone of the economy of Mthonjaneni Municipality. As a result of the importance of agriculture in the Municipality, there is a diversity of agricultural activities and therefore a diversity of agricultural issues and opportunities. Most of the land in the municipality is arable, hence suitable for agriculture and the main climatic constraints include low temperature and frost. Given that agriculture is the backbone of the economy of the Municipality, a plan to develop a sustained agricultural industry for the Municipality is necessary.

##### **4.6.1 Agricultural Potential**

The following table depicts the agricultural potential of the area, areas with high fertility being greener in colour than less potential areas.



The agricultural potential within Mthonjaneni Municipality is very favourable. The agricultural potential is determined by factors such as climate, vegetation, soils, water supply Ward and topography (Mthonjaneni SEA 2007). There is a very large area covering the majority of 2 and part of Ward 1 (south-west of Melmoth) as well as corridors in Wards 3 and 4 (incorporating Kwa Yanguye) which have good agricultural potential. There is also a large area of high potential which stretches from the south-west of Ward 2 into Wards 1, 4, 5, 6, 7, 8, 9 and 10. It incorporates the wards from former Ntambanana, Ekuthuleni and KwaMagwaza and is in close proximity to Melmoth and Ndundulu. There are areas of low potential along the northern and eastern boundaries of the Municipality. The south-east boundary has an area of very higher potential. There is also restricted potential north of Melmoth and in the southern section of the municipality.

The Landcover map indicates that there are large areas of Commercial Crops primarily in the central band running from the north-west to the south-east. These follow transportation corridors and there is a concentration in the area to the north and south of Melmoth. There is a very large portion of this central band that is Commercial Forestry. The Commercial Forestry and Farming cover the area that has been identified as 100% transformed. It also ties in with the Agricultural Potential map in that it overlays the areas classified as having good potential and high potential.

#### **4.6.1.1 Commercial Agriculture**

The predominant commercial farming activity is sugarcane and this together with commercial forestry forms the base of the region's economy. Other farming includes citrus, vegetables, beef and dairy and small clusters of tropical fruit farmers. Sugarcane is able to be grown even in areas of restricted agricultural potential. (Mthonjaneni SEA 2007).

#### **4.6.1.2 Traditional Agriculture**

A large portion of the community is engaged in subsistence agriculture which includes peasant farming and small-scale livestock husbandry. Subsistence agriculture is the most significant land use practice and functions as a survival mechanism in the traditional authority areas and other rural areas. (Mthonjaneni SEA 2007).

The overriding factor is that there are some light industries in the municipal area providing jobs for the local people. Nonetheless, the most critical factor is that the town depends on agriculture for survival, primarily sugar cane, timber and cattle. To some extent the avocados and citrus fruits are also produced for local foreign markets. The area produces about 300 000 tons of sugar cane and 470 000 tons of timber per year, as well as delicate cut flowers for export.

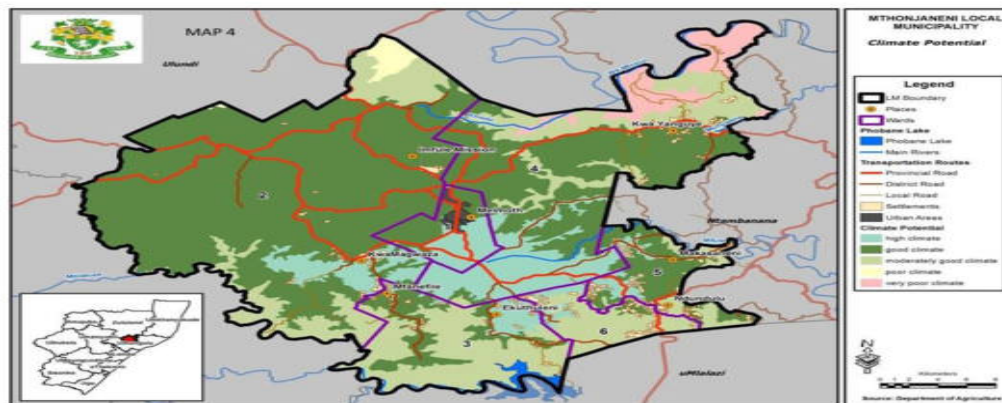
The municipality incorporates large tracts of commercial farming land with most communities practicing small-scale farming for domestic purposes. Agriculture employs about 75% of the labour force. The expansion of the local economy focuses on increasing timber and sugar cane production, expanding the cut flower industry, the production of essential oils and establishment of apiaries.

#### **4.6.2 Climate**

A significant section of the Municipality running from the western boundary of the Municipality to the eastern boundary has a good climate. This includes Melmoth, Imfule Mission, Kwa Yanguye, Makasaneni and the KwaMagwaza area. There is a relatively large area of high climate running from east to west to the south of the good climate mentioned above. This encompasses the Ekuthuleni area. The southern and northern boundaries are characterized by a moderately good climate, although the northern section also has a small



portion of poor and very poor climate. Overall, the climate is favorable throughout the Municipality.



### 4.6.3 Arable Land

### Soil types:

Soils in the region are formed from the weathering of quartzite, tillite and granite rocks and vary in texture and composition from stony and sandy loams, to clay loams. The Mthonjaneni region is predominantly sandy, clay loams. (Mthonjaneni SEA 2007).

### Soil depth and productivity:

Soils are shallow on hard or weathered rock. Deep, rich soils are not found on steep slopes and therefore most of the areas with a higher gradient have shallow soils. Deep soil deposits are found along rivers and streams on level to moderate slopes. Soil depth in the region varies from 450 mm to 750 mm. Soils in Mthonjaneni generally have high agricultural potential, but are highly sensitive to erosion and degradation. (Mthonjaneni SEA 2007).

#### 4.6.4 Water Resources

Mthonjaneni Municipal area has limited water resources as a result there are no large scale irrigation schemes for commercial cropping.

#### **4.6.5 Overall Agricultural Potential**

Generally the Mthonjaneni Municipal area has good soils and climate suitable for most of the crops and livestock production.

##### **4.6.5.1 Crop Production**

###### **a) *Fruit Production***

- Citrus – oranges, naartjies, and grape fruit are prominent and grows very well in the area.
- Deciduous fruit – litchi, pears, and pineapple also thrives well in the Mthonjaneni area.
- Avocados of good quality is grown in some areas which is ultimately sold in the market stalls.
- Mango of good quality could be grown in hotter areas towards the Ulundi area.
- First harvest is only after 4 years and thereafter every year Challenges include:
  - finding appropriate cultivars;
  - soil preparation;
  - planting and early care;
  - irrigation;
  - protection against animals.

###### **b) *Sugarcane***

The area produces about 300 000 tons of sugar cane. Some of the sugar cane farms have been acquired through various government land reform programs. Farmers are receiving valuable technical support from the South African Sugar Association (SASA) and Department of agriculture extension Officers. The market for sugar cane is Felixton and Amatikulu Sugar mills, depending on the farmer supply agreements. The sugar cane farm owners of the Mthonjaneni area have developed necessary skills to management the sugar cane farms. The farms are created substantial number of jobs to the local people.

**c) *Vegetable Production***

The soils and climate of the Mthonjaneni area are generally suitable for most vegetables. Common vegetables that can be grown in the area are:

- cabbages;
- spinach;
- carrots;
- onions;
- beetroots.

**4.6.5.2 Livestock/ Animal Production**

**a) *Poultry Farming***

- Has huge potential and profitable.
- Challenges include technical information on rearing and housing.
- Market access is also posing some difficulties although huge companies like Rainbow chickens can offer some reprieve.
- Alternative will be an abattoir to facilitate supply of chickens to major retail houses.
- Egg production offers another opportunity.

**b) *Cattle and Small Livestock***

- Opportunities with beef and hides.
- Has huge potential and is profitable.
- Challenges include technical information on rearing and housing.
- Market access will be another challenge.

**4.6.5.3 Essential Oils**

- Mainly for export market – UK, Europe and America.
- Pays \$90 per kg and \$140 per kg for inorganic and organic plants respectively
- Oil needs certification whether inorganic or organic before being sold.
- Current project structure very poor.

#### **4.6.5.4 Agro Processing**

Located in the southern tip of the African continent between two oceans (one cold and the other one warm), South Africa is blessed with unique climatic and environmental diversity. This has allowed it to produce a wide variety of agricultural and food products. The subtropical coastline of KwaZulu Natal produces sugar cane and subtropical fruits.

Across South Africa, African subsistence farmers, funded by government's Land Bank and/or Ithala and supported by its BBBEE policy, are beginning to move into the mainstream of agriculture. This policy is focusing on critical areas like training, equitable access to and participation in the mainstream agriculture, land reform, profitability and sustainable resource management.

The following are some of significant milestones in this industry:

- The food industry sells 20m tons of food worth R174bn annually. This includes exports as well as fruit and vegetables, and products used for food processing.
- SA produces a wide variety of crops and has substantial secondary food processing industries. In the manufacturing sector grain milling is the largest food sub-sector, while fresh fruit and vegetables are the top sectors in food consumption, followed by grains, bakery and proteins.
- The food processing industry has 11 downstream sub-sectors:
  - Meat processing.
  - Dairy products.
  - Preservation of food and vegetables.
  - Canning and preserving of fish.
  
  - Fruit canning and jams, vegetable and animal oils and fats.
  - Grain mill products.
  - Sugar mills and refineries.
  - Chocolate and sugar confectionery.
  - Prepare animal food.
  - Bakery.
  - Starch and starch products.

#### **4.6.6 Key Agricultural Challenges**

The following are the key agricultural issues for economic development in the Municipality:

##### **4.6.6.1 Lack of infrastructure and services**

Infrastructure and services such as roads, telephone, and electricity are necessary requirement for agricultural development. These services within Mthonjaneni Municipality are inadequate, especially in rural areas where emerging Farmers operate. Lack of these services has been a consistent issue among emerging farmers. Developing emerging Farmers into commercial Farmers would require addressing the deficiencies in infrastructure and services. Of particular concern currently is the poor road condition. Most roads are reported to be unusable by vehicles during the rainy season.

##### **4.6.6.2 Poor Access to Credit and Inadequate Funding**

Commercial agriculture like many other business sectors is capital-intensive. Access to credit or dependable funding is fundamental to the development of commercial agriculture. Emerging Farmers have historically been denied access to finance and the opportunity to develop their financial base. A strategy to address financial hardships experienced by emerging Farmers is a prerequisite for developing emerging Farmers into commercial Farmers.

##### **4.6.6.3 Land**

Land plays a primary role in agriculture, particularly in crop production. Emerging Farmers in the Mthonjaneni Municipality have farms ranging from under 3 ha to a maximum of 20 ha, whereas commercial Farmers have farms ranging in size from 250 ha to 2,500 ha.

Small farms are often just producing enough for the needs of the household with perhaps some surplus cash crops. This small-scale production does not allow them to benefit from economies of scale. Larger commercial farms,

however, can produce on a much larger scale and will often be able to benefit from economies of scale. Economies of scale occur when the average cost of producing a larger quantity is lower than the average cost of a smaller quantity. In order to develop emerging Farmers into commercial Farmers, land issues need to be vigorously addressed. Some of the key land issues are:

- Ineffective land policies (willing seller willing policy is not addressing agricultural land requirements), current land restitution program still marginalizes agricultural production in the sense that land made available through this process is too limited to allow viable commercial agriculture.
- Traditional Authority influences in land allocation are sometimes counter-productive to commercial agricultural objectives. Promotion of commercial agriculture should involve tribal authorities so that they appreciate the need for larger pieces of land to be allocated in order to make commercial agriculture viable.

#### **4.6.6.4 Skills development**

Commercial agriculture requires skills and adequate education. Emerging Farmers have historically been denied adequate education and more especially development of skills in commercial agriculture. If commercial agriculture is to be encouraged among emerging Farmers, skills development and appropriate education need to be strategically addressed.

#### **4.6.6.5 Markets**

Marketing of agricultural produce involves organized markets and infrastructure. Commercial Farmers currently have adequate resources to market farm produce at market-related prices. For example, they have ready access to local and regional market outlets and have facilities to control marketing of their produce (they can store produce and sell when the price is right, can control costs by buying inputs in bulk, have transport to take their produce to the market). Emerging Farmers, on the other hand, are severely disadvantaged in various ways such as:

- They are often situated in rural areas where the road network is poorly maintained and therefore transport of farm inputs and produce is hampered;

- Hired transport if it exists is often too expensive to justify taking the small volumes of produce to the market;
- They have limited capability to store produce and sell it when the price is right and thus they are often compelled to sell their produce at a low price or at a loss;
- They cannot sustain marketing contracts because of a limited cash flow situation.

#### **4.6.7 Timber Sector Development**

Timber is produced by larger companies like Sappi and Mondi and some few private Farmers. Timber production involves the growing of eucalyptus (gum trees), pine and wattle species. Eucalyptus species are the most famous timber species grown in the area. Timber operations involve the following operations:

- silviculture,
- harvesting,
- protection,
- roads and open area management.

A limited number of emerging Farmers are engaged in timber production through SAPPI and Mondi or government- supported grower's schemes.

- Gum trees take 8 – 9 years to harvest.
- Wattle trees take 8 – 10 years to harvest.
- Pine trees take 8 years to harvest.
- Profitable nosiness over longer periods.
- Biggest challenge for large commercial farmers is to get planting.
- Permits from DWAF in order to grow their businesses.
- The government has made available 800 – 8000 hectares to Black farmers.

#### **4.6.8. Key Timber Development Challenges**

- Lack of Infrastructure.
- Access to Funding.
- Land Availability.
- Lack of Skills.
- Markets.
- Steep Slopes.
- Dominance of Private Sector.

#### **4.6.9 Tourism Sector Development**

Interest in Northern KZN area has been noted particularly relating to the overseas visitors. New identified markets include bird watching, cruise tourism, and educational tourism; which can all increase tourism development in the region as a whole. uThungulu already attracts a significant number of business tourists and has the potential to increase its share of overseas and domestic holiday tourists to the greater region. Local municipalities have thus far identified the need for greater support and coordination from the district in aiding the development of tourism related SMMEs and new opportunities across the district.

##### **4.6.9.1 Tourism Market**

Data relating to the tourism market is difficult to obtain, as no official statistics exist. The only documented statistics are obtained from guest books at accommodation facilities. It is estimated that the area receives approximately 10 000 tourists per annum with 50% passing through the area on business. Sporting events also result in a significant number of people visiting the area (estimated at being around 3500). This would be mainly canoeing, mountain biking and adventure recreation. Tourists, focusing on birding and heritage, total about 1200 visitors per year. The remaining visitors would be made up of religious and holiday visitors.

The source tourist market is predominantly domestic i.e. mainly from KZN and Gauteng and it is estimated that foreigners account for approximately 7% of 9



visitors (mainly British). Holiday visitors are attracted to the country setting and weddings and social functions are fairly popular at certain venues.

#### 4.6.9.2 Tourism Products and Product Development

Currently the area comprises of a diverse mix of inland tourism products and facilities. The table below gives an indication of the accommodation supply within Mthonjaneni:

Table: Accommodation Supply with Mthonjaneni Municipality

Accommodation Type	No. of Facilities	No. of Beds
Hotels	0	0
Bed & Breakfasts	6	80
Camping & Caravan Park	0	0
Self-catering	2	36
Lodges	2	40
Conference & Exhibition Facilities	0	0
Traditional & Cultural	1	15
<b>TOTAL</b>	<b>11</b>	<b>171</b>

##### ***(a) Melmoth***

Melmoth is the main town within Mthonjaneni. The town was established after the annexation of Zululand by the United Kingdom in 1887. It was named after Sir Melmoth Osborn. Large wattle plantations were set up and a wattle bark factory was established in 1926 (Wikipedia). Forestry is still a prominent land use within the Municipality.

##### ***(b) Dingane's Spring***

On a high ridge outside Melmoth is a spring where approximately 2000 maidens gathered every day to collect fresh water supplies. These were then carried in clay pots balanced on their heads for 8 kms down into the valley known as Emakhosini where King Dingane built his capital, Mgungundlovu. According to legend, if the water

was dirty when it reached the King's homestead, the maidens were thrown off a cliff to feed the vultures. During the reign of King Dingane, a garrison of warriors was stationed at the Mthonjaneni spring to protect it and ensure it was not poisoned.

The spring is now known as Dingane's Spring. This site has been declared a National Monument and guided tours can be taken to the spring which is about 150 m from Mthonjaneni Lodge. ([www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites](http://www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites))

**(c) Fort Mthonjaneni**

During the Anglo-Boer War of 1879 no major action took place near Melmoth. A circular earthwork was constructed by Lord Chelmsford's British forces on the Mthonjaneni Ridge and is known as Fort Mthonjaneni. ([www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites](http://www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites)).

**(d) Mthonjaneni Zulu Historical Museum**

In the grounds of the Mthonjaneni Lodge adjacent to site of the fort is Mthonjaneni Zulu Historical Museum which houses an excellent private collection of memorabilia and artefacts relating to the Anglo- Zulu War of 1879. The displays are done according to what has been collected on each battlefield and includes weapons, carbine bullets, snuff containers, dagga pipes and uniforms. ([www.visitzululand.co.za\\_activities\\_mtonjaneni\\_museum](http://www.visitzululand.co.za_activities_mtonjaneni_museum))

**(e) Emakhosini Valley of the Kings**

King Shaka was born in the Valley of the Kings in 1785 and the first royal residence of the Zulu Kingdom, Mgungundlovu (Place of the Elephant) was established here. The Voortrekker leader, Piet Retief, was executed in the valley and his grave can be visited. Seven Zulu Kings (Unkosinkulu, Zulu, Phunga, Mageba, Ndaba, Jama and Senzangakhona) are buried in the Emakhosini valley. A monument called the Spirit of Emakhosini was built to honour the Zulu Kings and it overlooks the valley. It was officially opened by His Majesty King Zwelithini kaBhekuzulu in 2003. ([www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites](http://www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites) and [www.kznwildlife.com/old/index.php?/Emakhosini-Ophathe-Heritage-Park](http://www.kznwildlife.com/old/index.php?/Emakhosini-Ophathe-Heritage-Park))

**(f) KwaMagwaza**

An Anglican Mission was established in 1859. It expanded in 1907 to include an orphanage, a high school, a teachers training centre and the St Elizabeth's College of Nursing. The buildings have since changed in use and are now utilized as a Diocesan Conference Centre and also cater for tourism, an educational training centre and community development programs. KwaMagwaza is approximately 10 km from Melmoth. ([www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites](http://www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites))

***(g) Queen Nandi***

The Emkhindini kraal on the R66 near "Oom Wessel se Winkel" was built for Nandi, the mother of King Shaka after they had been driven away from Senzangakhona's kraal. When Queen Nandi moved to a new kraal in the uMhlathuze Valley, the Emkhindini kraal was presided over by King Shaka's sister, Nomcoba. ([www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites](http://www.melmoth.co.za/virtual-tour/mthonjaneni-historical-sites))

**4.6.9.3 Tourism Assets**

The Mthonjaneni municipal area contains a number of key assets, which could be developed and integrated into a diverse product mix. As indicated above, the source tourist market is predominantly domestic i.e. mainly from KZN and Gauteng and it is estimated that foreigners account for approximately 7% of the visitors (mainly British). Tourists are attracted to the area for its scenic beauty, missions, sporting events and birding and heritage. The following are some of the important assets in the municipal area:

***(a) Agri-Tourism***

Agri-tourism is focused largely on providing guests with a variety of farming and farming experiences in an environment they may not otherwise encounter.

This could include:

- picking a basket of oranges in an orange plantation;
- stacking hay bales in a barn;
- experiencing harvest season on a sugar cane or timber farm;
- herding cattle;
- touring an automated dairy operation; and

- selecting your own vegetables on a farm

While farmers obviously see this as part of their daily work schedule, many people are prepared to pay for the opportunity of doing or experiencing traditional farm operations. This exercise is therapeutic in nature.

### ***(b) Cultural Tourism***

South Africa is home to diverse cultures, ranging from the fierce Zulus of KwaZulu Natal province who resisted European conquest to the nomadic Bushmen of the Karoo desert. These many cultures have evolved their own unique and distinctive music, art forms and traditional rituals, symbolizing their values and beliefs, and in contrast with those of the European settlers, whose descendants have evolved variations of their European roots. The development of Afrikaans language, a local variant of Dutch, is an interesting example of this. Tourist interested in the human side of life will find this rich cultural diversity fascinating. Cultural activities include:

- telling of Zulu history
- telling of Mthonjaneni history
- sharing traditional way of life
- sharing indigenous knowledge
- A Zulu cultural village could be developed showing Zulu heritage (Pictorially and through videos, CDs, books, storytelling, poetry and praise singers) should be developed at Mgabhi where Nandi, the Mother of the Zulu nation is rested.

### ***(c) Missionary Tourism***

KwaMagwaza, the An Anglican Mission was established in 1859. It expanded in 1907 to include an orphanage, a high school, a teachers training centre and the St Elizabeth's College of Nursing. The buildings have since changed in use and are now utilized as a Diocesan Conference Centre and also cater for tourism, an educational training centre and community development programs. KwaMagwaza is approximately 10 km away from Melmoth. The area is not well promoted to Africa and world wide thus a need to map the area in the municipal website and KCDM Tourism.

#### ***(d) Eco Tourism***

South Africa has diverse climates, ranging from tropical in the southeast to desert in the central region. The scenery runs the gamut from spectacular mountain ranges to vast grass plains; coastlines on the seaboard to meandering rivers, sub-tropical regions to desert dunes, diverse flora to rich games and bird life. As can be seen above, ecotourism is focused more on giving visitors the opportunity to experience environmentally based activities. These include the following:

- nature photography,
- bird watching,
- botanical studies,
- hiking, and
- fly-fishing at Phobana Lake.

#### ***(e) Community Based Tourism***

There are a very few community-based tourism initiatives within the municipal area. The previously advantaged (the white population group) still dominates the tourism sector.

#### **4.6.9.4 Tourism Key Challenges**

The sector is important in the context of Mthonjaneni. It is, however, not performing to its fullest and interventions are therefore required to enable it to function effectively. There are a number of issues, which need to be addressed. These include:

- A fragmented relationship exists between the tourism sector and the Municipality. This relationship needs to be strengthened so that a common vision for tourism development can be achieved. This would, in turn, assist in securing a buy-in, resources and support for tourism development initiatives.
- There is a lack of human and financial resources to support tourism development and marketing.
- The area lacks focused marketing initiatives, which are required to defend existing markets and to secure new markets.

- The lack of an Investment Attraction Strategy also contributes to the area not marketing/informing people of the tourism opportunities that exist in the municipal area.

#### **4.6.10 Business Sector Development**

The business sector is important in that it contributes to the overall development of the local economy. It involves entrepreneurial activity that has potential for growth and for new businesses to emerge. The following are the advantages of the business sector:

- Provides a market for manufactured products.
- Creates employment opportunities and is a significant employment sector.
- Provides a bridge between consumers and producers.
- In certain instances, it adds value to the manufactured products.
- Provides support through products and services to all other sectors of the local economy and therefore is a crucial element of an efficient and healthy local economy.

The Mthonjaneni area has an extensive commercial sector, which offers opportunities for future economic growth and provides a range of supplies to the surrounding communities and sectors operating in the area. The majority of businesses have been in existence for over 10 years. The retail trade is the dominant sector in the Mthonjaneni municipal area is, which makes up 52% of commercial activities.

It appears that the retail trade sector is experiencing a high level of competition. Food accounts for a large part of the tradable products i.e. perishable and processed products. It was noted in the statistical analysis section that products that are sold by retailers are typical of rural services centres that provide for a predominantly rural population. These include mainly perishable and processed products, household furniture, clothing and footwear and other household necessity items (glass and crockery, pharmaceuticals etc.).

##### **4.6.10.1 Employment in the Business Sector**

Generally, the business sector does not employ a large number of employees – it is the third largest employer after agriculture and community services (the public sector). Businesses

employment is closely linked to demand patterns – the business will only take on new employees when demand increases. The new staff members are taken on when they can assist in expanding the customer base. Most of the businesses in Mthonjaneni are of a small-scale nature and therefore only employ a small number of people. Approximately 59% of the businesses in the area employ 1 to 10 people.

#### **4.6.10.2 Informal Sector**

It is worth mentioning that the informal sector policy for the municipality exists. Noticeable there is a fairly large informal sector within the Melmoth area. The informal sector operators include informal traders near taxi ranks, spaza shops and many other types of economic activities. This group is, however, not properly organized and as such does not enjoy the benefits of proper trading facilities, services and opportunities (skills training, access to finance), etc. Majority of the informal traders does not know or understands the existence of the informal sector policy. The following is the list of activities falling within the Informal Sector:

- Street traders
- Hairdressing and hair cut
- Traditional medicine
- Restaurants/ Food outlets
- Traditional wear, décor & beadwork
- Payphones
- Shoes and shoe repairs
- Trader in pedestrian
- Taxi drivers
- Markets (flea & craft markets as well as special markets)
- Traders at transport interchanges
- Photographers
- Cardboard collectors
- Traders found in public open spaces
- Mobile Traders (roving, caravans, bakkies)

#### **4.6.10.3 Market Stalls Significance**

The Ndundulu Hawkers Stalls are very important to the local people as they provides jobs for the local unemployed women and Youth. They are strategically located in the poor and very sloppy area unsuitable for cropping and with less or no industrial development whatsoever. The stalls are also located not far from the fruit farms at the Nkwaleni Valley hence less transport costs for most vegetables. It should be noted that some fruits sold at the stalls are home grown locally. Sondela Market Stalls are also critically significance by providing the local people with jobs to a certain extent.

#### **4.6.10.4 Challenges Facing Informal Sector**

##### ***(a) Institutional Challenges***

The following represents the most critical challenges facing the informal economy institutionally:

- No access to training.
- Limited access to finance and banking institutions.
- Limited to land and property.
- Excessive government regulations.

##### ***(b) Infrastructural challenges***

The following represents the most critical challenges facing the informal economy infrastructural:

- Lack of working premises
- Water availability
- Storage facilities
- Toilets availability

##### ***(c) Economic/Financial Challenges***

The following represents the most critical challenges facing the informal economy economically/financially:

- Insufficient funds do not allow for further investments.
- Low income or lack of regular income as household consumption competes for the use of business earnings.



- Lack of opportunities for bulk purchase of inputs and lack of working capital.
- Limited access to technology.

#### **4.6.11 Economic Centres**

There is predominantly one commercial node, namely, Melmoth that characterize the Mthonjaneni municipal area. The types of products that are sold within the area are typical of rural services centres that provide for a predominantly rural population. In Melmoth, there is a shopping centre/ mall which is situated next to R34/66 and provides mainly perishable and processed products, household furniture, clothing and footwear and other household necessity items (glass and crockery, pharmaceuticals as well as hardware etc.) There are Provincial Departments:

- Social Development,
- Correctional Service
- Agriculture and Rural Development
- South African Police Services.
- Home Affairs ( Operating within the old municipal buildings)
- Primary Health Care Facilities

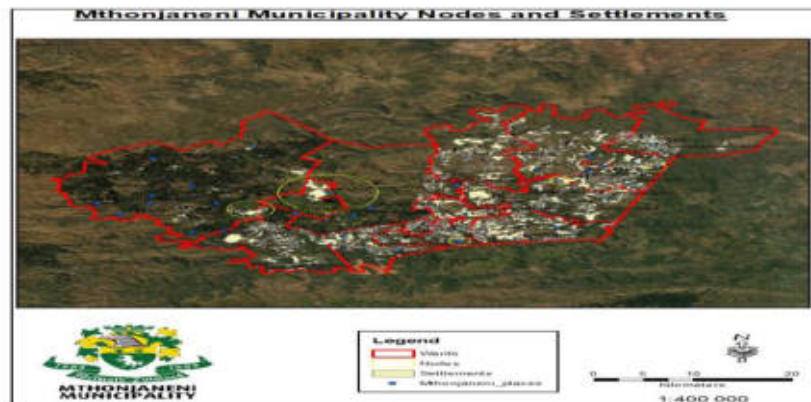
#### **4.6.12 Mining Sector Development**

The Melmoth Iron Ore project is a joint venture between Jindal Africa Investments (Pty) Ltd and Sungu (Pty) Ltd. The project is currently at an exploration level, a combined 20 170 hectares in extent divided into two concessions namely the North Block and South Block respectively falling within wards 3 & 5 of the Mthonjaneni Municipality and falls within land owned by Ingonyama trust and privately owned land. The Department of Economic Development and Tourism (DEDT), SMME section had done a workshop with mining partners on BBEEE Codes and the mining Management had been sensitized on the need for community to benefit from the mining activities in various ways including job opportunities and sub- contracting. This will take form of jobs created for unskilled local people, skills development and appointment of local contractors.

### **4.7 Spatial Profile for Mthonjaneni Municipality**

The Mthonjaneni Municipality spatial vision:

An economically viable municipality with established quality infrastructure which promotes local economic development and empowers people and protects the environment.



#### **4.7.1 Access**

The main corridor in the Municipality is the R 34/ R66 which links to the N2 as well as Richards Bay town. The corridor is predominantly in tourism and agriculture sectors. The primary corridor facilitates strong cross province trade, economic flows and economic development mainly between KwaZulu-Natal and Gauteng provinces. The key linkage between Mthonjaneni and Umlalazi is the R34/R66 which links Eshowe to the N2 and inland to Melmoth.

There are two key corridor linkages between Ulundi, Umhlathuze and Mthonjaneni. Firstly, the P253 emanates from the P700 (which links uMhlathuze to Ulundi) and secondly, the P534 links to the P47 (the main route between Eshowe and Melmoth).

#### **4.7.2 Settlement Pattern**

In terms of housing, more than 50% of the population resides in traditional dwellings. Workers hostels and free standing house or brick structures are the other predominant housing types at 22% each. It is significant that there are few informal or squatter settlements found in Thubalethu ( ward 2 ).

#### **4.7.3 Land Use Pattern**

The primary node (Melmoth) is surrounded by agricultural land uses such as forestry, beef and crop production (fruits and sugar cane). These activities are in turn surrounded by scattered traditional settlements. The land use pattern still reflects an apartheid style of planning.

#### **4.7.4 Land Reform**

The central and southern bands have a large number of Gazetted Land Restitution Claims. The central band runs from the north-west boundary to the south-east and is 100% transformed land which is under commercial forestry and commercial cropping. There are a few Labour Tenant Claims in the area south of KwaMagwaza. In terms of Transferred Projects this includes the northern area of the municipality, a small portion south of KwaMagwaza and the area surrounding Ekuthuleni. Ekuthuleni was a 1 160-hectare farm with approximately 231 households. Ownership of the land was transferred to the community in 2004. ([www.afra.co.za](http://www.afra.co.za)).

A large portion of the land is privately owned by individual and company commercial farmers. The remaining land belongs to Ingonyama Trust (Ntembeni T.C., Obuka T.C and Yanguye T.C.), Church land, as well as municipal owned land and State Owned land.

Some of the Church and State Owned land has been earmarked for possible Land Reform projects namely; Melmoth State Farms, Ekuthuleni (Church land), KwaMagwaza Mission, Melmoth Labour Tenants, Mfuli Mission, KwaYanguye (Tribal Commonage), Ekuthuleni State Land (started), Wilhemina Farm (started), and Arcadia Farm.

The land use patterns are further elaborated upon in the Land Use Management Systems (LUMS). In the LUMS, the areas described as “densely settled area of mixed residential and agriculture under private, trust or church tenure”, are identified as areas that “are not yet formalized, but show potential for developing into distinct villages”.

The land use patterns are further elaborated upon in the Land Use Management Systems (LUMS). In the LUMS, the areas described as “densely settled area of mixed residential and agriculture under private, trust or church tenure”, are identified as areas that “are not yet formalized, but show potential for developing into distinct villages”. The land in Mthonjaneni is mainly used for agriculture and residential purposes. There are no conservation areas and very limited recreation areas in the form of a golf course and sports fields in places.

The Department of Land Affairs had confirmed that most recently (after 2009), the following projects were implemented (farms transferred), as follows: Schuithoek 4 – PLAS, Schuithoek 5 – PLAS, Wondsbeck – PLAS, Morgenzone – PLAS, Simunye Lodge – PLAS,

Sizanemvelo – LRAD, Bhekophathe – LRAD, Majikane – LRAD, Ophathe – LRAD, Boegoneck 1 – LRAD and Boegoneck 2 – LRAD.

- **PLAS – Pro-active Land Acquisition Strategy**

This program seeks to involve rental system of the properties by the beneficiaries for a specific period with intention to buy later. Number of households (Hh) to benefit is critical for this program; similarly the number of jobs to be created during the leasing period is of utmost importance.

- **LRAD – Land Redistribution for Agricultural Development**

This program seeks to involve the willing buyer and willing seller method whereby the farm is purchase using valuation system of the properties and subsequently purchased outright by the government on behalf of beneficiaries using grant system.

#### **4.8 KCDM Spatial Economy**

The Spatial Development Framework (SDF) seeks to guide overall spatial form and identify current and future desirable land uses within a municipality, in order to give physical effect to the vision, goals and objectives of the municipal IDP. The SDF informs development decisions and creates a framework for investment that facilitates both public and private spending. The SDF also provides a basis for land use management.

The Spatial Development Framework is ‘indicative’ of broad land uses within the municipal area of jurisdiction and directions of future development. It reflects key land uses such as major transport routes, future transport links, environmentally important areas and key potentials and constraints.

King Cetshwayo District Municipality is located to the North East of the KwaZulu-Natal province and borders onto the Mozambique to the east and Swaziland to the west. The District Management Area (DMA) is located to the East of the District and it is adjacent to UMkhanyakude District Municipality in the KwaZulu-Natal Province. The following are the key spatial elements that have a profound impact on local economic development:

**Settlement pattern:** King Cetshwayo DM is generally rural in character and the settlements in these areas are spatially disintegrated and mono-functional in nature. The spatial arrangement and low density in each settlement makes it difficult and costly to services these areas. The major towns within the District (Empangeni, Richards Bay, Eshowe, Melmoth, Mbonambi, Nkandla, Mthunzini and Gingindlovu) have higher settlement densities and a higher concentration of services and activities.

**Access:** The Provincial Spatial Economic Development Strategy has identified key investment nodes and activity corridors within the province. The towns of Richards Bay and Empangeni have been identified as nodes with a rating of 3rd most important. In addition two agricultural activity corridors have been identified which links the King Ctshwayo DM to other important nodes i.e. the Richards Bay/ Empangeni corridor and the Eshowe/ Melmoth corridor. The Richards Bay/ Empangeni corridor has also been identified as a provincial priority corridor in that its aim is to focus primarily on developing a direct link between the Durban and Mozambique and Swaziland and the coastal areas so as to expand the number of tourist destinations and spending options.

**Land use:** Land within the District is predominantly privately owned. There are some pockets of land that are state owned and others that form part of the Ingonyama Trust land (20%). The majority of land (8000ha) is natural environment, followed by agriculture (commercial farms) which is the highest usage and an insignificant extent of land is dedicated to industry.

Land within Mthonjaneni Municipality is predominantly privately-owned. While there are some pockets of the land that are State-owned (Stateland), others form part of the Ingonyama Trust Land, administered by Amakhosi. The primary node (Melmoth) is surrounded by agricultural land uses (which account for the highest land usage) such as forestry, dairy and crop production. These activities are, in turn, surrounded by scattered traditional settlements, with only an insignificant extent of land dedicated to commerce and industry.

It is also worth noting that the land use pattern still reflects an apartheid style of planning, an area which certainly requires some attention. There are currently also numerous land reform

projects, which are underway. These include labour tenancy, transferred redistribution and restitution- gazetted claims, the majority of which are not yet resolved.

The Department of Rural Development and Land Reform (DRDLR) (previously known as the Department of Land Affairs or DLA) is responsible for coordinating land reform projects. To this end, a District Land Reform Co-coordinating Committee has been established in the area to tackle land reform-related matters. It is comprised of the DRDLR, Mthonjaneni Local Municipality and uThungulu District Municipality. As a result, a Plan, forming part of the IDPs, was developed on land reform projects, which envisaged acquisition of land.

**Water Management Area (WMA):** There is no specific water management area that the municipality falls under, nonetheless it is near the uMhlathuze water management area. Three tiers of rivers occur in the area i.e. a few large rivers that rise in the pristine Ndundulu medium sized rivers which rise in the coastal hinterland of uMhlathuze and several coastal rivers rising near to the coast (uMhlathuze). The river ecosystems in this area are less subject to stress than the rest of the subcontinent due to the more reliable supply of water. The rainfall in this WMA is strongly seasonal with more than 80% of rain occurring as thunderstorms between October and March. The peak rainfall period for the inland areas is between December and February. The mean annual precipitation for the King Cetshwayo area is around 700-800mm. The WMA is therefore able to support a range of agricultural activities such as sugar cane, citrus and vegetables.

#### **4.9 District Economy and District Development Plan**

The most prominent employment sectors are manufacturing, mining and agriculture including citrus, sugar- cane, vegetable, fruit, and forestry, followed by tourism community services and domestic employment. More than 15% of the working population in the District are involved in construction and small scale manufacturing. It is interesting to note that in spite of male migration, males are dominant in local employment especially in the manufacturing and mining sectors. The District is known for its innovative and progressive mining and manufacturing methods, which have resulted in a continually increasing output and consequent increasing prosperity.

King Cetshwayo District Growth and Development Plan is in place was adopted by KCDM Council in June 2015. By 2030 KCDM is renowned for the vastly improved socio-economic status of its residents resulting from 15 years of sustained economic growth. The district is internationally recognized as a world leader in innovative and sustainable manufacturing based on the successful implementation of the RBIDZ initiative. This economic growth, together with the district rural development program resulted in the creation of decent employment opportunities leading to the fastest growing household and individual income levels in the province, and reducing the unemployment rate of the youth in the district by more than 50%. It also resulted in a significant decrease in the economic dependency ratio and improving the overall quality of life in the district. The economic growth is underpinned by a vastly improved information and telecommunication infrastructure network with the entire district having access to a wireless broadband service and all businesses and more than 50% of households with access to a computer and internet service. By 2030 the district is characterized by a high quality infrastructure network supporting both household needs and economic growth. All households are provided with access to appropriate water infrastructure, adequate sanitation, and sustainable energy sources.

Improved access to health facilities and quality of health services provided resulted in continually improving health indicators in the district. The quality of the output from the primary and secondary education system has improved dramatically and all learners have access to fully equipped primary and secondary education facilities. Sustainable and coherent spatial development patterns have been successfully implemented through innovative spatial planning frameworks and effective land use management systems implemented by highly skilled officials. Improved public sector management and skills levels resulted in sound local governance and financial management.

#### **4.10. SWOT Analysis**

##### **4.10.1 Strengths**

Strength is a feature of the municipality or its location which gives a competitive advantage in a positive manner. It is a feature which should not be lost or degraded.

- Sound and good administration.
- Committed staff and Councilors.

- Existing potential agricultural land within the municipal area.
- Access to community facilities.

#### **4.10.2. Weaknesses**

A weakness in this context is a characteristic of the municipality or a process which could prohibit or hinder the attainment of a desirable future situation. It acts negatively to the municipality performance.

- Low rate base.
- High poverty levels.
- Lack of funding for infrastructure development.
- Lack of job opportunities.

#### **4.10.3 Opportunities**

An opportunity is a situation or set of circumstances which, if dealt with appropriately, could assist significantly in moving the municipality towards achieving desirable improvements.

- Rehabilitation of existing industrial area can attract investors.
- MIG funds to address infrastructure backlogs.
- The R66 corridor development.

#### **4.10.4 Threats**

A threat is a set of circumstances or a trend or process which could result in reduced levels of well-being.

- Lack of capacity to enforce bylaws.
- Distance from major economic node in the province.
- Settlement along rivers causing danger to human life.
- Fire hazards.

### **4.11 Challenges Faced by the Mthonjaneni Local Municipality**

- The projections indicate that approximately 3, 1 % of households (317) within the municipal area, are in the homeless and informal dwelling/shack category.



- The population is highly dependent on the agricultural sector for employment opportunities whilst there is opportunity to develop other development sectors including the service sector, Industry and commercial sectors.
- Unresolved Land claims that impact on future development.
- Limited access to basic household and community services.
- Increased incidents of HIV/AIDS and communicable diseases.
- Emergency of Covid-19 positive cases which possess great threat to human lives
- High rate of unemployment which leads to poverty and low economic growth.
- Depletion of infrastructure due to variations in climatic conditions.

### 5.1 Introduction

LED pursues an inclusive **pattern** of economic growth that does ultimately contribute to reducing poverty consciously and systematically. Whereas previous LED strategies may not have had the desired scale of impact, this section aims provide direction as to economic stakeholders will cooperate to realize an improved economic future of Mthonjaneni Municipality.

### 5.2 Strategy One: Capacity Building Strategy (Municipal and SMMEs)

- To vibrantly improve the impact of government initiatives on the local economic development of Mthonjaneni Local Municipality.
- To fully engage the local organizations in the process of economic development of Mthonjaneni Local Municipality.
- To enhance Public/Private Partnerships in the development of the local economy.

### 5.3 Strategy Two: Agricultural Development Strategy

- To link the existing Mthonjaneni local producers to markets and other opportunities. To increase agricultural productivity in the area by rendering effective technical assistance.
- To diversify and increase agricultural opportunities for farmers while promoting sustainable agriculture and sound environmental management.
- Development of comprehensive agricultural development strategy including timber production.

### 5.4 Strategy Three: Tourism Development Strategy

- To ensure awareness of the tourism opportunities available at Mthonjaneni Local Municipality.
- To encourage both formal and informal investment in the tourism sector.
- To exploit the existing tourism potential so as to attract tourists into Mthonjaneni Local Municipality.

## **5.5 Strategy Four: SMME and Business Development Strategy**

- To facilitate the process of business establishment, maintenance and management at Mthonjaneni Local Municipality.
- To create and promote the existing local market outlets.
- Promotion the establishment of manufacturing cooperatives and capacitate the existing cooperatives on all aspect of business.

## **5.6 Strategy Five: Economic Integration Strategy**

- To increase efficiency and accessibility.
- To unlock communication channels.
- To increase investment into Mthonjaneni Local Municipality.
- To retain income within the local economy.

## **5.7 Strategy Six: BBBEE/SMME Strategy**

- To ensure the engagement of BBBEE/SMME businesses in the local economic development process.
- To facilitate information sharing between the BBBEE/SMME businesses and the established businesses.
- To fast-track the development of small businesses (e.g. the banking sector).

## **5.8 Strategy Seven: Information Availability Strategy**

- To monitor economic trends of Mthonjaneni Local Municipality and produce up-to-date socio-economic information suitable for management and policy decisions for Mthonjaneni Local Municipality.
- To assess information needs and set the priorities.

## **5.9 Strategy Eight: Poverty Alleviation & HIV/ AIDS Strategy**

- To identify projects that are HIV/Aids and poverty related.
- To ensure the implementation of Mthonjaneni Local Municipality's poverty alleviation projects that would indirectly impact positively on HIV/Aids infection.
- To access funding for the implementation of the HIV/Aids and poverty.

## **5.10 Strategy Nine: Strengthen Institutional Arrangements**

- To improve business service provision. Objective 9.2: To monitor business service and standards.
- To improve accountability of the Municipality.
- To encourage and foster Private Public Partnerships.
- To source sufficient funds for business establishment and operation.
- To review the position of LED in the municipality organogram.
- To capacitate the LED section with resources and budget.
- Alignment of LED activities with District like Maritime Strategy.

### **6.1 Introduction**

This particular section of the report, the strategic actions and objectives are translated into implementable programs and projects. There have been a number of programs and projects that have been identified that their implementation would assist in achieving the 2030 Vision of Mthonjaneni Local Municipality discussed in the earlier sections. The following table outline these programs and projects.

The projects that are identified are further prioritized according to their importance in developing and addressing economic challenges at Mthonjaneni Local Municipality. The priority list comprises of 9 activities that their implementation would result in unlocking economic opportunities that exist in the area. The priority activities are mainly: capacity building including LED section, grooming of SMME/BBBEE firms and the further development and attractions of the big businesses into the area.

### **6.2 Capacity for LED Implementation**

One of the most serious constraints experienced by the Municipality is the necessary capacity to implement LED projects and programs. The central function of the LED Unit in the Municipality is to facilitate economic opportunities by bringing private sector and public sector role players together. Mthonjaneni experiences a serious lack of infrastructure and entrepreneurs. The LED Officer should identify economic opportunities, identify potential entrepreneurs that can realize the opportunities and then ensure that the necessary public sector infrastructure and services are available to support the businesses in their endeavors.

In order to fulfill its task successfully, the Municipality requires the following:

- An adequate number of suitable qualified and experience personnel at strategic level;
- The Municipality has to ensure that the available LED personnel get appropriate LED training in order to be able to drive the facilitation task, it is

also important for the Municipality to employ the LED Manager who will work and assist at a strategic level; and

- The communication mechanism and resources that will enable the personnel to fulfill their tasks.
- A proper alignment between departments is important, for instance there should be an alignment between IDP Plan and LED Plan as well as other sector plans like Housing.

The proposed and recommended organization structure that the Municipality should strive to implement with respect to LED is illustrated in the organogram below.



The above diagram reflects that LED Officer reports directly to the Manager: Social Services. There is a need for the creation of LED Manager Post since the incorporation of former Ntambanana Municipality wards to Mthonjaneni Municipality which came with more workload to the LED section. The LED Personnel should be capacitated in conducting their duties mainly in the business planning and fund raising proposals writing. Nonetheless, the LED Section should have a sizeable budget to implement projects that are job creating and to participate in the relevant stakeholders' Forums. This necessitates that transport be allocated to the LED Section to perform the critical role as alluded in this report.

### 6.3 Key LED Projects and Programs for Mthonjaneni Municipality

The table below explains the key projects to be implemented within the municipality in order to turn around LED and to fulfill the Municipality LED mandate as per legislation.

Project No 1		Program Type: Capacity Building (SMME)	
Brief Project Description			
Facilitate training of Entrepreneurs by SETA internships with government Departments and Municipalities			
Expected Results:		Target Group (s)	
<ul style="list-style-type: none"><li>○ Improved service for Entrepreneurs.</li><li>○ Promotion of small business sector represents a growth in the local economy of Mthonjaneni.</li><li>○ Capacity building of Entrepreneurs.</li></ul>		<ul style="list-style-type: none"><li>○ The youth.</li><li>○ Existing entrepreneurs.</li><li>○ Unemployed persons.</li></ul>	
Possible Stakeholders:		Possible Contribution to the Project:	
<ul style="list-style-type: none"><li>○ SETA.</li><li>○ Municipality.</li><li>○ Existing Entrepreneurs.</li><li>○ Existing Businesses.</li></ul>		<ul style="list-style-type: none"><li>○ Facilitate SETA engagement in the municipal area.</li><li>○ Beneficiaries.</li><li>○ Funding and accreditation.</li><li>○ Receivers of funding and take up of the unemployed.</li></ul>	
Pre-requisites:		Risk Factors:	
<ul style="list-style-type: none"><li>○ Establishment of a well-equipped and credible business information centre.</li><li>○ Identification of existing Entrepreneurs for development.</li></ul>		<ul style="list-style-type: none"><li>○ Accessing of SETA discretionary funds.</li><li>○ SETAs response to the initiative may not yield the expected results.</li></ul>	
Estimated Costs:			
<ul style="list-style-type: none"><li>○ R 80 000.00 municipal funding to facilitate engagement with SETAs and provision of workshops and for discretionary funding application.</li><li>○ Training and capacity building funding to be delivered.</li></ul>			
Time of Implementation:		Time to Impact:	
2021/2020 Financial Year		Medium to long term	
Outputs:			
<ul style="list-style-type: none"><li>○ Training programs and workshops.</li><li>○ Better skilled people.</li></ul>			

Project No 2		Program Type: Capacity Building (LED)	
Brief Project Description			
Facilitate LED capacity building to Municipal Officials and Councilors			
Expected Results:		Target Group (s)	
<ul style="list-style-type: none"><li>○ Improved LED concept understanding.</li><li>○ Better choice of LED projects.</li><li>○ Improved support of LED program.</li></ul>		<ul style="list-style-type: none"><li>○ LED Officials.</li><li>○ Municipality Management.</li><li>○ Councilors.</li><li>○ Ward Committees.</li></ul>	
Possible Stakeholders:		Possible Contribution to the Project:	
<ul style="list-style-type: none"><li>○ King Cetshwayo District Municipality.</li><li>○ Mthonjaneni Municipality.</li><li>○ Private Sector (Consultants).</li><li>○ Dept. of Economic Development &amp;</li><li>○ Dept. Cooperative Governance and Traditional Affairs (LED).</li></ul>		<ul style="list-style-type: none"><li>○ In-principle support the projects.</li><li>○ Facilitation of the application process.</li><li>○ Packaging of the application to source funding (for and on behalf of the Municipality).</li></ul>	
Pre-requisites:		Risk Factors:	
<ul style="list-style-type: none"><li>○ Drawing up of Business Plans for various projects.</li><li>○ Preparation of funding proposals.</li></ul>		<ul style="list-style-type: none"><li>○ Possibility of some applications not being successful/projects not being implementation due to funding/resource restriction.</li><li>○ Reluctance on the part of Consultants to be involved due to costs to be incurred &amp; risks associated with unsuccessful applications.</li></ul>	
Estimated Costs:			
<ul style="list-style-type: none"><li>○ Consultants to charge an average of 10% of all project costs (for approved and available funding only – risk based method).</li><li>○ R 50 000.00 to be budgeted for LED training for Officials and Councilors as well as training in fundraising to be done by the Consultants.</li></ul>			
Time of Implementation:		Time to Impact:	
2021/2022 Financial Year		Short to Medium term	



<b>Outputs:</b> <ul style="list-style-type: none"> <li>○ Approved LED projects and commencement of implementation.</li> <li>○ Employment opportunities generated.</li> </ul>	
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Project No3		Program Type: Agricultural Development - Market	
Brief Project Description			
Establishment of a Local Fresh Produce Market linked to King Cetshwayo Fresh Produce Market			
Expected Results:		Target Group (s)	
<ul style="list-style-type: none"><li>Local producers will be linked to the markets.</li><li>Agricultural opportunities for Farmers will be diversified and increased.</li><li>Agri-processing industries will be developed.</li></ul>		<ul style="list-style-type: none"><li>Existing farmers</li><li>Emerging Black Farmers</li></ul>	
Possible Stakeholders:		Possible Contribution to the Project:	
<ul style="list-style-type: none"><li>Department of Agriculture, Environmental Affairs and Rural Development (DAEARD).</li><li>Dept. of Economic Development (Agri- Business Section).</li><li>Private Sector (Consultants/Service Providers).</li><li>Farmers Associations.</li><li>Mthonjaneni Municipality.</li></ul>		<ul style="list-style-type: none"><li>Provision of technical support and training.</li><li>Enterprise development.</li><li>Feasibility Study and development of Business and Development plans.</li><li>Provision of technical support and agricultural development finance to small-scale farmers.</li><li>Facilitation and provision of land.</li></ul>	
Pre-requisites:		Risk Factors:	
<ul style="list-style-type: none"><li>Identification of a suitable and easily accessible area and land for location of market.</li></ul>		<ul style="list-style-type: none"><li>Lack of funding especially for the construction of the Fresh Produce Market.</li></ul>	
Estimated Costs:			
<ul style="list-style-type: none"><li>R 400 000.00 for Feasibility Study and development of a Business Plan.</li><li>Project implementation costs will be dependent on the Feasibility Study to be done.</li></ul>			
Time of Implementation:		Time to Impact:	
2021/2020 Financial Year		Medium to long term	

<b>Outputs:</b> <ul style="list-style-type: none"> <li>○ Increased commercial farming practices</li> <li>○ Poverty alleviation through jobs to be created and other spin-offs</li> <li>○ Improved economic performance of</li> </ul>	
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Project No 4		Program Type: Agricultural Development - Strategy	
Brief Project Description			
Facilitate the development of comprehensive and all-inclusive agricultural development strategy			
Expected Results:		Target Group (s)	
<ul style="list-style-type: none"><li>○ Strategy developed with clear objectives and targets for the area.</li><li>○ Better coordinated agricultural development services in the municipal area.</li></ul>		<ul style="list-style-type: none"><li>○ Existing farmers</li><li>○ Emerging Black Farmers</li></ul>	
Possible Stakeholders:		Possible Contribution to the Project:	
<ul style="list-style-type: none"><li>○ Department of Agriculture, Environmental Affairs and Rural Development (DAEARD).</li><li>○ Dept. of Economic Development (Agri- Business Section).</li><li>○ Private Sector (Consultants/Service Providers).</li><li>○ Farmers Associations.</li><li>○ Mthonjaneni Municipality.</li></ul>		<ul style="list-style-type: none"><li>○ Technical support.</li><li>○ Technical support and funding.</li><li>○ Specialist advise and facilitation.</li><li>○ Participation in workshops &amp; interviews.</li><li>○ Funding and support.</li></ul>	
Pre-requisites:		Risk Factors:	
<ul style="list-style-type: none"><li>○ Appointment of suitable qualified and experienced service provider.</li><li>○ Budget allocation for the project.</li></ul>		<ul style="list-style-type: none"><li>○ Poor participation and support by local farmers.</li><li>○ Funding availability.</li></ul>	

<b>Estimated Costs:</b> <ul style="list-style-type: none"> <li>○ R 190 000.00 to conduct research and develop a comprehensive agricultural development strategy supported by all stakeholders.</li> </ul>	
<b>Time of Implementation:</b>  <b>2021/2022 Financial Year</b>	<b>Time to Impact:</b>  <b>Short to Medium term</b>
<b>Outputs:</b> <ul style="list-style-type: none"> <li>○ An implementable agricultural development strategy.</li> <li>○ Projects identified that are income generating and job creating in nature.</li> <li>○ Better coordinated agricultural development services.</li> </ul>	

<b>Project No 5</b> <b>Program Type: Tourism Development - Strategy</b>	
<b>Brief Project Description</b>  <b>Facilitate the development of comprehensive and all-inclusive tourism development strategy</b>	
<b>Expected Results:</b> <ul style="list-style-type: none"> <li>○ Strategy developed with clear objectives and targets for the area.</li> <li>○ Better coordinated agricultural development services in the municipal area.</li> </ul>	<b>Target Group (s)</b> <ul style="list-style-type: none"> <li>○ Existing Tourism Operators</li> </ul>
<b>Possible Stakeholders:</b> <ul style="list-style-type: none"> <li>○ Dept. of Economic Development &amp; Tourism (DEDT).</li> <li>○ Private Sector (Consultants/Service Providers).</li> <li>○ Tourism Associations.</li> <li>○ Mthonjaneni Municipality.</li> </ul>	<b>Possible Contribution to the Project:</b> <ul style="list-style-type: none"> <li>○ Technical support and funding.</li> <li>○ Specialist advise and facilitation.</li> <li>○ Participation in workshops &amp; interviews.</li> <li>○ Funding and support.</li> </ul>

<b>Pre-requisites:</b> <ul style="list-style-type: none"> <li>○ Appointment of suitable qualified and experienced service provider.</li> <li>○ Budget allocation for the project.</li> </ul>	<b>Risk Factors:</b> <ul style="list-style-type: none"> <li>○ Poor participation and support by local Tourism Operators.</li> <li>○ Funding availability.</li> </ul>
<b>Estimated Costs:</b> <ul style="list-style-type: none"> <li>○ R 190 000.00 to conduct research and develop a credible tourism development strategy supported by all relevant stakeholders.</li> </ul>	
<b>Time of Implementation:</b>  <b>2021/2020 Financial Year</b>	<b>Time to Impact</b>  <b>Medium to long term</b>
<b>Outputs:</b> <ul style="list-style-type: none"> <li>○ An implementable tourism development strategy.</li> <li>○ Projects identified that are income generating and job creating in nature.</li> <li>○ Better coordinated tourism development services.</li> </ul>	

<b>Project No 6</b>	<b>Program Type: Tourism Development - Opportunities</b>
<b>Brief Project Description</b>  <b>Promote local tourism by upgrading the local infrastructure (road, electricity, water and safety)</b>	
<b>Expected Results:</b> <ul style="list-style-type: none"> <li>○ Increase in the number of businesses moving into the area.</li> <li>○ Employment opportunities for I</li> <li>○ Attraction of Tourists into the area.</li> </ul>	<b>Target Group (s)</b> <ul style="list-style-type: none"> <li>○ Residents of Mthonjaneni.</li> <li>○ Business people.</li> </ul>

<b>Possible Stakeholders:</b> <ul style="list-style-type: none"> <li>○ King Cetshwayo District Municipality.</li> <li>○ Dept. of Economic Development &amp; Tourism (DEDT).</li> <li>○ Government departments.</li> <li>○ Mthonjaneni Municipality.</li> </ul>	<b>Possible Contribution to the Project:</b> <ul style="list-style-type: none"> <li>○ In-principle support and funding.</li> <li>○ Specialist advise, facilitation and possible funding.</li> <li>○ Project implementation.</li> <li>○ Funding and support.</li> </ul>
<b>Pre-requisites:</b> <ul style="list-style-type: none"> <li>○ Technical Services Directorate priorities must support the project.</li> <li>○ Funding must be committed</li> </ul>	<b>Risk Factors:</b> <ul style="list-style-type: none"> <li>○ Lack of project support stakeholders.</li> <li>○ Funding availability.</li> </ul>
<b>Estimated Costs:</b> <ul style="list-style-type: none"> <li>○ To be determined in conjunction with the Technical Services Directorate.</li> </ul>	
<b>Time of Implementation:</b>  <b>2021/2022 Financial Year</b>	<b>Time to Impact:</b>  <b>Medium to long term</b>
<b>Outputs:</b> <ul style="list-style-type: none"> <li>○ Increased business investments and tourism opportunities.</li> </ul>	

Project No 7		Program Type: SMME Development	
Brief Project Description			
Identification of outsourcing opportunities for the local SMME Firms			
Expected Results:		Target Group (s)	
<ul style="list-style-type: none"><li>○ Developed and registered BBBEE/SMME businesses.</li><li>○ Link between SMME businesses with larger established businesses.</li></ul>		<ul style="list-style-type: none"><li>○ Existing BBBEE/SMME businesses.</li><li>○ The Youth.</li></ul>	

<b>Possible Stakeholders:</b> <ul style="list-style-type: none"> <li>○ <b>Mthonjaneni Municipality.</b></li> <li>○ <b>Small Enterprise Development Agency (SEDA).</b></li> <li>○ <b>Department of Economic Development &amp; Tourism (SMME Section).</b></li> <li>○ <b>National Youth Development Agency (NYDA).</b></li> </ul>	<b>Possible Contribution to the Project:</b> <ul style="list-style-type: none"> <li>○ <b>Facilitation of the project.</b></li> <li>○ <b>Provision of support for emerging businesses.</b></li> <li>○ <b>Provision of technical support to SMME firms to access finance.</b></li> <li>○ <b>Provision of training/skills development program.</b></li> </ul>
<b>Pre-requisites:</b> <ul style="list-style-type: none"> <li>○ <b>Preparation of Business Plans.</b></li> <li>○ <b>Compilation of a Database for SMME businesses.</b></li> <li>○ <b>Business Support Centre establishment.</b></li> </ul>	<b>Risk Factors:</b> <ul style="list-style-type: none"> <li>○ <b>Lack of business support at a local level.</b></li> <li>○ <b>Poor support and commitment by local SMMEs.</b></li> </ul>
<b>Estimated Costs:</b> <ul style="list-style-type: none"> <li>○ <b>R 50 000 to run workshops for the SMMEs and to assist in engaging with industries, identification of outsourcing opportunities and liaising with local SMMEs.</b></li> <li>○ <b>R 140 000.00 for development of SMME Strategy.</b></li> </ul>	
<b>Time of Implementation:</b>  <b>2021/22 Financial Year</b>	<b>Time to Impact:</b>  <b>Short - Medium term</b>
<b>Outputs:</b> <ul style="list-style-type: none"> <li>○ <b>Updated Database of BBBEE/SMME businesses</b></li> <li>○ <b>Registered and reasonably well developed</b></li> <li>○ <b>businesses.</b></li> </ul>	

<b>Project No 8</b>	<b>Program Type: Economic Integration Strategy</b>
<b>Brief Project Description</b>  <b>Development of a Youth Development Centre including business support and capacity building</b>	

<p><b>Expected Results:</b></p> <ul style="list-style-type: none"> <li>○ Facilities where youth can benefit and enhance their skills would be established.</li> <li>○ Entrepreneurship in the local youth would be fostered.</li> <li>○ There would be increased chances of youth employment due to readily available information and skills to be developed at the centre.</li> </ul>	<p><b>Target Group (s)</b></p> <ul style="list-style-type: none"> <li>○ The Youth of Mthonjaneni Local Municipality.</li> </ul>
<p><b>Possible Stakeholders:</b></p> <ul style="list-style-type: none"> <li>○ Department of Economic Development &amp; Tourism (DEDT) (Youth Section) and the Department of Agriculture, Environmental Affairs and Rural Development (DAEARD).</li> <li>○ Umsobomvu Youth Fund.</li> <li>○ Private Investors (e.g. FNB, Ithala).</li> </ul>	<p><b>Possible Contribution to the Project:</b></p> <ul style="list-style-type: none"> <li>○ Provision of funding and technical support to the project.</li> <li>○ Provision of funding and technical support to the project.</li> <li>○ Provision of funding to the project.</li> </ul>
<p><b>Pre-requisites:</b></p> <ul style="list-style-type: none"> <li>○ Identification of a suitable and centrally situated area/land for the development of the Centre</li> <li>○ Initial funding for the Centre including operating costs.</li> <li>○ Lease secured/ Development and Business plans/designs to be available for implementation.</li> </ul>	<p><b>Risk Factors:</b></p> <ul style="list-style-type: none"> <li>○ Possibility of the Centre unable to generate sufficient income to sustain itself overtime.</li> <li>○ Limited access to funding.</li> </ul>
<p><b>Estimated Costs:</b></p> <ul style="list-style-type: none"> <li>○ R 140 000, 00 for the undertaking of a Feasibility Study (through the involvement of the private/public sector).</li> <li>○ Implementation and project costs will be informed by the outcome of the Feasibility Study.</li> </ul>	
<p><b>Time of Implementation:</b></p> <p><b>2021/22 Financial Year</b></p>	<p><b>Time to Impact:</b></p> <p><b>Short - Medium term</b></p>
<p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>○ The local Youth equipped with necessary skills that are in demand.</li> <li>○ Attraction of investment and economic growth into the area.</li> </ul>	

Project No 9		Program Type: Availability of Information	
Brief Project Description			
Development of a Business Resource and Service Centre at Melmoth node			
Expected Results: <ul style="list-style-type: none"><li>○ Economic trends of Mthonjaneni Local Municipality would be monitored.</li><li>○ Availability of reliable and up-to-date information would be ensured.</li><li>○ A facility where business Entrepreneurs can learn and enhance their skills would be established.</li><li>○ Entrepreneurship in the community of Mthonjaneni would be fostered.</li></ul>		Target Group (s) <ul style="list-style-type: none"><li>○ Existing and emerging businesses.</li></ul>	
Possible Stakeholders: <ul style="list-style-type: none"><li>○ Mthonjaneni Local Municipality.</li><li>○ SEDA</li><li>○ Dept. of Economic Development &amp;</li><li>○ Private Sector (Consultants/Service Providers)</li></ul>		Possible Contribution to the Project: <ul style="list-style-type: none"><li>○ Facilitation and funding of the project.</li><li>○ Provision of technical support and assistance with access to funding.</li><li>○ Provision of funding and technical support to the project.</li><li>○ Feasibility assessment, Business plans, Development/ Construction plans and Designs.</li></ul>	
Pre-requisites: <ul style="list-style-type: none"><li>○ Identification of a suitable and centrally situated area/land for the development of the Centre.</li><li>○ Initial funding for the Centre including operating costs.</li><li>○ Lease secured/ Development and Business plans/designs to be available for implementation.</li></ul>		Risk Factors: <ul style="list-style-type: none"><li>○ Possibility of the Centre unable to generate sufficient income to sustain itself overtime.</li><li>○ Limited access to funding.</li></ul>	
Estimated Costs: <ul style="list-style-type: none"><li>○ R 140 000, 00 for the undertaking of a Feasibility Study (through the involvement of the private/public sector)</li><li>○ Implementation and project costs will be informed by the outcome of Feasibility Study.</li></ul>			
Time of Implementation:  2021/22 Financial Year		Time to Impact:  Short - Medium term	



<p>Outputs:</p> <ul style="list-style-type: none"> <li>○ People of Mthonjaneni will be equipped with information &amp; requisite skills for ensuring economic growth in the area.</li> <li>○ There would be increased attraction of investment and economic growth into the area.</li> </ul>	
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Project No 10		Program Type: HIV/AIDS & Poverty	
Brief Project Description			
Registration, recognition and training of HIV/AIDS organizations within Mthonjaneni			
Expected Results:		Target Group (s)	
<ul style="list-style-type: none"><li>○ Access to funding for the implementation of HIV/AIDS alleviation projects.</li><li>○ Training for the home- based Care givers.</li></ul>		<ul style="list-style-type: none"><li>○ Women</li><li>○ Youth</li><li>○ Co-operatives active in the health sector</li><li>○ All HIV/AIDS infected &amp; affected people</li></ul>	
Possible Stakeholders:		Possible Contribution to the Project:	
<ul style="list-style-type: none"><li>○ Department of Social Development</li><li>○ Department of Health.</li> <li>○ King Cetshwayo District Municipality.</li> <li>○ Mthonjaneni Local Municipality.</li><li>○ Service Providers (Accredited Trainers).</li><li>○ SETAs.</li></ul>		<ul style="list-style-type: none"><li>○ Project funding and facilitation.</li><li>○ Provision of training/technical support to the project, funding for training/development and for purchase of medical supplies and equipment.</li> <li>○ Provision of funding for training and for purchase of medical supplies and equipment.</li> <li>○ Facilitation and support for training programs.</li> <li>○ Provision of training.</li><li>○ Funding and accreditation.</li></ul>	
Pre-requisites:		Risk Factors:	
<ul style="list-style-type: none"><li>○ Workshops to facilitate registration &amp; the setting of clear criteria for the project.</li><li>○ Compilation of a Database of all organizations active in the field of HIV/Aids.</li><li>○ Training and skills</li></ul>		<ul style="list-style-type: none"><li>○ Stakeholders’ response to the initiative may not yield the expected results.</li><li>○ Lack of co-operation and co-ordination between individual businesses to build and improve on the existing initiatives.</li></ul>	

<p><b>development program for project sustainability.</b></p>	
<p>Estimated Costs:</p> <ul style="list-style-type: none"> <li>○ <b>R70 000, 00 municipal funding to facilitate engagement with the relevant stakeholders &amp; funders.</b></li> </ul>	
<p>Time of Implementation: <b>2021/22 Financial Year</b></p>	<p>Time to Impact: <b>Short - Medium term</b></p>
<p>Outputs:</p> <ul style="list-style-type: none"> <li>○ <b>Development of profile of organizations active in the field of HIV/Aids &amp; engagement with them on the proposed project.</b></li> <li>○ <b>Implementation of Mthonjaneni Local Municipality's HIV/AIDS and Poverty alleviation projects.</b></li> <li>○ <b>Availability of properly coordinated support on HIV/Aids issues.</b></li> <li>○ <b>Better enhanced support for home-based Care-givers.</b></li> </ul>	

<b>Project No 11</b>	<b>Program Type: Institutional Arrangements (Chamber of Commerce)</b>
<p>Brief Project Description</p> <p><b>Strengthen the existence and functioning of Mthonjaneni/ Melmoth Chamber of Commerce &amp; Business Forum with the assistance from King Cetshwayo District Municipality (KCDM)</b></p>	
<p>Expected Results:</p> <ul style="list-style-type: none"> <li>○ <b>Access to information on managing and maintaining businesses.</b></li> <li>○ <b>Support for emerging businesses.</b></li> </ul>	<p>Target Group (s)</p> <ul style="list-style-type: none"> <li>○ <b>Local business people.</b></li> </ul>

<p>Possible Stakeholders:</p> <ul style="list-style-type: none"> <li>○ <b>K C Chamber of Commerce.</b></li> <li>○ <b>Businesses in Mthonjaneni.</b></li> <li>○ <b>Mthonjaneni Local Municipality.</b></li> <li>○ <b>Business organizations such as</b></li> </ul>	<p>Possible Contribution to the Project:</p> <ul style="list-style-type: none"> <li>○ <b>Provision of technical support and assistance with sourcing of funding.</b></li> <li>○ <b>Active participation and enlivening of the project to create more linkages and networking opportunities.</b></li> <li>○ <b>Provision of project technical support/ secretarial services and initial funding.</b></li> <li>○ <b>Provision of project technical support, capacity building/training and funding.</b></li> </ul>
<p>Pre-requisites:</p> <ul style="list-style-type: none"> <li>○ <b>Compilation of a Database of Existing businesses.</b></li> <li>○ <b>Expressed interest in the establishment of the Chamber.</b></li> </ul>	<p>Risk Factors:</p> <ul style="list-style-type: none"> <li>○ <b>Lack of support by businesses a</b></li> <li>○ <b>Availability of funding.</b></li> </ul>
<p>Estimated Costs:</p> <ul style="list-style-type: none"> <li>○ <b>R 72 000 per year for provision of facilitation and secretarial services for the first three years.</b></li> <li>○ <b>R 50 000 for project packaging and application for funding.</b></li> </ul>	
<p>Time of Implementation:</p> <p><b>2021/22 Financial Year</b></p>	<p>Time to Impact:</p> <p><b>Short term</b></p>
<p>Outputs:</p> <ul style="list-style-type: none"> <li>○ <b>Development of responsible &amp;</b></li> <li>○ <b>Improved business service provision.</b></li> <li>○ <b>Improved and properly coordinated sharing of business ideas &amp; challenges.</b></li> </ul>	

<b>Project No 12</b>	<b>Program Type: Institutional Arrangements (LED Unit)</b>
<b>Brief Project Description</b>	
Facilitate LED Unit restructuring, funding and capacity building to LED Officials on fundraising	

<b>Expected Results:</b> <ul style="list-style-type: none"> <li>○ LED Unit restructured as per COGTA recommendations.</li> <li>○ Better and coordinated LED activities.</li> <li>○ LED projects funded and implemented effectively.</li> </ul>	<b>Target Group (s)</b> <ul style="list-style-type: none"> <li>○ Municipality Management.</li> <li>○ LED Unit Officials.</li> <li>○ LED Portfolio Committee.</li> <li>○ LED Forum.</li> </ul>
<b>Possible Stakeholders:</b> <ul style="list-style-type: none"> <li>○ King Cetshwayo District Municipality.</li> <li>○ Dept. of Economic Development &amp; Tourism (LED).</li> <li>○ Department of Cooperative Governance and Traditional Affairs (COGTA) (LED).</li> <li>○ Private Sector (Consultants/Service Providers)</li> </ul>	<b>Possible Contribution to the Project:</b> <ul style="list-style-type: none"> <li>○ Project support and possible funding.</li> <li>○ Project technical support, advise and possible funding.</li> <li>○ Project technical support, advise and possible funding.</li> <li>○ Project implementation.</li> </ul>
<b>Pre-requisites:</b> <ul style="list-style-type: none"> <li>○ Approval of LED Unit organogram/structure by Municipality.</li> <li>○ Buy-in of key stakeholders.</li> </ul>	<b>Risk Factors:</b> <ul style="list-style-type: none"> <li>○ Lack of support by key stakeholders.</li> <li>○ Availability of funding.</li> </ul>
<b>Estimated Costs:</b> <ul style="list-style-type: none"> <li>○ R 50 000 for project facilitation, meetings and to run workshops on LED and economic development.</li> </ul>	
<b>Time of Implementation:</b>  2021/22 Financial Year	<b>Time to Impact:</b>  Short term
<b>Outputs:</b> <ul style="list-style-type: none"> <li>○ Creation of new LED structure including appointment of LED Manager.</li> <li>○ LED projects identified and funding proposals completed.</li> <li>○ LED projects implemented benefiting local communities.</li> <li>○ Well-coordinated and alignment with key LED stakeholders.</li> </ul>	

### 7.1 Introduction

In order to successfully implement some of the recommended strategies it is important to form different kinds of institutions that will facilitate project implementation. While we would not prescribe on the kind and form of institutions; it is obvious that privately owned business including close corporation, cooperatives, Pty (Ltd) and private-public partnerships will have to be formed.

The following section gives recommendations on how formed institutions and valuable infrastructure should be managed to ensure durability and success.

### 7.2. Strategic Management of Businesses

- All businesses should be formally registered with the registrar of companies so that they can benefit from state and other private sector programmes.
- Capacitation of SMEs and/or cooperatives is very vital. Areas of capacitation include the following:
  - ❖ general business management
  - ❖ marketing strategies
  - ❖ sales strategies
  - ❖ financial management
  - ❖ production management
  - ❖ quality management
  - ❖ market access
  - ❖ export marketing

**7.3 Investment Promotion:** The following should be implemented to promote investment.

- Implement investment incentive schemes.

- Offer competitive electricity tariffs and other service rates.
- Enter into special agreements for bulk supply of services.
- Develop industrial cluster estates with well-developed infrastructure.
- Establish business training centres.
- Advertise your municipality in prominent business magazines (both local and international), business sections of national and international newspapers and create your own internet site.

**7.4 Disaster Management:** Businesses involved in agriculture should be protected from environmental risks by the implementation of a disaster management plan to lessen the effects of the following:

- Drought,
- Fires,
- Floods, and
- Industrial Accidents.

**7.5 Protection of Environment:** Where the underlying tourism product being offered is the natural environment, the following should be done.

- The municipality needs to do an environmental management plan so that sensitive areas linked to tourism and economic development in general could be protected. From a long-term economic sustainability perspective, it is therefore essential that the natural environment be properly conserved.
- The environment needs protection against industrial emissions.

**7.6 LED facilities and infrastructure:** It is the government's responsibility (national, provincial, district or local) to develop and maintain the necessary bulk physical infrastructure.

- The development of infrastructure and facilities based on the use of partnerships between the State and / or the local communities with the private sector should be

encouraged. The use of partnerships is an important empowerment mechanism for ensuring the local business persons or communities share in the ownership and operation of productive tourism assets.

## Chapter 8: Conclusion

This LED plan for MLM provides a framework and guidelines demonstrating the functional characteristics of the economy with a broader economic context. The purpose of the plan is to give and provide a mechanism to guide and focus resources and energies in a particular direction.

To this end, opportunities that have been identified have been undertaken in a consultative and transparent manner. These opportunities have been identified as catalytic projects that will contribute to unlocking the economic potential of the municipality.

The realization of a thriving economy can only materialize with the efforts, commitment and drive that prides itself on strategic opportunities that are realizable, implementable and sustainable. It is submitted that the framework for economic development has been created. It is now incumbent on the respective stakeholders within the municipality to make this a reality.





# **MTHONJANENI MUNICIPALITY**

## **WARD BASED PLANS**

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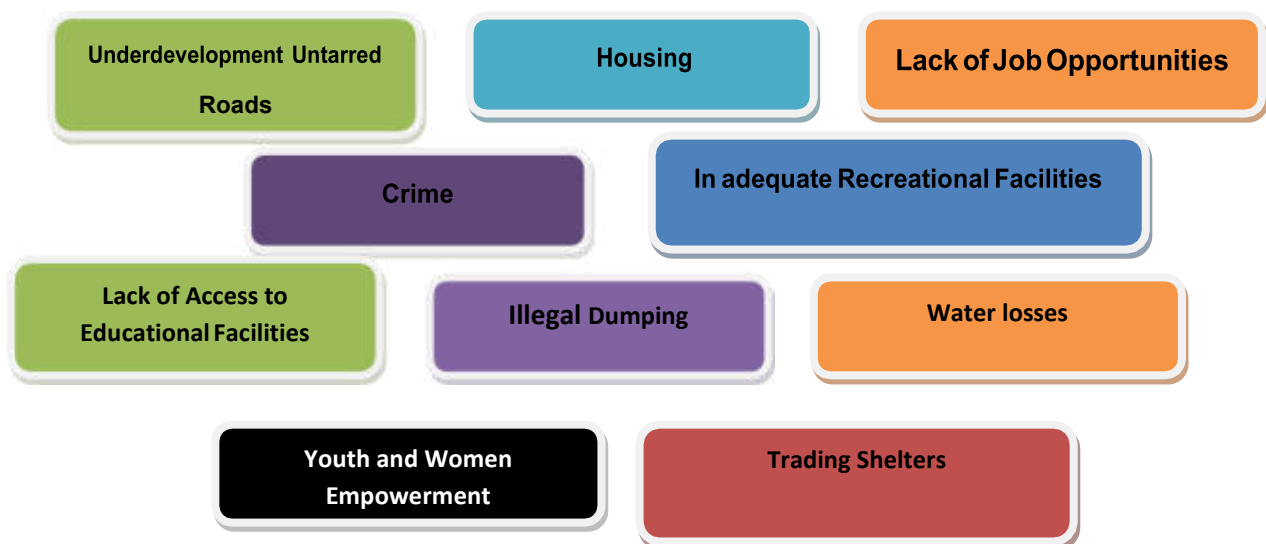
## 1. INTRODUCTION

These Ward Profiles were prepared by the IDP Unit based on Census 2011 (Boundaries 2016) statistics. These Profiles provide a portrait of the demographic, social and economic characteristics of the people and households in each City Ward. The Census Profiles contain information on population by age, households and dwelling types, families, and language groups etc.

## 2. WARD VISION – DESIRED FUTURE

“To be the community which is well developed, Self - Sustainable, Educated and Living In a Secure, Healthy & Comfortable Environment”

## 3. WARD CHALLENGIES – CURRENT REALITY



#### 4. SIZE OF THE WARD

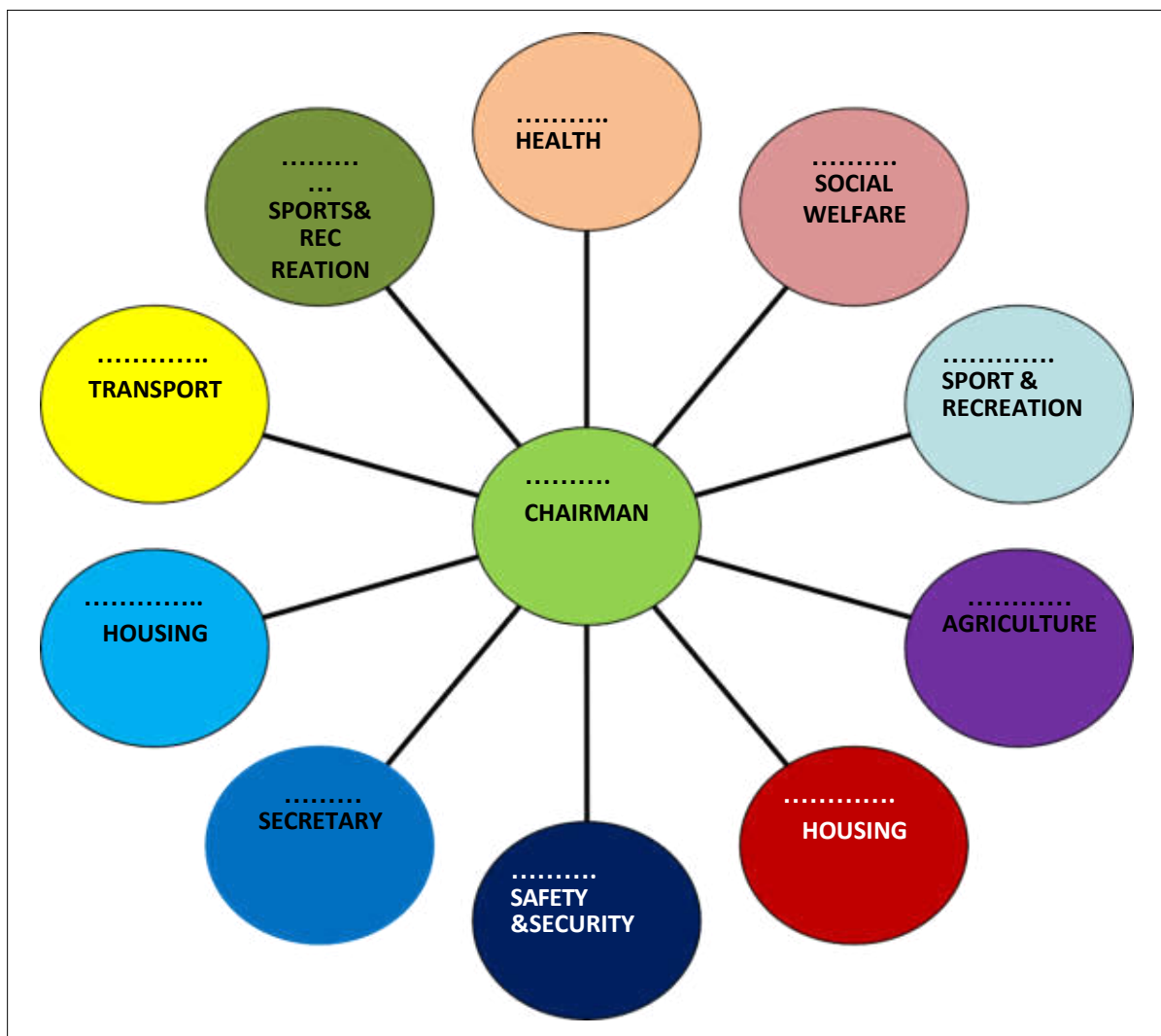
In terms of Census 2011(boundaries 2016) the population of Mthonjaneni municipality is estimated at **83 563**

**Table 1: Gender by population per ward.**

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Ward 10	Ward 11	Ward 12	Ward 13	Total
Male	3 496	3 254	2 898	2 822	2 878	2 908	3 481	1 609	3 244	3 815	2 375	3 407	2 069	38 257
Female	4 427	3 607	3 414	2 948	3 263	3 483	4 041	1 963	3 758	4 693	2 778	4 439	2 489	45 306
Total	7 923	6 861	6 312	5 770	6 142	6 392	7 522	3 573	7 003	8 509	5 152	7 846	4 558	83 563

#### 5. WARD COMMITTEE STRUCTURE

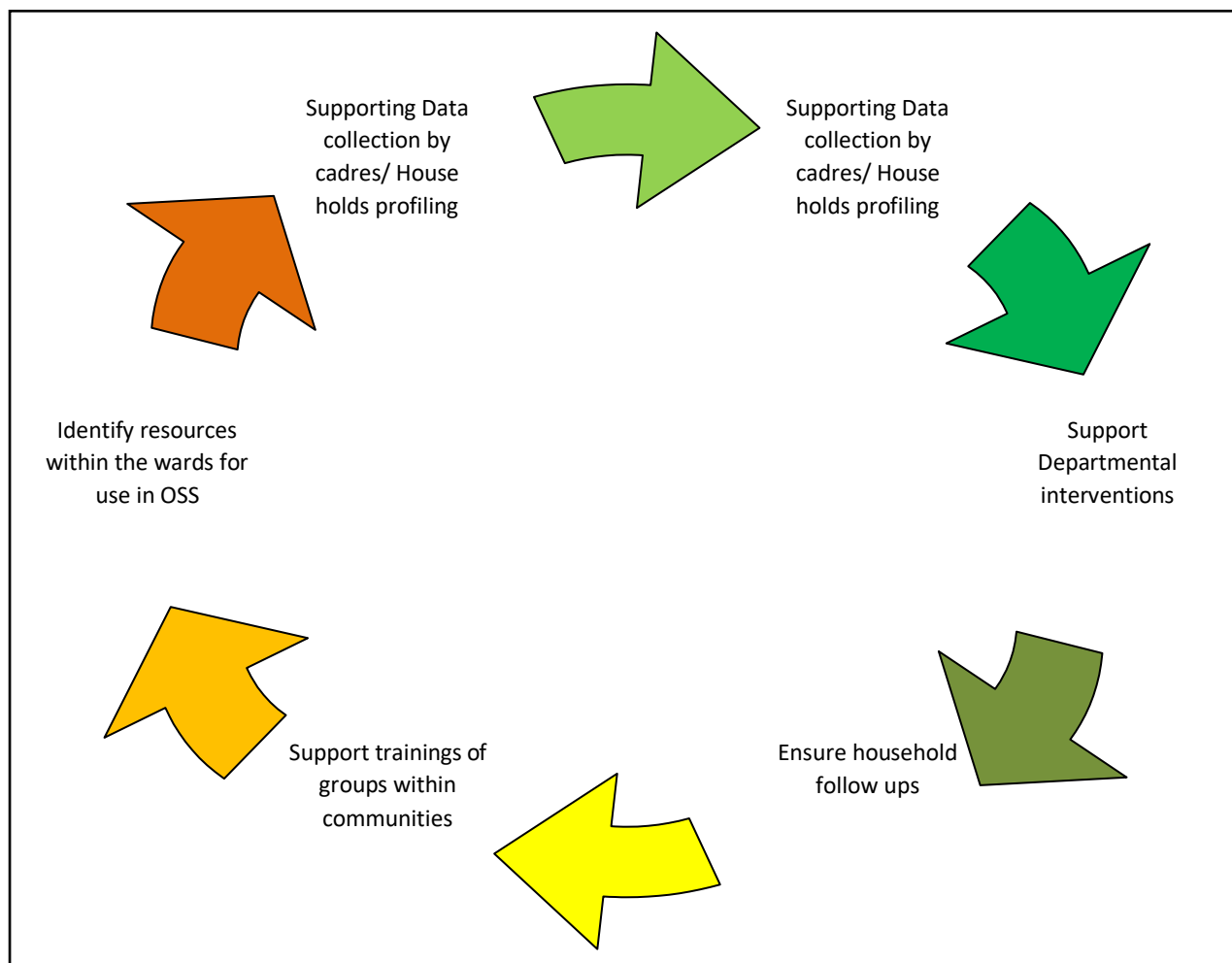
Ward 13 has a fully established ward committee with each member representing each portfolio; the following are members of the ward committee:



**Figure 1: Ward Committee**

## 5.1 War Room Representatives

**War Rooms are an integrated** service delivery structure comprised of government, municipality, CBOs, business and other stakeholders at ward level. Their main responsibility is not limited to the following:



**Figure 2: The War Room main responsibilities**

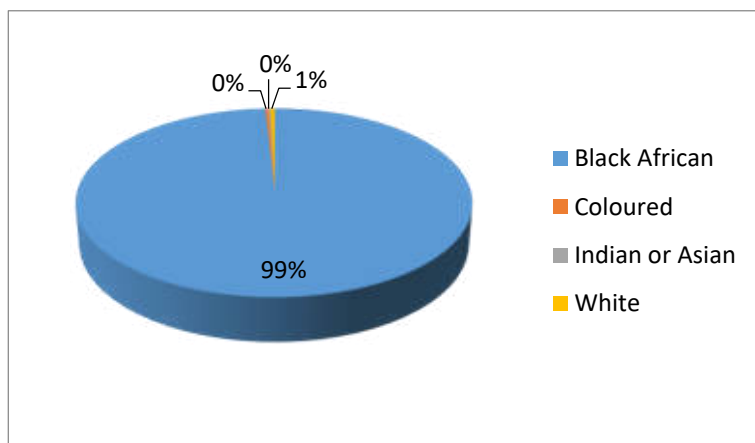
The war room seat once Forth nightly on Wednesday at 10:00, it is championed by the Ward Councilor. The following are executive members of Ward 13 War Room:

Committee Members	Designation	Contact No.
	CHAIRPERSON	
	SECRETARY	

## 6. DEMOGRAPHICS

### 6.1 Population

The 2016 Census population of Mthonjaneni municipality is estimated at **83 563**

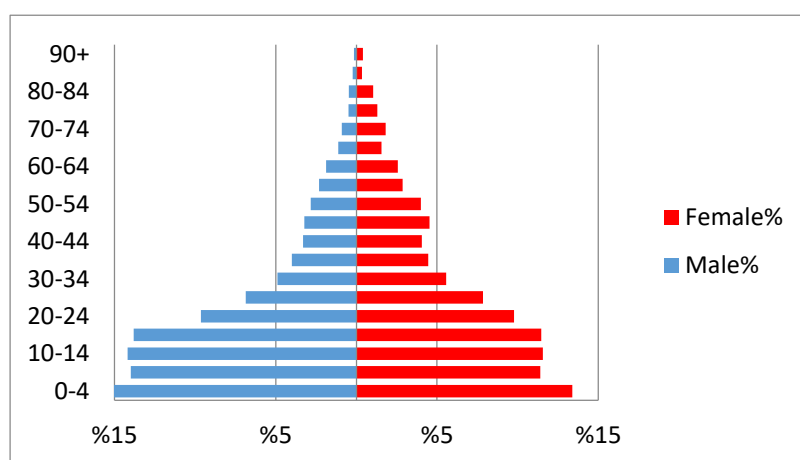


**Figure 3: Population by Population Group**

The figure above indicates that Mthonjaneni municipality is mostly dominated by a Black African Population group, with a proportion of 99%. Coloured, Indian and White population groups are estimated at a proportion of 0%. However, this does not necessarily mean that there are no representatives of these population groups.

### 6.2 Age and Gender Profile

Knowledge about the age-sex distribution of a population is valuable information on demographics and social economic concerns.

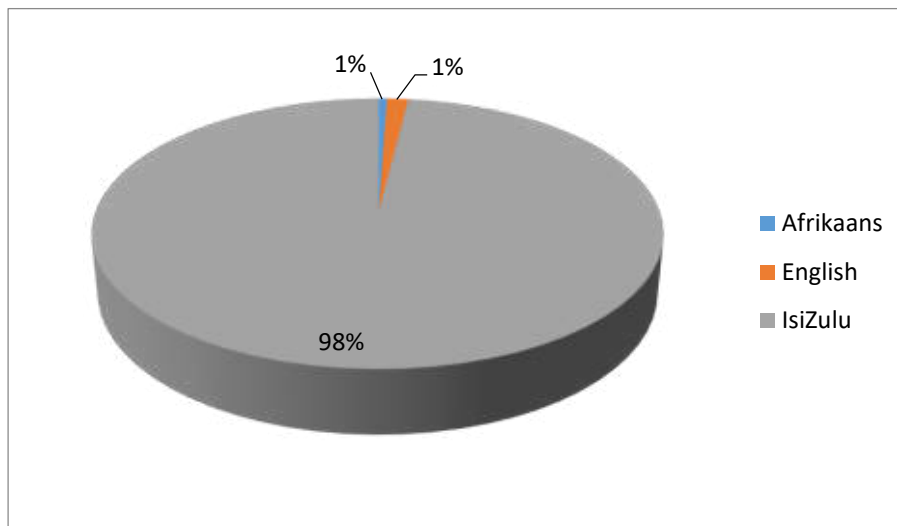


**Figure 4: Age and Gender Population Pyramid**



Figure above presents the distribution of the municipality population by age and sex. The figure shows a fairly large proportion of females than males in all age groups, except for teen ages, where a proportion of males is higher than females. Overall, there are more females than males within the municipality. At an elderly stage 70+ more females seems to be surviving than males.

### 6.3 Language



**Figure 5: Language**

Out of eleven South African languages, isiZulu is the main spoken language in ward 8, followed by English and Afrikaans, the statistics correlate with the statistics above where population is highly dominated by Black African population group.

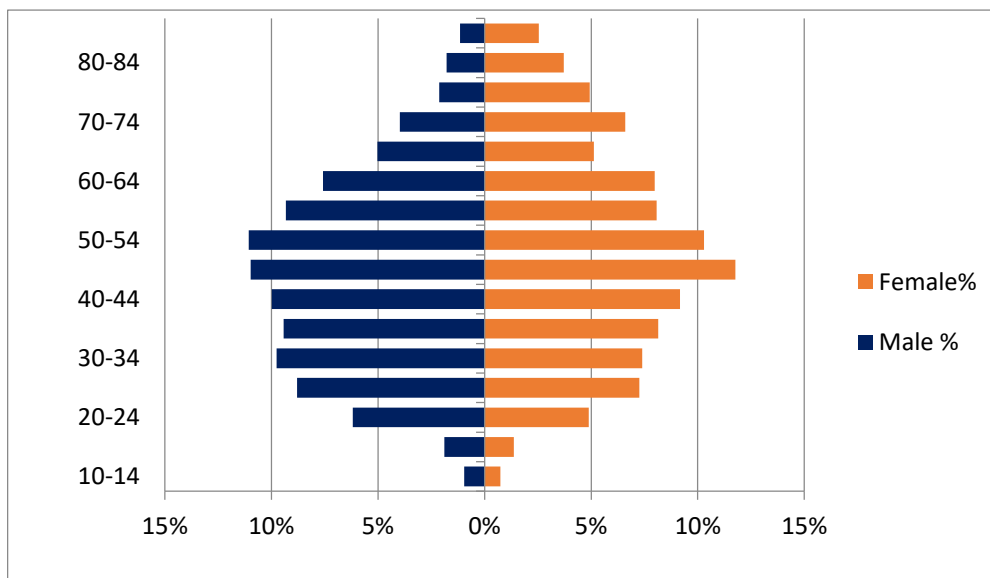
### 6.4 Age Groups in 5 years by Population group and Gender

**Table 1: Age group in 5 years interval by population group and Gender**

From the table above, it can be concluded that at birth age there are more Black Africans that are born. The highest proportion is in age group is 0-4 years. The municipality is dominated by young Black African population from both females and males. There are individuals representing other population groups. More females from the age group 90+ are surviving within Black population.

	Black African		Coloured		Indian/Asia		White	
Age	Male	Female	Male	Female	Male	Female	Male	Female
0-4	5 974	6 027	10	12	5	12	10	13
5-9	5 313	5 144	16	11	10	4	12	8
10-14	5 399	5 216	14	11	8	9	6	6
15-19	5 260	5 169	5	8	10	5	7	11
20-24	3 629	4 409	12	6	13	9	14	7
25-29	2 567	3 517	7	13	10	6	11	16
30-34	1 827	2 506	11	9	11	0	14	7
35-39	1 501	1 996	8	8	1	3	15	15
40-44	1 231	1 820	6	9	7	6	16	6
45-49	1 210	2 036	10	2	6	8	10	9
50-54	1 053	1 782	1	9	6	2	23	20
55-59	865	1 270	5	4	2	0	11	23
60-64	705	1 151	6	2	1	1	6	11
65-69	417	704	5	1	2	0	7	2
70-74	339	817	1	2	0	2	5	5
75-79	179	589	2	2	0	0	2	2
80-84	182	464	0	0	0	1	0	2
85-89	86	154	0	1	0	0	3	0
90+	53	182	0	1	0	0	1	0

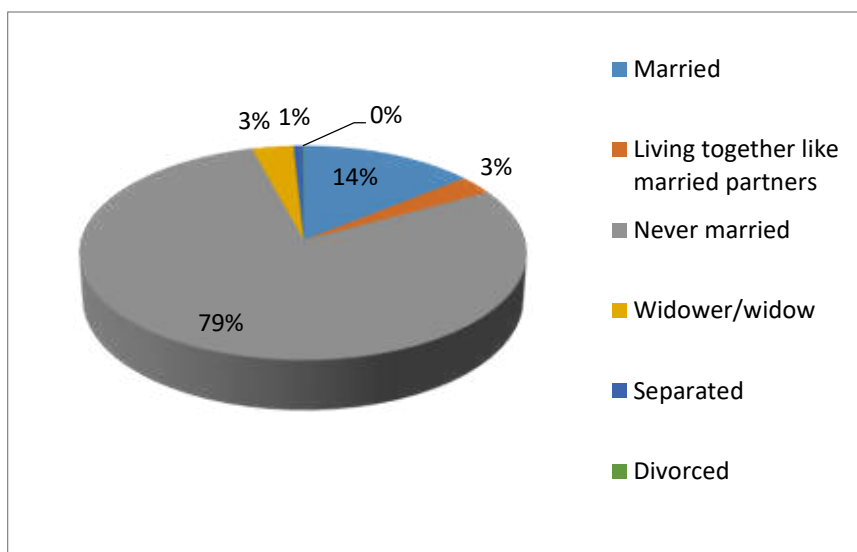
## 6.5 Heads of the household



**Figure 6: Head of the household**

Figure above indicates that the municipality has a large proportion of female headed Household; however it noted that there is a proportion of male headed households as well. There is small proportion of child headed household, if we consider age groups (10-19 years). Male child headed household is slightly higher than that female child headed household.

## 6.6 Marital and Civil Partnership Status



**Figure 7: Marital status**

From the figure above, it is noticeable that the percentage of the adult population that has never married is at 79% followed by married population at 14%. The percentage of a population living together as married couples is at 3% and only a 3% of widows/widower population. Divorce rate and separation rate are very low as they stand at 0% and 1%, respectively.

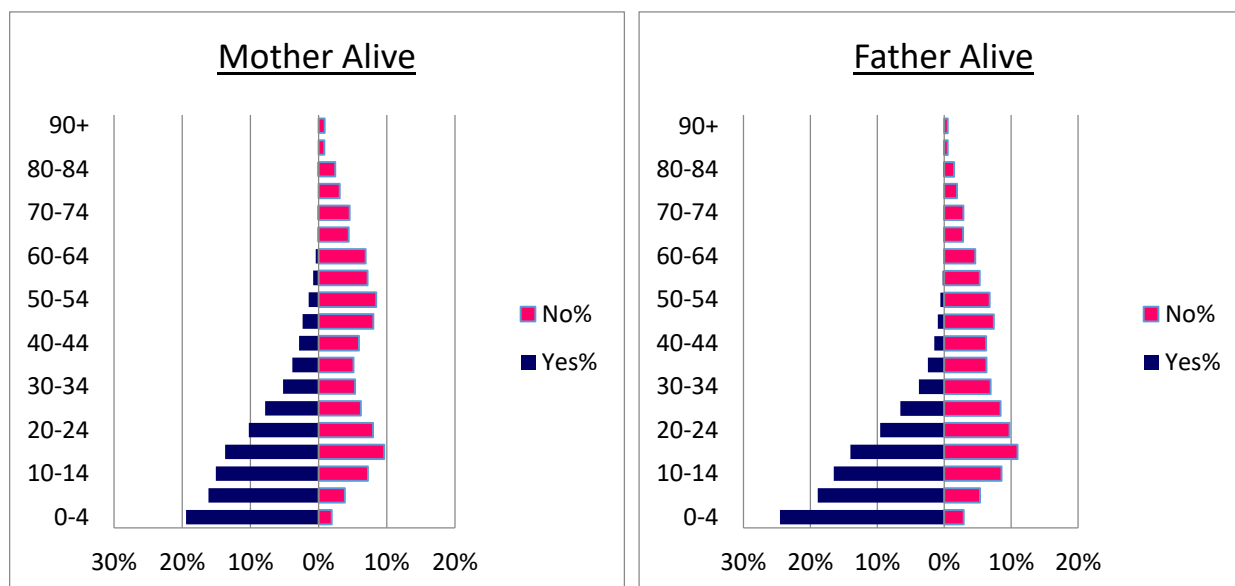
**Table 3: Migration, Province of Birth by Region of Birth**

The table shows that the majority of the population is South African. There is a high number of people born in KwaZulu-Natal, followed by people born in Northern Cape and Eastern Cape. There is a noticeable proportion of individuals born in other provinces, SADC and rest of Africa.

Province	Region of birth					
	Born in South Africa	SADC	Rest of Africa	UK	Asia	Unspecified
Western cape	66	0	0	0	0	0
Eastern cape	294	0	0	0	0	0
Northern cape	716	0	0	0	0	0
Free state	51	0	0	0	0	0
Kwazulu-natal	79 643	0	0	0	0	0
North west	133	0	0	0	0	0
Gauteng	125	0	0	0	0	0
Mpumalanga	243	0	0	0	0	0
Limpopo	204	0	0	0	0	0
Outside South Africa	0	243	27	10	17	64

## 6.7 Parental Survival

Orphan hood estimates becomes critical with the advent of HIV which has resulted in an upsurge in the numbers of children that are orphaned especially in Southern Africa, of which South Africa is part.



**Figure 8(a & b): Parental survival**

These estimates provides an indication of the number of children who are vulnerable, even though all age groups are indicated above , the focus is on children aged 0-19. This figure above clearly shows that paternal orphan hood is consistently higher than maternal orphan hood.

## 7. EDUCATION

Access to educational opportunities is a human right. This is one of the National Development Plan Goals. Through education individuals are prepared for future engagement in the labour market, which directly affects their quality of life as well as the economy of the country. Schools are the building blocks for the learning socialization.

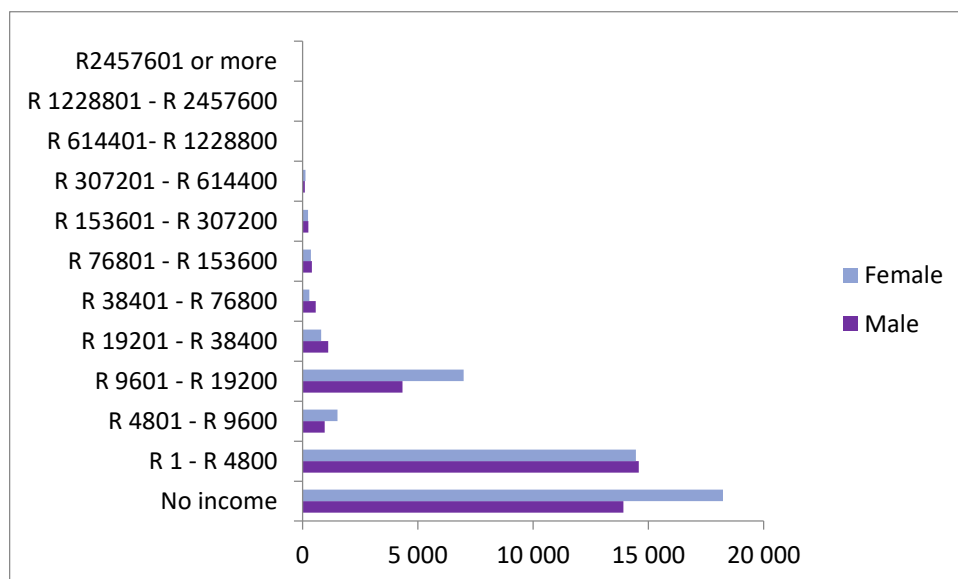
The South African Schooling Act (1996) made schooling compulsory for children aged 7-15 years, while education Laws Amendment Act (2002) set the age admission into grade 1 as the year which the child turns seven . Below a comparative overview of educational attainment and attendance by contributing factors such as population group, age group, sex is examined.

**Table 4 : Highest level of education by sex.**

The table below shows that the proportion of persons with no schooling is estimated at **10 623**, of which most of them are from the Black African (female) population. The proportion of individuals who have attained grade 12 is approximately **8 864** across all population groups. Further it is noted that the proportion of individuals who have attained grade 12 is far much higher than the recorded statistics of tertiary education.

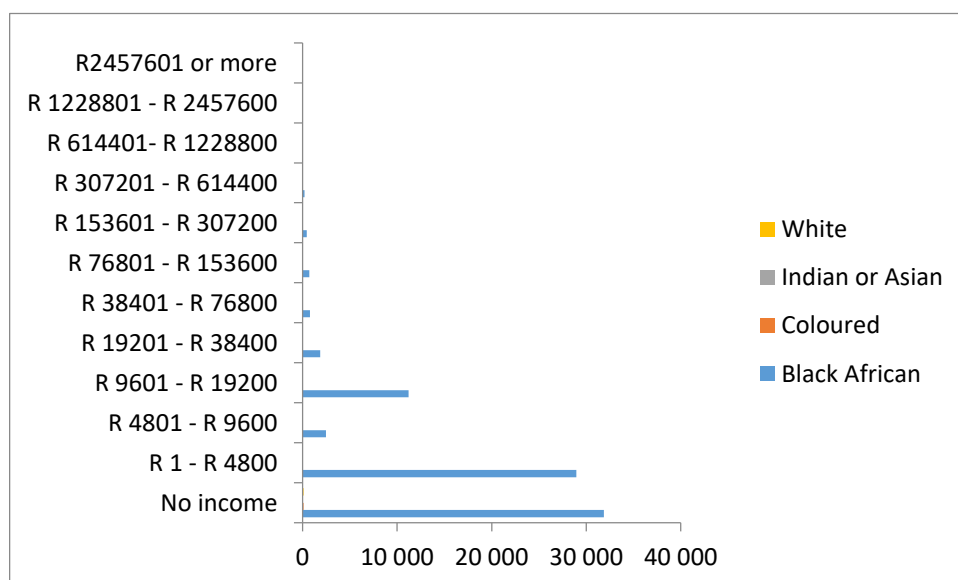
	Black African		Coloured		Indian or Asian		White	
	Male	Female	Male	Female	Male	Female	Male	Female
grade 0	1 728	1 586	2	2	9	2	4	1
grade 1/sub A	1 780	1 722	5	3	2	1	3	4
grade 2/sub B	1 809	1 935	7	2	3	4	2	1
grade 3/std 1/ABET 1/Kha Ri Gude; SANLI	1 861	2 189	1	2	1	1	0	0
grade 4/std 2	2 053	2 414	6	3	3	3	6	0
grade 5/std 3/ABET 2	1 943	2 036	7	7	2	1	0	1
grade 6/std 4	1 801	1 918	0	2	0	5	3	4
grade 7/std 5/ABET 3	2 168	2 273	6	5	6	1	1	1
grade 8/std 6/form 1	2 101	2 387	5	7	2	2	9	4
grade 9/std 7/form 2/ABET 4	1 968	2 225	2	3	1	5	5	1
grade 10/std 8/form 3	2 213	2 778	12	6	5	2	14	15
grade 11/std 9/form 4	2 124	2 964	1	7	8	5	1	6
grade 12/std 10/form 5	3 788	4 893	29	34	20	12	42	46
NTC I/N1/NIC/(V) Level 2	16	24	0	0	0	0	3	0
NTC II/N2/NIC/(V) Level 3	4	12	0	0	0	0	2	0
NTC III/N3/NIC/(V) Level 4	8	13	1	0	0	0	5	0
N4/NTC 4	14	16	0	0	0	0	3	2
N5/NTC 5	14	6	0	0	0	0	2	0
N6/NTC 6	15	19	1	0	0	0	0	1
certificate with less than grade 12/std 10	6	18	0	0	0	0	1	0
diploma with less than grade 12/std 10	11	23	0	0	1	0	2	4
certificate with grade 12/std 10	95	136	6	1	5	1	4	18
diploma with grade 12/std 10	117	127	0	2	2	1	7	1
Higher Diploma	68	130	0	1	0	0	11	17
Post Higher Diploma (Masters; Doctoral dip)	19	20	0	0	1	0	2	0
bachelors degree	87	113	1	1	1	1	10	8
bachelors degree and Post graduate diplom	19	30	0	0	1	0	3	0
honours degree	16	41	0	0	1	3	2	0
higher degree (masters; doctorate)	11	30	0	0	1	0	2	1
other	20	20	0	0	1	0	5	1
no schooling	3 859	6 719	11	6	6	4	7	11

## 8. AVERAGE ANNUAL HOUSEHOLD INCOME



**Figure 9: Average Annual Income by Sex of the head of the household.**

The figure above shows a high number of females have no source of income. In middle class income range, there are many females than males. However, as the income range increases, the number of females within those high income ranges per annum decreases.



**Figure 10: Average annual Income by Population Group**

Ward 2 is mostly dominated by a black community. Hence the high number of Black Africans in all income ranges per annum. There are many Black Africans with no income at all. The graph shows a sharp decrease at range R4801-R9600.

## 9. GENERAL HEALTH AND FUNCTIONING

The inclusion of statistics on disability serves as a crucial role in the identification of persons living with disabilities. This is one of the most marginalized and vulnerable groups in many societies regardless of whether they are rich or poor. The disabled who comes from the poorest cohorts of society inevitably have more serious problems than the wealthy counterparts, as they lack resources to ameliorate their circumstances. Disparities are apparent between persons with impairments and those without. Disabled persons often have inadequate access to education, transport, health and other basic services making them vulnerable to the poverty trap and its associated vices.

**Table 5: Disability by type and degree of difficulty**

Results indicate that most people the municipality had no difficulty or limitation that prevented them from carrying certain functions at the time of the Census. There is a minority that indicated a seeing difficulty, followed by those with a hearing difficulty and remembering challenges.

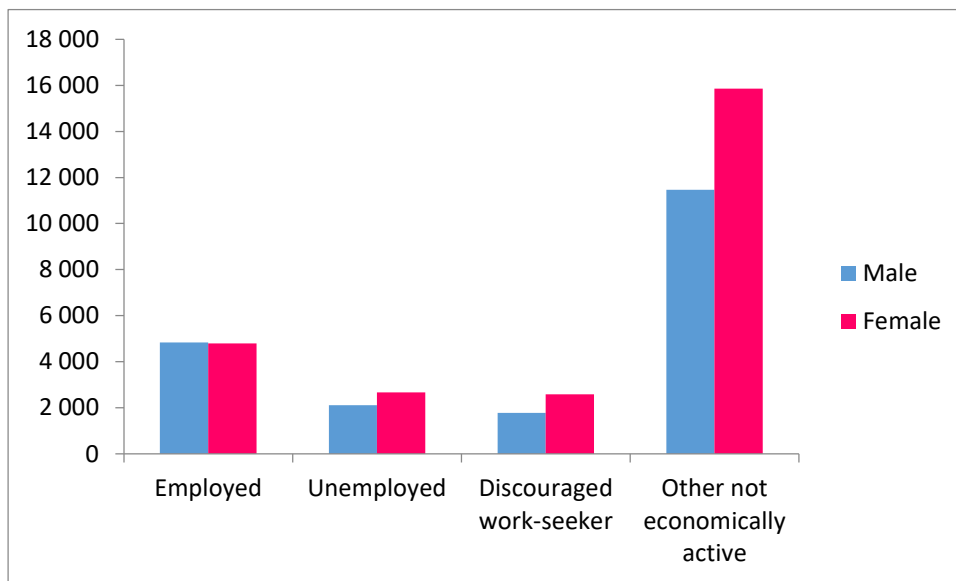
<b>Degree of difficulty</b>	<b>Hearing</b>	<b>Seeing</b>	<b>Communication</b>	<b>Walking</b>	<b>Remembering</b>	<b>Self care</b>
No difficulty	71 992	68 582	72 898	71 985	68 734	62 750
Some difficulty	2988	5896	1619	2670	4520	1926
A lot of difficulty	567	1001	419	717	1246	702
Cannot do at all	182	202	457	423	393	1298

**Table 6: Assistive Devices**

A question was included in the Census to measure what extent does the population, particularly those with disabilities access assistive devices to execute certain functions. The table below depicts that eye glasses and chronic medication were more used compared to other assistive devices.

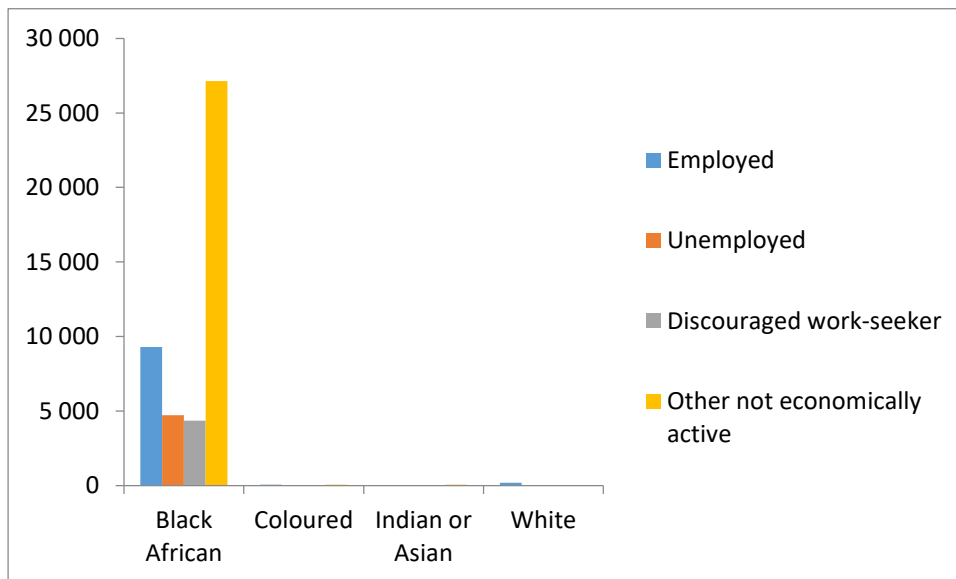
	<b>Eye glasses</b>	<b>Hearing aid</b>	<b>Walking stick</b>	<b>Wheel chair</b>	<b>Chronic medication</b>
Yes	4376	1898	2337	1334	7683
No	75 155	77 467	76 900	77 472	71 146

## 10.OFFICIAL EMPLOYMENT



**Figure 11: Employment by Gender**

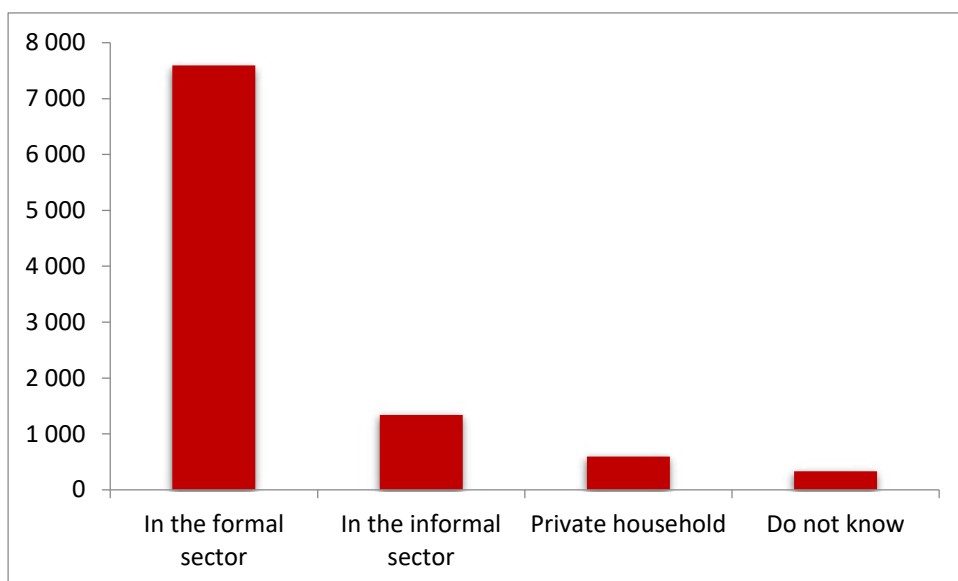
Figure 11 above indicate that in all categories, with an exception of employed group, there are more females than males. The majority falls on the other not economically active and the population of discouraged work seekers does not hold a significant percentage.



**Figure 12 : Employment by Population group**

On the above figure supports the population statistics of figure 3, where Black African population group has the highest percentage. Black African population group has the highest number of people in all employment categories.





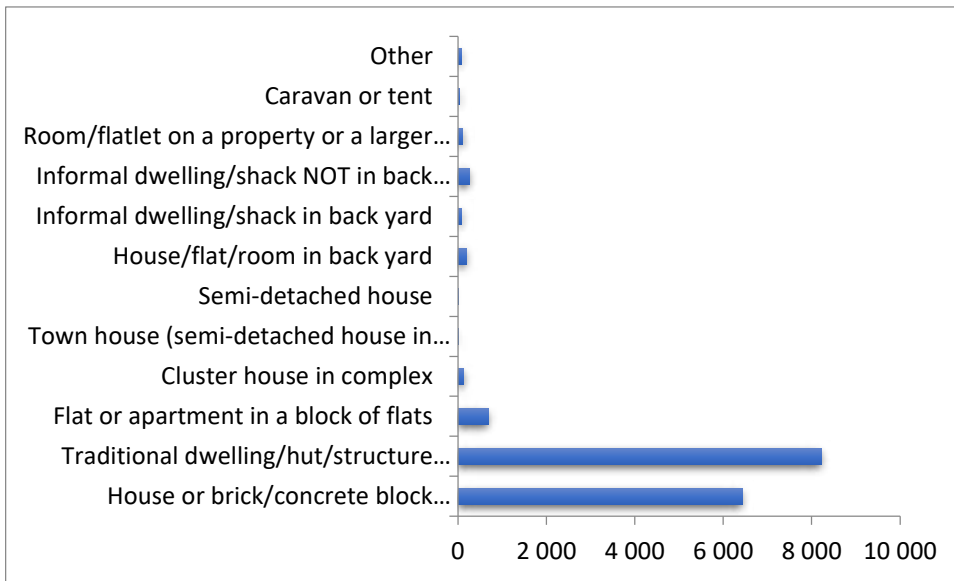
**Figure 13: Employment by Sector**

Employment is more on the formal sector followed by the informal sector and the least from the private sector.

## **11. HOUSEHOLD SERVICES**

Housing is one of the basic human needs and has both direct and indirect implications on lives of households including health, welfare and social status in communities. This section highlights Census findings relating to types of main dwellings and basic services which have important policy implications.

## 11.1 Housing



**Figure 14: Distribution of households by type of dwelling**

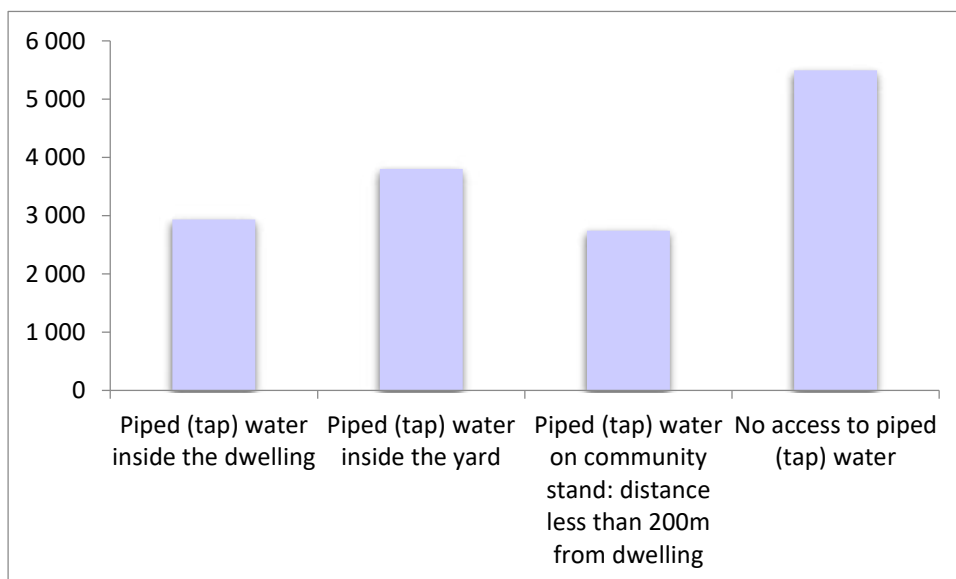
The above figure shows a high percentage of households living in traditional dwellings, there is proportion of households living in brick house, flats and rooms in back yard dwellings.



**Figure 15: Distribution of Households by Tenure Status**

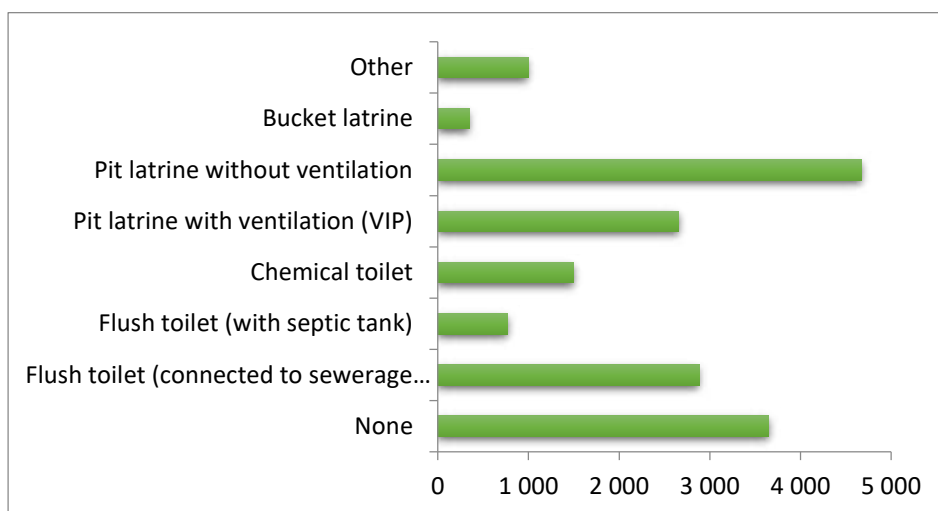
The above figure shows a high proportion of dwellers that are occupying rent free houses. The proportion of dwellers that own fully paid off properties is higher than dwellers that own properties that is not yet paid off.

## 11.2 Access to Water and Sanitation Services



**Figure 16: Household with access to piped water**

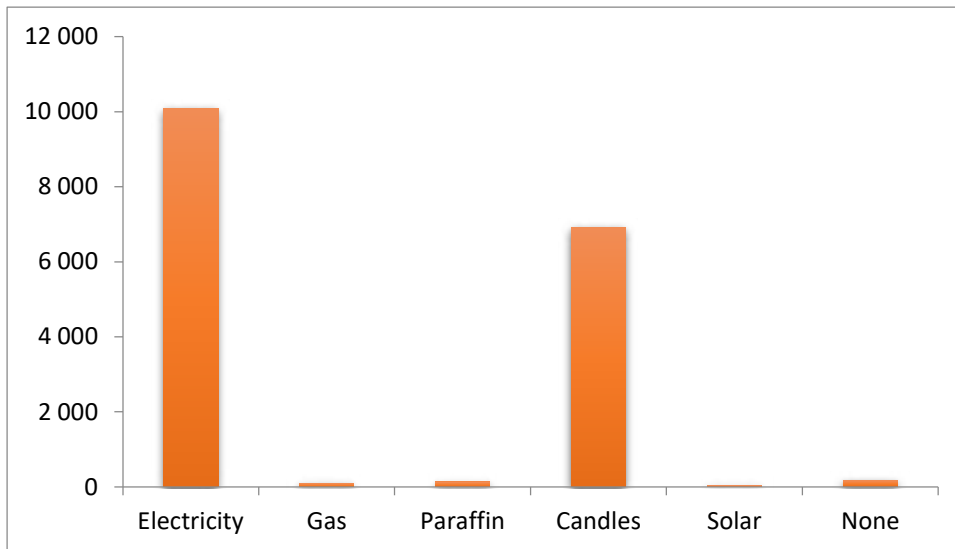
The figure above shows a relatively high number of households that have no access to piped, followed by those with access to piped water inside the yard. There is no significant difference between households that have access to piped water inside the dwelling and those whom access piped water on community stands.



**Figure 17: Distribution of households by type of toilet facility**

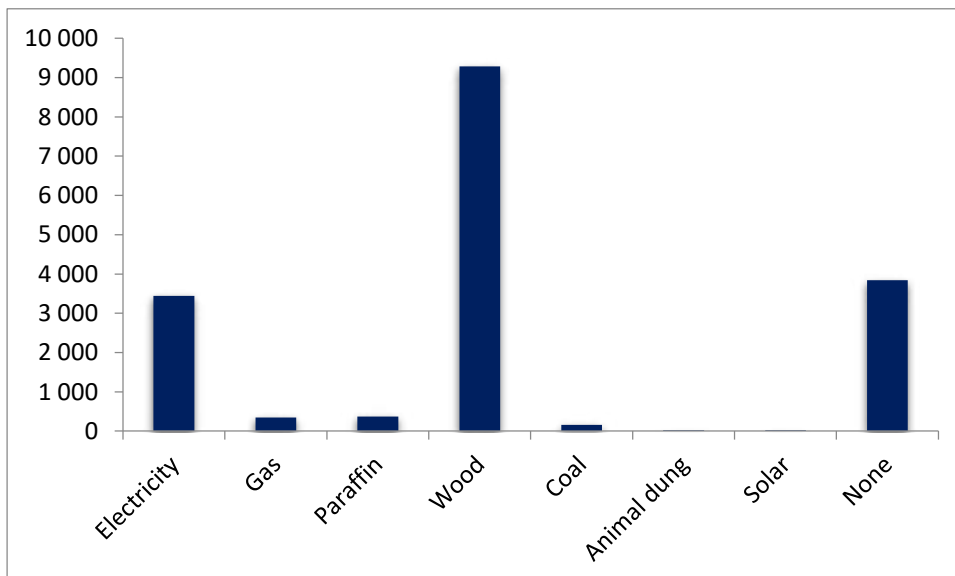
The figure shows a high number of households have pit latrine without ventilation, followed households that have no toilet facilities. There are noticeable numbers of households that have flush toilets, pit latrine with ventilation, chemicals toilets and those that use other toilet facilities. Bucket latrine has the least number of households.

### 11.3 Access to Electricity /Energy



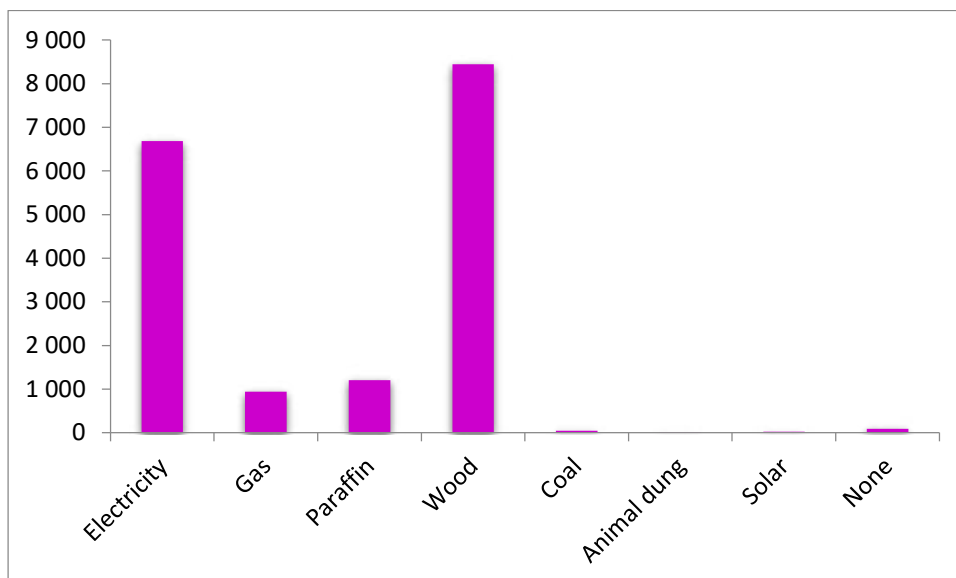
**Figure 18: Distribution of households by type of energy used for lighting**

Figure above shows that households using electricity for lighting is relatively high. This is followed by households using candles for lighting. Less than 100 households use gas, paraffin and solar combined.



**Figure 19 : Distribution of households by type of energy used for heating.**

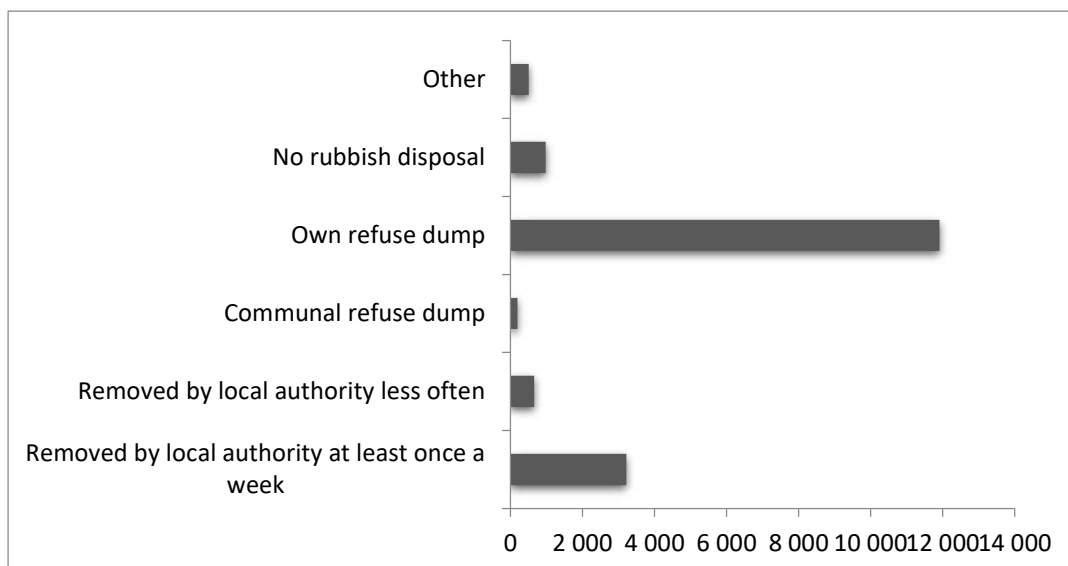
Figure above shows that a large proportion of households within the municipality use wood for heating. There are noticeable number of households that use electricity for heating and those with no means of heating.



**Figure 20 : Distribution of Household by type of energy used for cooking.**

Figure above indicate a proportion of households using wood for cooking is relatively higher than those using other means for cooking. There is no significant difference between energy type gas and paraffin.

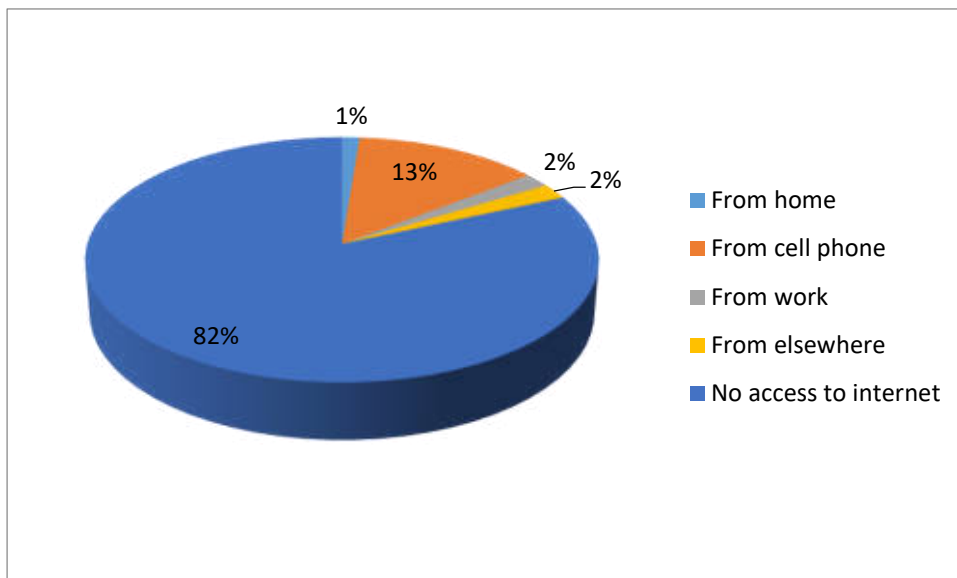
#### **11.4 Access to refuse removal**



**Figure 21: Access to the removal of refuse/rubbish.**

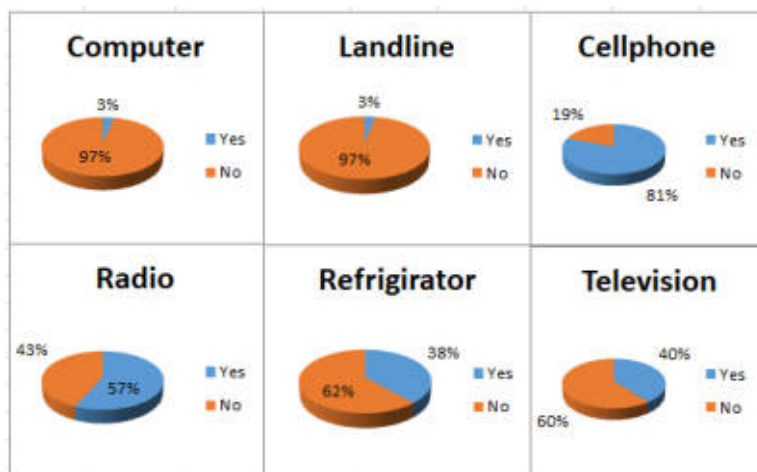
Figure above shows a relatively high proportion of households that have their own refuse dump. There are households that use other means of waste disposal such as having local authorities collecting refuse at least once a week and communal refuse dump.

## 11.5 Household Goods



**Figure 22: Percentage of households who have access to internet.**

Estimates of 82% of households have no access to internet. The highest percentage of households reported that they have access the internet, access it from cellphones of which is 13%. A smaller percentage of households access internet from their home and elsewhere, 1% and 2% respectively.



**Figure 23 : Percentage distribution of households owning various households good.**

The charts above shows the proportion of households owning cellphone is 81% while the proportion using landlines is 3%. The proportion owning radios is higher than those owning television. Proportion of households with computers is 3%.

It is evident that in general there is improvement in the access to basic services. Such improvements provide direct benefits to household in terms of better living conditions, environmental and health standards.

**Disclaimer: All statistics were sourced from StatsSA census 2011\_Geography 2016**

## 12. COMMUNITY PRIORITIES

RESPONSIBLE DEPARTMENT	COMMUNITY REQUESTS	COMMUNITY REQUESTS 2015/2016
Infrastructure & Technical Services		



<b>Corporate Services</b>		
<b>Community Services</b>		

City Development		
Office of the MM		



**COUNCIL : 24.06.2021**

**MLMC 21/499**

**ADOPTION OF THE REVIEWED FINAL MTHONJANENI INTEGRATED  
DEVELOPMENT PLAN FOR 2021/2022 FINANCIAL YEAR**

**COUNCIL RESOLVED THAT:**

1. In terms of Section 34 of the Local Government: Municipal Systems Act 2000 (Act 32 of 2000) The Final Integrated Development Plan for 2019/20 financial years be adopted.
2. The Final IDP for 2021/2022 financial year be submitted to the Department of Local Government and Traditional Affairs.
3. The adopted Final IDP be advertised.



**SIGNED BY HON. SPEAKER  
CLLR N.A. MBATHA**

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<b>APPROVED</b>
Sign: 