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Glossary of Terms and Abbreviations

Abbreviations

BP:	Business Plan
DBSA:	Development Bank of Southern Africa
DPLG:	Department of Provincial and Local Government
DMP:	Disaster Management Plan
EE:	Employment Equity
EEP:	Employment Equity Plan
EMP:	Environmental Management Plan
IDP:	Integrated Development Plan
ITP:	Integrated Transport Plan
LED:	Local Economic Development
LUMS:	Land Use Management System
PMS:	Performance Management System
RDP:	Reconstruction and Development Plan
SDBIP:	Service Delivery and Budget Implementation Plan
SDF:	Spatial Development Framework
WSDP:	Water Services Development Plan
ZDM:	Zululand District Municipality
MANCO	Management Committee
EXCO	Executive Committee



Our government mandates us to, every now and then, report to the communities about our community development projects in their areas, as well as, to hear about their developmental needs. We need also to explain to them how the monies allocated to us were spent in each financial year.

This year we have again engaged the services of five young unemployed maths and science students from within our District for a 12-month period. This annual gesture is aimed at providing young people with the much-needed working experience. While they are on this programme it is compulsory that they register at tertiary institutions and if there are any vacancies available, these students get first preference in terms of employment.

We also have a three-year programme for students who are in a financial management field. We train them for that duration and if they continue to pass, we employ them full-time.

ACHIEVEMENTS

Our achievements as a district include that the ZDM has for the past six successive years received an unqualified report from the Auditor-General for the sixth year; we also received third overall position in the Provincial Vuna Awards, and came first on the service delivery category; The KwaZulu-Natal Department of Arts and Culture has named our Indonsa Arts and Culture Centre as the best run institution in the Province for two successive years.

Also the Provincial and Local Government MEC, Mr Sydney Mufamadi, has recommended that ZDM should be used as a role model for other District Municipalities on Performance Management System.

We started the year with a Planning Session, whereby I and the Municipal Manager, Mr JH De Klerk sat with all HODs of different sections to strategise. This was followed by a meeting with local municipality mayors of Ulundi, Nongoma, uPhongolo, Edumbe and Abaqulusi to brief them of our Plan of Action for the year.

As a person who believes and trusts in the Lord God Almighty (*Philippians 4:13...I can do all things through Christ who strengthens me*), the Zululand District Municipality actual programme kicked off with a Prayer Day which was attended by more than 10 000 people at Cecil Emert Stadium in Vryheid. After the Prayer Day, began a long list of project hand-overs to the local Amakhosi and communities of the Zululand District.

With water provision being one of our core functions, a huge percentage of our budget allocation goes to water projects. On-going water projects include the erection of the following regional water schemes: The R612-million Usuthu Regional Water Scheme; the Coronation/Khambi (R120-m); Hlahlindlela/eMondlo (R229-m); Mandlakazi (R368-m); Mkuze (R15-m); Nkonjeni (R467-m); Simdlangentsha East (R48-m); Simdlangentsha Central (R52-m); and the R111-million Simdlangentsha West regional water schemes.

Last year we handed over to the community the first and second phases of the Mandlakazi Regional Water



Scheme which, when completed, will service about 175 000 people.

Also, more than 44 000 people from Hlabisa, in the Umkhanyakude District, will also benefit from the Mandlakazi Water Scheme and also handed over Mbilane Water Scheme to the community.

Another large sum of money, more than R4-million, went towards the economic development of 81 ZDM wards, while more than R2,2-million was used for financing the building of 14 crèches. Five of those crèches have been handed over to local Amakhosi and the Zululand District community for their use.

About R2-million went towards the building of 15 classrooms, five of which were handed over at Enyathi School, under the Abaqulusi Local Municipality early this year. At the same function we also held a sod-turning ceremony to mark the beginning of KwaMnyathi Water Project.

We strongly believe that sports has a big role in uniting different people of this country, this year alone we have spent about R3.8-million to develop sporting facilities in our District, including Ulundi Sports Complex which is about to be completed, Mona and Hlobane sports fields, both of which, are in the first phase.

Besides handovers, other functions that we have hosted this year include:

The Mayoral Co-ordinating Forum; the contractors' workshop; the 55km Annual Marathon; the LED Projects launch, as well as, Budget Roadshows in which our 2006/07 financial year Budget was unanimously approved; two report back meetings one in Durban and another in Gauteng .

To keep the youth busy and out of the streets, again this year we organised the Zululand District Municipality pageant (beauty contest) in Ulundi.

Local Economic Development (IDP) and The Disaster Management Roadshows were another big feature in our calendar for this year and this was followed by the Mayoral Cup games and ZDM Golf Day.

We also held our annual Children's Christmas Party in Pongola. We also hosted an annual party for the Elderly people. These are two most important events in ZDM's calendar and each attracts more than 6 000 people from the five local municipalities making up our District.

Good working relations with Amakhosi, Mayors, councillors within Zululand and my Municipal Manager, Mr JH De Klerk, and all staff members ensure that we provide sustainable development to our community. With integrity we will always ensure that there are no actions/traces of corruption. We will continue to maintain our clean record as I have stated earlier on.

I want to make a promise that as long as I am Mayor of the Zululand District Municipality, my fellow councillors and I will continue to serve our people with honour, dignity and integrity.

I would like to re-commit ourselves to our vision: "We the people of Zululand are proud communities that are committed to the development of Zululand through hard work, integrity and common purpose".

Our Mission is still the same: "To create an affluent district by the:-

- Provision of optimal delivery of essential services;
- Supporting sustainable local economic development;
- Community participation in service delivery".

I thank you

V.Z. Magwaza-Msibi

Mayor: Zululand District Municipality



It is once again time to think back on the performance, achievement and shortcomings of the past year. Once again, all in Zululand District Municipality can look back and recall many successes achieved. At the same time we must also be mature enough to also note, and work on the failures and areas where we did not perform ultimately. To do what is expected from us is simply just not good enough. We always, and always will, endeavor to go that extra mile to ensure service excellence in everything we do.

The Management Committee, for instance, realized during the year that our Performance Management System, although regarded by others as good, was simply not good enough for us. MANCO embarked on an intensive workshop and after 14 days of rigorous debate and discussions presented to the Executive Committee a PMS for adoption. After inputs were made by EXCO the System was approved by Council and is now recognized by the Department of the Honorable Minister of Local Government, Mr Sydney Mafumadi, as a best practice model.

Other planning, development and implementation models were also recognized by other Government Departments. Various presentations on Zululand District Municipality's Regional planning for Water and Sanitation, the Prioritization model,

Project Management etc were presented at national conferences and workshops as Model projects.

At Zululand District Municipality the most important aim is to supply our deprived communities with basic services. This is of course our biggest challenge. The need is just absolutely too big to positively respond to, in the short term. Zululand District Municipality is however doing its utmost, through proper planning and concerted efforts of all involved, to do as much as we possibly can with the limited resources allocated to us by Government. Since the first days of Zululand District Municipality we have managed to spend 100% of funds allocated annually for capital projects.

The State of finances and accounting in local Government in the country is known to be disastrous, to say the least, but sound administration, good financial management and a zero tolerance attitude towards fraud and corruption contributed to Zululand District Municipality receiving unqualified audit reports for six years in a row. There are very few municipalities that can achieve this. Another positive aspect of Zululand District Municipality's finances is that all reserves and funds are cash - backed by investments.

The Annual Report will deal in detail with service delivery successes and challenges. I will conclude by admitting that the year was good but in many ways not excellent. I again, commit Myself, MANCO and all staff to service excellence in 2007/2008.

The Hon Mayor Cllr V Z Magwaza – Msibi, for her trust, her respect, her motivation and her setting of an example of a hard worker, the Executive Committee and Council for their support and understanding, His Excellency Dr. M.G. Buthelezi and other senior political role players for their constant support, MANCO for their hard work and positive attitude, all staff and everybody who supported Zululand District Municipality in making Zululand District Municipality a great place.

Municipal Manager, Mr. J.H. de Klerk



always going to the people to find out what their needs are rather than prescribing to them what they need. Councillors should always remember that they are public servants and are accountable to them. More training in form of workshops and team building exercises are still needed for councillors to better equip them to carry out their public duties.

As councillors we admit that although we pride ourselves with our achievements throughout the years, I like to admit that there is still room for improvement. We are aware of the fact that there are areas that still lack basic services. I would like to assure these communities that we will intensify our efforts to bring services as part of our mandate to the people.

I thank you!

Speaker
Councillor NJ Mjaja

It is that time of the year again where we as councillors must give account to the electorate on how the public funds were utilised in this financial year 06/07. Again all programmes and projects implemented by the district were programmes required and requested by our communities through our consultative structures within our communities. These structures include our traditional leaders who are the custodians of our culture and tradition in rural areas and all relevant stakeholders within our district. As a district we are not handing over community projects for the sake of it but we deliver sound and sustainable projects aimed at creating a difference in people's lives. All these projects are implemented within communities with the help of our hardworking and dedicated councillors. I must also thank our councillors for sticking to their pledge of honour, service and delivery to the electorate. Our leader always stresses the importance of accountability by



This report represents the annual report of the Zululand District Municipality for the 2006/07 financial year. It is a legal requirement in terms of Chapter 12 of the Municipal Finance Management Act, 2003 (Act 56 of 2003). The purpose of the report as per the Act is as follows:

- To provide a record of the activities of the municipality for the specific financial year
- To provide a report on performance against the budget for the financial year
- To promote accountability to the local community for the decisions made by a municipality during the financial year

In line with aforementioned this report will be tabled in Council who must adopt an oversight report containing the Council's comments on the annual report. The annual report will also be made public and the residents and other stakeholders in the Zululand District will be given an opportunity to comment and submit representations in connection with the report, which comments and representations will be considered by the Council when adopting the oversight report.

The Zululand District Municipality wish to thank also those individuals, organisations and members of the community for their assistance in the compilation of this annual report.

A vision is a statement that indicates a desired future scenario, which may be idealistic, and which describes the desired future state towards which the Municipality is working. It must paint a picture that all can embrace and must be sufficiently detailed for everyone to see the same picture.

With this in mind the Zululand District Municipality adopted the following vision which will be the strategic thrust of the Municipality in the short to medium term.

Purpose



We are the Zululand Region and proud of our heritage.
We are mindful of the needs of the poor and we seek to
reflect the aspirations of our communities.

We are committed to responsible and accountable actions,
tolerance and concern for racial harmony, the protection
of our environment, and the strengthening of the role of
women and youth.

We will strive to improve the quality of life in Zululand
by providing sustainable infrastructure, promoting
economic development and building capacity within
our communities.

“WE SERVE THE PEOPLE”

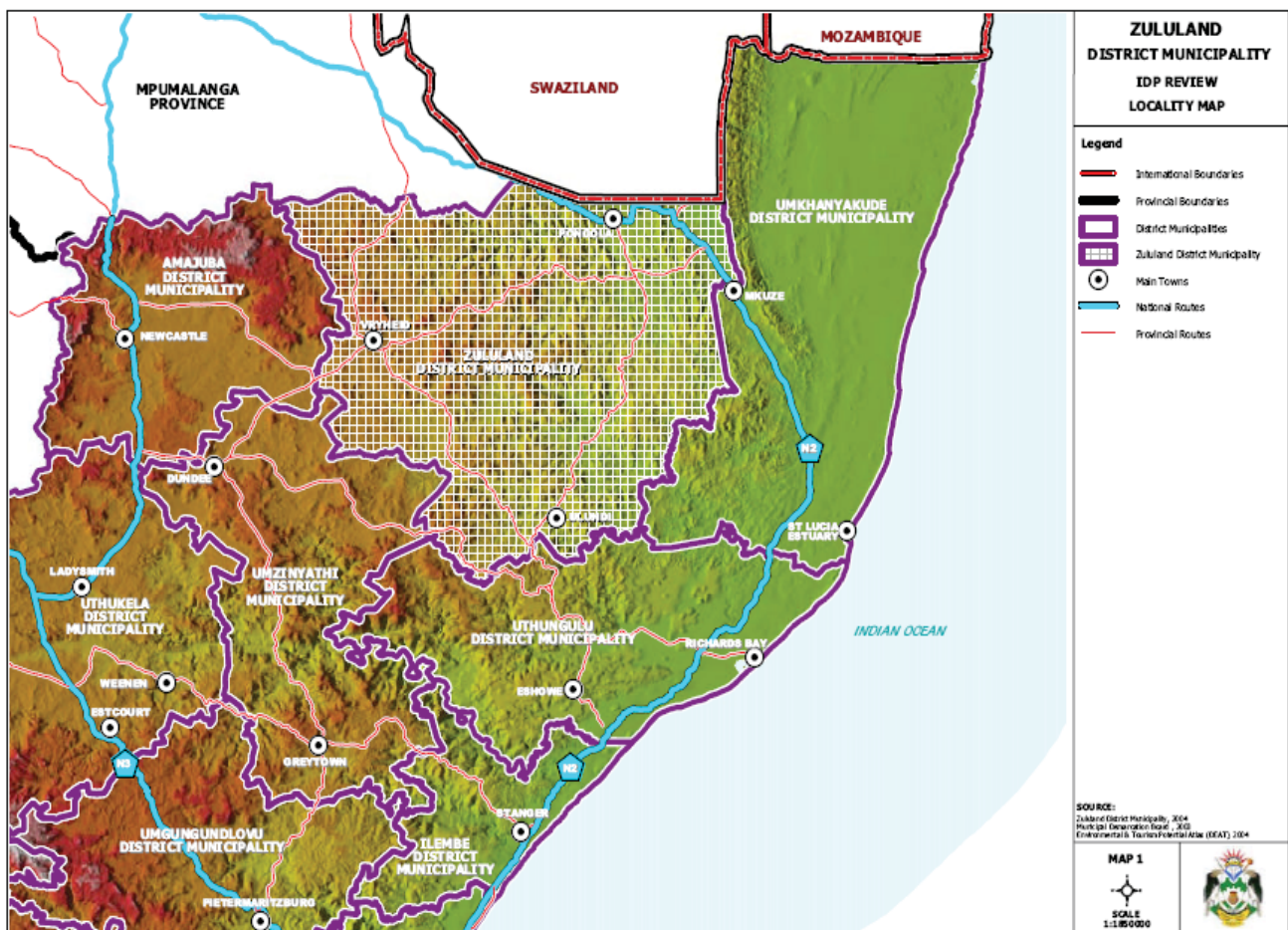


vision



Overview of the Zululand District Municipality

Overview



The Zululand District Municipality is one of the ten district municipalities in KwaZulu Natal. It operates on the northern part of the province. The area is predominantly rural and the population is sparsely dispersed over 14 810 km² (see map below). The major towns forming part of the district are eDumbe, Abaqulusi, Nongoma, Pongola and Ulundi.

Demographic Information

The district serves a population of 966 996 people of whom 68,7 % reside in the rural areas, with the balance is in the urban and/or peri-urban areas. The district is characterised by high unemployment and poverty and as such the Zululand District Municipality has been identified as a Nodal Point.



A few key statistics are summarised hereunder:

Indicator	Zululand
Area	14 810 km ²
Population (2005)	964 000
Households	145 889
Number of settlements	884
Urban areas	6 towns and 15 small urban settlements
% rural population	80,5%
% urban population	19,5%
Gender breakdown	Males 46,5 % Females 53,5 %
Age breakdown	0 – 14 38,9% 15 – 64 56,9% 65 + 4,2%
Life expectancy	1998 65 years 2010 48 years

Source: Zululand DM GIS 2006



The table hereunder shows the population distribution per local municipality.

Table 1: Population Distribution in Zululand

Municipality	Urban	Rural village	Rural scattered	Scattered	Rural farms	Total
eDumbe	15 639	15 120	20 599	3 490	13 716	66 565
uPhongolo	14 861	50 187	28 226	7 898	1 243	100 416
Abaqulusi	24 109	155 017	10 622	4 426	23 623	218 798
Nongoma	4 181	183 943	43 744	-	-	231 868
Ulundi	55 439	221 503	32 804	9 593	23 013	342 353
Zululand	115 230	625 771	135 996	25 408	61 596	964 000

Source: Adapted from Census 2001

The following is noted.

- Ulundi (342 353) and Edumbe (66 565) local municipalities are home to the highest and lowest proportions of Zululand District's population, respectively.
- In terms of geographic area, Abaqulusi is the largest (4185 km²), Ulundi (3256 km²), uPhongolo (3236 km²), Nongoma (2185 km²) and eDumbe (1948 km²).
- Low levels of urbanization, approximately 80,5% of the people in the District are located in rural areas.
- A high youthful population in the 0 - 19 year age group (56%).
- A female population (53,5%) that is significantly higher than the male population (46,5%) which could be attributed to migration patterns in the province in general.
- Urbanization rates among the local municipalities indicate that Abaqulusi Municipality has the highest rate of urbanization i.e. 65%, Ulundi follows with 21% and Edumbe at 8%. uPhongolo and Nongoma Municipalities have the lowest urbanization rate at approximately 3% each.



The following Table provides a comparative breakdown of the annual household income in the Zululand District Municipality.

Table 2: Annual Household Income

Income Level	eDumbe	uPhongolo	Abaqulusi	Nongoma	Ulundi	Zululand
No income	5472	4319	11763	12054	14473	48081
R1–R4 800	1671	6156	3256	3155	3146	17382
R4 801–R9 600	3707	7439	7663	7591	8607	34910
R9 601–R19 200	2125	4207	4892	3975	4483	19489
R19 201–R38 400	1222	2057	3367	2483	2941	12071
R38 401–R76 800	586	1028	2438	1335	2102	7490
R76 801–R153 600	282	568	1507	429	1098	3885
R153 601–R307 200	94	192	602	116	392	1395
R307 201–R614 400	41	80	144	57	105	427
R614 401–R1 228 800	14	29	59	28	47	179
R1 228 801–R2 457 600	46	38	59	72	98	313
R2 457 601 and more	18	10	23	47	39	137
Not applicable	10	16	40	33	32	130

Source: Stats SA 2004 Adapted Census Data

Employment levels are shown in the following table:

Table 3: Levels of Employment

	eDumbe		uPhongolo		Abaqulusi		Nongoma		Ulundi	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Not applicable	22616	23828	31677	33787	48050	50380	58957	63763	59959	65107
Employed	6418	4027	11864	7644	15210	11013	4587	8083	8821	8821
Unemployed	6416	7699	8046	10404	17691	20663	9443	12655	14315	20284
Not economical Active	12117	17458	17117	25949	30629	15480	35489	53649	34507	49377

Source: Stats SA 2004 Adapted Census Data

Overleaf, a table is attached that represent the education levels of the Zululand population. There is a correlation between income, employment and education levels as can be seen from the tables and graphs referred to.

**Table 4: Levels of Education**

	eDumbe		uPhongolo		Abaqulusi		Nongoma		Ulundi	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Not Applicable	6479	6572	9219	9664	13751	13677	15770	16282	16574	16572
No schooling	10035	11630	13564	17978	20597	24373	21282	34657	24706	39279
Some primary	15805	16204	22703	23039	32878	33195	38900	40902	37992	38572
Complete primary	2713	3122	3993	4788	6066	6923	5946	7133	6049	7364
Some secondary	8856	10801	12715	14858	24152	27536	18921	24323	20575	25920
Std 10/Grade 12	2332	3016	423	4780	9204	10468	4136	7184	7200	10654
Higher	574	804	1159	1404	3118	3874	1322	1984	1866	2892

It is very important to consider the prevalence of **HIV/Aids** and the impact it has on the socio-economic conditions of the District. HIV/Aids will have a significant negative impact on the whole South African society, Zululand being no exception. The implications are as follows:

“KwaZulu-Natal’s present share of the South African population is about 21%. This is expected to remain constant over the next 20 years under a “low impact” HIV/AIDS scenario, according to the DBSA. However, KZN had the highest recorded HIV-positive rate in the country between 1997 and 1999, indicating *that* the impact is likely to be more severe than in the rest of South Africa, rather than less so. The Department of Health national statistics estimated KZN’s HIV prevalence rate at 32,5% in 1999. The KZN’s Office of the Premier reports that ‘the prevalence appears to be higher among women than among men. Women are infected considerably earlier than men. Among women, prevalence rises sharply from about 15 years, reaches a peak at 25-30 years then begins to taper off.’”

Table 5: Projected Population Growth Rates

Period	% growth rate (based on DBSA report)	Growth factor	Population at start of period (based on WSDP data)	Population at end of period
2001 - 2005	1,44	1.0741	964 000	1 035 432
2006 – 2010	0,96	1.04893	1 035 432	1 086 096
2011 – 2015	0,58	1.02934	1 086 096	1 117 962
2016 – 2020	0,08	1.00401	1 117 962	1 122 445

Source: WSDP (2001), DBSA (2000) “Provincial population projections, 1996 – 2021 High HIV/AIDS impact” September 2000



Members of the Municipal Council and Management

Political Leadership in Zululand District Municipality

Leadership

Chapter 3

The Council of the Zululand District Municipality consists of 34 Councilors, 40% of which are proportionally elected and 60% elected to the district municipality from respective local municipalities. The Council is chaired by Cllr. N J Mjaja and the political representation is as follows: Inkatha Freedom Party, Democratic Alliance, and African National Congress.



The following Councilors will serve on the Council of the Zululand District Municipality during 2006 – 2011 term of office:

Speaker	
N J Mjaja	
V Z Magwaza (Mayor)	V O Mbuyisa (Deputy – Mayor)
BB Zwane	MB Mabaso
TR Bunge	NE Zungu
AB Lesala	JB Mavundla
MM Kunene	TB Lukhele
SE Nkwanyana	SPS Mwelase
JB Ngema	KE Thabede
MM Mntungwa	JP Ngwenya
MA Shabangu	JA Scheepers
NP Ndlela	R B Mhlungu
S Z Buthelezi	BA Mtshali
PM Mtshali	ME Ndwandwe
NV Mbatha	EM Nxumalo
HS Ngwenya	ME Sishwili
MJ Ngcobo (deceased post year end)	TM Zungu
BS Khanyile	S Mlambo
MZ Mafambani	



Members of the Executive Committee and the Municipal Manager

The following are the Portfolio Committees of the Zululand District Municipality Council:

- Disaster Management, Health and Safety (4 Meetings held)
- Finance and Budgeting (3 meetings held)
- Local Economic Development and Tourism (3 Meetings held)
- Community and Social Development (Youth, Gender and Sports)
(8 Meetings held)
- Capex and Water Provision (3 Meetings held)
- Planning and GIS (2 Meetings held)
- Full Council (2 Meetings held)
- Executive Committee (8 Meetings held)



Management Team of the Zululand District Municipality

Management

The District has five departments i.e. Municipal Manager's office, Budget and Treasury Department, Technical Services, Planning and Community Development and Corporate Services headed by the following officials:

Municipal Manager



Mr Johan de Klerk is the Municipal Manager.



Head of Department: Budget & Treasury Office



Mr. SB Nkosi is the Chief Financial Officer. His Department's primary purpose is to manage and control all financial functions for the municipality so that current and future effectiveness of council services, programmes and operations is ensured in a sustainable way. These functions include accounting, budgeting and budgetary control, cash management, expenditure control, payroll, credit control, financing, banking, investment, risk management and taxes.

Head of Department: Planning and Community Development



Mr. C Nel is the Head of the Department of Planning and Community Development. His Department is responsible for the following functions:

- ♦ Planning
- ♦ LED
- ♦ Water Services Authority
- ♦ Solid Waste
- ♦ District Roads & Transportation
- ♦ Municipal Airports
- ♦ Municipal Health Services
- ♦ District Cemeteries
- ♦ District Tourism



Head of Department: Technical Services



Mr. SL Khumalo is the Head of the Department of Technical Services. His Department is responsible for implementation of infrastructure projects and once commissioned, to operate and maintain same, ensuring that the services delivered are of the required standards, quality and are implemented in a cost-effective manner.

Head of Department: Corporate Services



Mr. MN Shandu is the Head of Department for Corporate Service. His Department aims at ensuring that other departments provide effective and efficient services that match the world-class standards. It further provides strategic support to all departmental functions within the municipality.

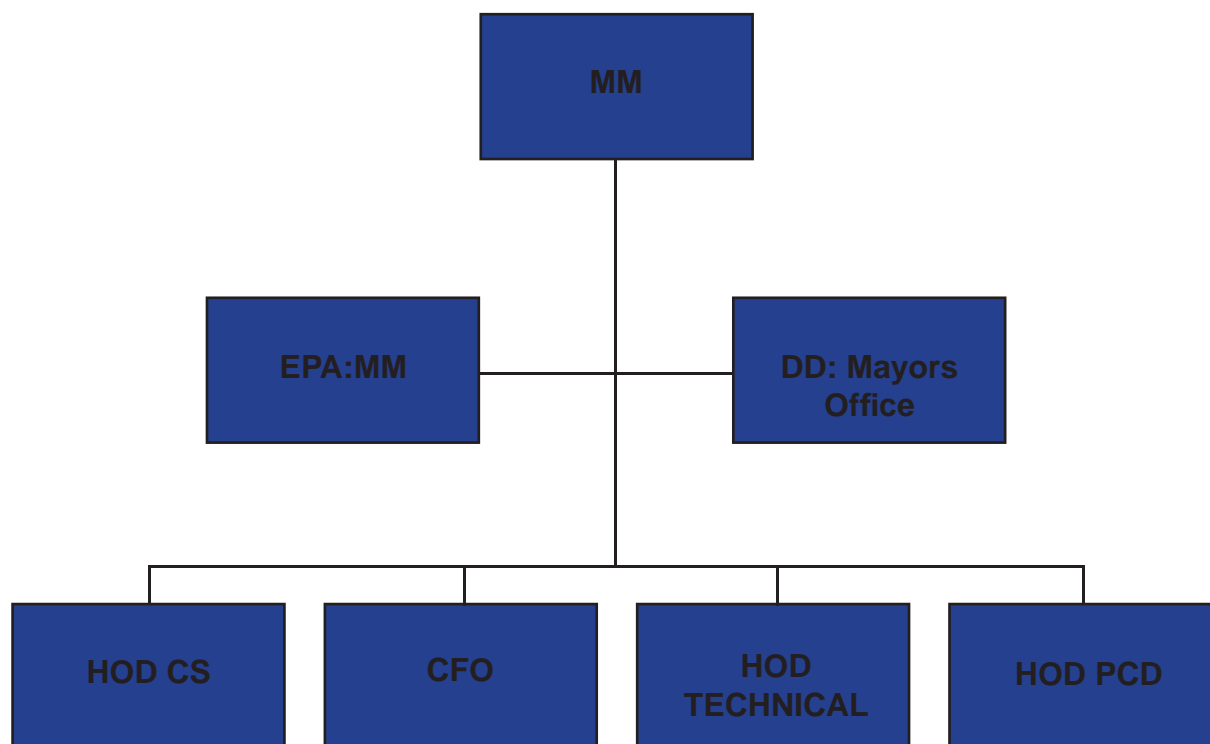
The full range of services offered by this department include: Disaster Management, Facilities and maintenance, Youth, Sports, Recreation and Gender, Human Resources, Capacity Building, Training and Development, Secretariat and Administration, Legal Services, Fleet Management, Indonsa Arts and Craft Centre and Sivananda Princess Mandisi Health Care Centre.



High Level Organisational Structure

Structure

The District has five departments i.e. Municipal Manager's office, Budget and Treasury Department, Technical Services, Planning and Community Development and Corporate Services as depicted on the following organogram





Development Priorities and Key Strategies

Strategies

MANAGEMENT SERVICES

The main functional hub of the Management Services Division includes:

HUMAN RESOURCE SECTION

This section is responsible for the undermentioned services:

HR Planning, Recruitment and Selection, and HR Administration

HR Policy Development, Implementation, monitoring and evaluation

Employee Performance Appraisal Systems development and Implementation

Employment Equity Planning, implementation and reporting

Employee Assistance Programmes (Planning, implementation, management)

Total number of staff members of Zululand District Municipality

The municipality has a total number of 301 full time employees, and 159 non-permanent employees in the period under review i.e. 01 July 06 to 30 June 07.

These employees are spread in different employment categories; the table overleaf shows the workforce profile per employment category.



Occupational Categories											TOTAL
	Male			Female				White Male	Foreign Nationals		
	A	C	I	A	C	I	W	W	Male	Female	
Legislators, senior officials and managers	07			03				4			14
Professionals	03			04				2			09
Technicians and associate professionals	34			16			01				51
Clerks	10			31	01		01				43
Service and sales workers	24			02							26
Skilled agricultural and fishery workers											
Craft and related trades workers	15							01			16
Plant and machine operators and assemblers	35			03							38
Elementary occupations	74			19							93
Other				04							04
Apprentices	04			03							07
TOTAL PERMANENT	206			85	01		02	07			301
Non – permanent employees	156			03							159
GRAND TOTAL	362			88	01		02	07			460



NUMBER OF STAFF AS PER FUNCTION

DEPARTMENT	NUMBER OF STAFF
Council	34
Municipal Support	2
Mayoral Support	12
Corporate Services	63
Technical Services	271
Financial Services	38
LED & Planning	40
TOTAL	460

NEW APPOINTMENTS

Zululand District Municipality is at the center of employment creation within its area of jurisdiction, through a number of developmental projects undertaken by the municipality at a given time, and through employing people to work for the Zululand District Municipality directly. There was a significant increase in the number of new appointments made directly by Zululand District Municipality in the reporting period i.e. 01 July 06 to 30 June 07. A total number of 143 new people were permanently employed, and 26 people were employed on a non permanent basis.

EMPLOYMENT EQUITY

The employment equity act requires all designated employers to prepare their employment equity plan with clear targets, bound to a specific time frame.

These plans should seek to address and redress the employment inequalities created by the discriminatory laws of the past. While it would be naïve on our part to claim to have achieved our equity targets, due to a number of factors beyond our influence, pertinent to most municipalities, who often have a difficulty attracting people with the right combination of skills and talent.

Foremost, one must point out that we have been able to develop our Employment Equity Plan which is in full compliance with the legislative prescripts, and we have accordingly reported to the Department of Labour as prescribed in Section 21 of the Employment Equity Act

We are pleased with the progress we are making in this regard, despite the given environmental challenges.



TRAINING & DEVELOPMENT SECTION

The Training and Development section is charged with the overall development and implementation of Zululand District Municipality's skills development strategy. The Work Place Skills Plans as well as facilitation of work place education and Training, thus ensure adequate and a well developed internal human resource capacity.

Human Capital development occupies a significant part in the agenda of the Council of Zululand District Municipality. Our council continues to put the right policies in place which help us increase our skills base in some of the most critical and scarce skills areas. Our work place skills plan (WSP) captures our comprehensive response to addressing the skills gaps that exist generally in the South African labour market, but more specifically, it provides possibilities for more targeted training interventions to the employees of Zululand District Municipality, and our Council's approach in addressing the issue of skills development.

In this regard a number of employees were trained in a range of areas in the period under review. The table below indicates the number of employees trained in various occupational categories and levels effectively from 01 July 06 to 30 June 07.



NUMBER OF STAFF TRAINED

Occupational Levels											TOTAL
	Male			Female				White Male	Foreign Nationals		
	A	C	I	A	C	I	W	W	Male	Female	
Top management	03							02			05
Senior management	06			02				03			11
Professionally qualified and experienced specialists and mid-management	07			07			01	01			16
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	35			11							46
Semi-skilled and discretionary decision making	14			20	01						35
Unskilled and defined decision making	12			02							14
TOTAL PERMANENT	77			42	01		01	06			127
Non – permanent employees	04			05							09
GRAND TOTAL	81			47	01		01	06			136



OCCUPATIONAL HEALTH & SAFETY

Promotion of a healthy working environment is a mandatory requirement to employers, prescribed by the Occupational Health & Safety Regulations.

This section is charged with the responsibility of developing and implementing occupational health and safety strategy, programmes and plans, and evaluating the quality and adequacy of internal and external OHS systems and other related interventions with respect to the prevention and management of occupational health and safety. The Zululand District Municipality has established the Health & Safety Committee, and our Safety and Health Representatives were appointed, and training is on going as part of compliance in terms of the act

JOB DESCRIPTIONS:

Job descriptions were submitted for evaluation to the Job Evaluation Committee KZN Region 4, and still awaiting for the feedback.

BURSARIES:

The Council of the municipality took a very significant policy position to afford those employees of the Municipality who intend to further their studies to apply for Council bursaries, subject to terms and conditions as espoused in the applicable Council policy.

In the period 01 July 06 to 30 June 07, a total of 8 staff members were awarded bursaries to pursue their studies in their respective chosen discipline.



STRATEGIC IMPLEMENTATION

The implementation of each strategy will be driven by internal role player or role players in the organization. They will be responsible for programmes and project specific plans to be completed. The ongoing implementation of performance management system and implementation monitoring will ensure that implementation is monitored in an ongoing manner.

Each development dimension listed below has a measurable objective, associated with an indicator and a responsible department for execution. The target indicates what the desired outcome within a certain time period would be. This is a statement of intent by Zululand that can be monitored by the public as well as the Council.

Delivering Basic Services and Coordinating other Services to the People of Zululand

The intent with this strategic issue is to, within the framework of the functions allocated to the Municipality to perform, make optimal use of current resources to ensure the optimal delivery of essential services to the people of Zululand.

To achieve this goal, funding will be sourced from the following key agencies and Departments:

Municipal Infrastructure Grant - MIG.

Department of Local Govt. & Traditional Affairs - DLGTA.

DBSA.

(a) Municipal Key Projects

Objectives

- Development of an Integrated Development Planning and Implementation system.
- To improve the livelihoods and quality of life for ZDM people, and help reduce rural poverty.
- To provide long-lasting economic opportunities and better quality of life.

Strategies

- The Municipality will implement an Integrated Planning and Management system that ensures a strategic and efficient manner.
- A system that will align the IDP, Financial Planning, Service Planning and Performance Management.
- The Municipality will systematically review its PMS that links overall strategic objectives through to service operations and individual performance in order to encourage high level performance and continuous improvement.

(b) Water and Sanitation

Objectives

- Setting a common minimum standard/approach.
- Co-ordination of all water services providers within the District.
- Maximise the acceptable level of water and sanitation.



Strategies

- Incorporation of all role players in Water Services Development Plan.
- Ensure that all municipalities have water management tools.
- Bulk water supply.
- Application of free basic water.
- Construction of VIP's in rural areas.

(c) Economic Development

Objectives

- Retain and create jobs.
- Tourism promotion.
- To increase entrepreneurial opportunities and employment.

Strategies

- Promote spatial development.
- Create conducive environment for job creation and investment.
- SMME's development.
- Targeted empowerment for youth, women and the disabled.
- Infrastructure development.
- Promote investment and planning in the disadvantage areas.
- Marketing the District.
- Co-ordination with all role players in economic development.
- To promote and develop tourism potential.

(d) HIV/Aids

Objectives

- To have improved mental and emotional health.
- To reduce HIV/Aids rate radically from its current rate.

Strategies

- Create vigorous awareness of the HIV/Aids pandemic.
- Involve youth in sexual morality e.g. early childhood development.
- Mobilising farmers in rural areas to develop a strategy for their own group of workers.
- Mobilise the resources from all stakeholders in fighting HIV/Aids.
- Ease environment conducive for the people to fight HIV/Aids.
- Increase access and acceptability to voluntary HIV testing and counseling.

(e) Health

Objectives

- Immediate help in emergencies (physical crisis).



- To improve general status of health.

Strategies

- Integrated plan for service delivery.

(f) Safety and Security

Objectives

- To create a crime free environment.

Strategies

- To oversee improvement of police service delivery.
- Strengthening community participation.
- Anti-crime campaign involving all stakeholders i.e. business, schools ect.
- Target approach to crime (e.g. rape, house breaking) in terms of crime and geographical location.
- Enhance effective and preventative disaster management.
- Mobilising of communities against crime.

(g) Environment

Objectives

- To have a clean, safe and healthy environment.

Strategies

- Environment health and hygiene awareness campaign.
- License (dumping) sites and to ensure that they are operated according to the license or permitting campaign.
- To regulate developmental activities through enforcing compliance to legislation.
- Create awareness on natural environment and on environmental legislation.
- Sustainable environmental protection to ensure clean, safe and healthy conditions.

(h) Transport and Roads

Objectives

- Improved, safe roads and transport services (District Level).
- Promotion of accessible public transport.

Strategies

- Ensure user friendly modes of transport for rural communities.
- Ensure private and intergovernmental partnership for utilisation of resources towards roads improvements.



- Integrated transport and land use.
- Ensure the accessible mobile pay points rather than transport for the aged during pension days.

(i) Sports and Recreational Facilities

Objectives

- To have access and sustainable sports and recreation facilities.
- Promotion of cultural facilities.

Strategies

- Promotion of educational cultural campaigns.
- Ensuring improved supervision and security in all the facilities.
- Ensure the provision of quality and appropriate equipment for the users.
- Ensure community involvement in the maintenance of recreational facilities.

(j) Disaster Management

Objectives

- Preventing or reducing the risk of disaster.
- Mitigating the severity or consequences of disaster.
- Emergency preparedness.

Strategies

- Defining types of incidents and their possible effects.
- Identify weakness in capacity to deal with possible disaster.
- Develop a District protocol by roles and responsibilities inclusive of communication channels.
- Plan for disaster response and relief.

(k) Land Reform

Objectives

- Improve project management .
- To promote projects that enhances the livelihoods of the rural poor.
- To ensure that land reform projects promote the optimal use of land.
- To support and promote involvement of previously disadvantaged farmers in large-scale commercial farming.

Strategies

- Support the resolution of land claims.
- Identify suitable land and facilitate the settlement of emerging and previously disadvantaged farmers.



- Promote an understanding of the land reform process.
- Support land redistribution projects.

(l) LUMS

Objectives

- To guide all decisions of a municipality relating to the use, development and planning of land.
- To implement strategic plans and manage development.

Strategies

- Special development areas for targeted management.
- Conservation of both the built and natural environment.
- Particular types of land use should be encouraged or discouraged.

(m) MPCC

Objectives

- To have one MPCC per each LM.
- To promote the efficient delivery of services and infrastructure.
- To promote spatial efficiency.

Strategies

- Facilitate the development of a hierarchy of service centres in the municipal area.
- Readiness for second generation of MPCC.
- To access funding from Sector Departments for the MPCC projects.

(n) Tourism Sector

Objectives

- Zululand to have a diverse, exciting range of quality tourism products.
- To make all tourists and potential tourists aware of the products.
- To make Zululand the favourite tourist destination.

Strategies

- Efficient institutional structuring for tourism.
- Tourism information inside the District.
- Tourist information outside the District.
- Community tourism.
- Visible tourism delivery.

(o) Agricultural Sector

Objectives



- Identify agricultural opportunities.
- To provide guidelines on agricultural roles and responsibilities between the different LED stakeholders within the District.
- Coordinate the formulation and implementation of municipal agricultural policies.

Strategies

- Institutional structuring for agricultural delivery.
- Sustainable Land Reform.
- Improved market access for agricultural sector.
- Visible delivery in agricultural sector.

(p) Business Sector

Objectives

- To establish coordination at the District level.
- To establish component business organisations with the District that will support the activities of the DM and LM's relating to economic development.
- The District to have a valuable guidance relating to economic policy and strategy.

Strategies

- Institutional structuring for delivery.
- Capacity building and training.
- Establish/building agri-industries.
- Establishing small scale mining.

(q) Financial Plan

Objectives

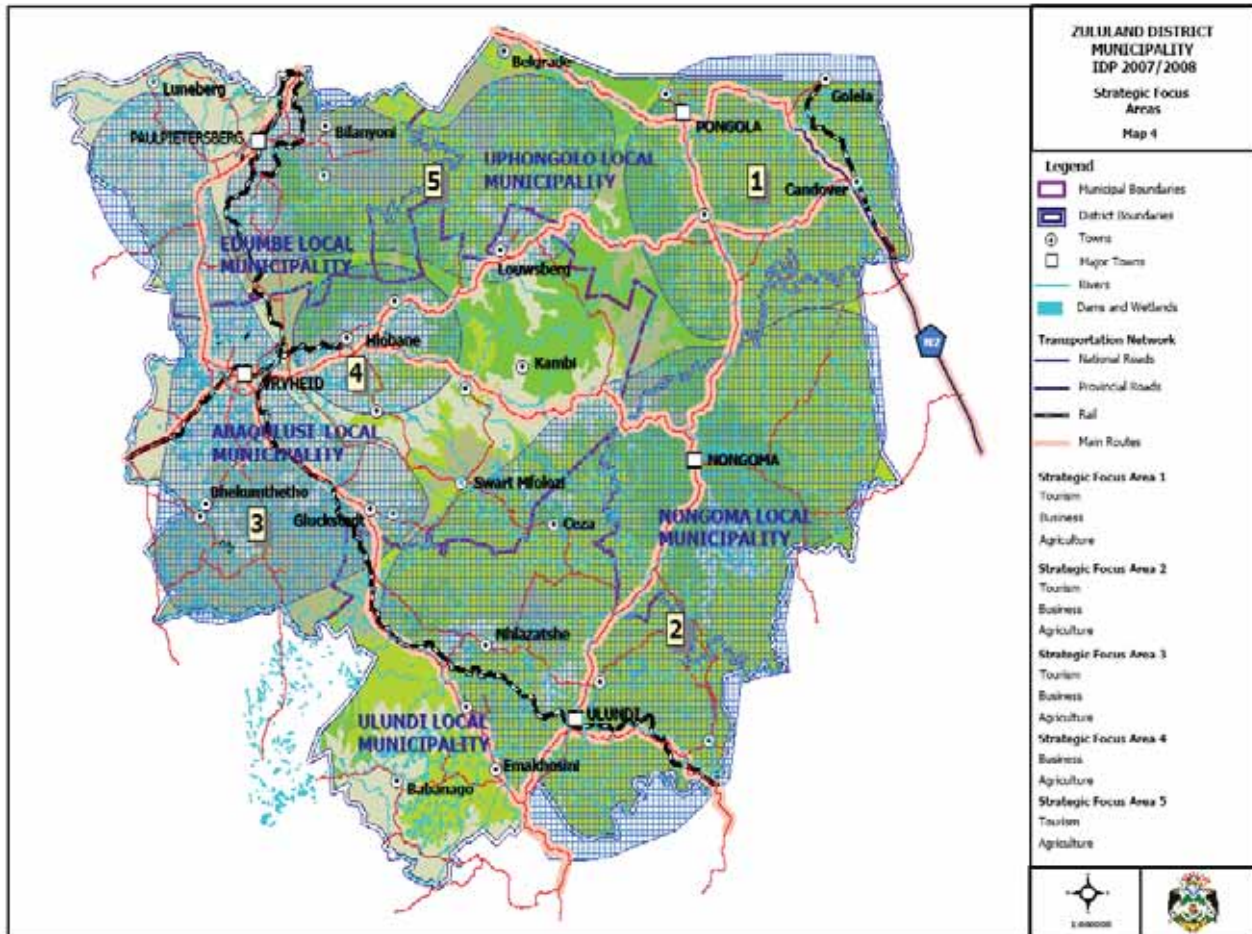
- Ensure sufficient financial resources allocated.
- Ensure that latest appropriate technology and equipment is used to enhance productivity and reduce costs.
- Promote active participation and ownership by all external stakeholders.

Strategies

- Update consumers data base on an annual basis.
- Annual increase in consumers and staff training programmes.
- Regular budget meetings and adjustments by HOD's.
- Ensure active participation in budget process.



ZULULAND DISTRICT MUNICIPALITY: SPATIAL DEVELOPMENT FRAMEWORK





Municipal Performance: 2006/07

Performance

Introduction

Legislation requires that a Municipality develop and adopt a performance management system to measure the progress made in achieving its objectives as set out in the IDP. This was identified as a shortfall in the 2005/06 assessment of the Zululand District Municipality IDP, and was subsequently addressed through the adoption of an appropriate performance management system and model.

In considering which performance management model to use, care was taken to ensure that the key performance indicators identified, was in line with the national key performance areas. It was therefore decided to use a base model that was derived from the IDP key issues, but keeping a balance with national key performance areas.

The performance target set in terms of the adopted system will be measured on an annual basis, and will therefore change as and when a specific performance target is reached. The Municipality is also in the process of developing an individual performance management system that will be linked to the performance indicators.

In this chapter the performance of the Zululand District Municipality in achieving the said performance targets will be reviewed and compared with its performance during the previous financial year.



PERFORMANCE MEASUREMENTS 2006/2007 MONITORING AND SCORING									
		01 Jul-30 Sept	01 Oct-31 Dec		01 Jan-31 Mar		01 Apr-30 Jun		
Performance Target	Actions	Quarter 1	Quarter 2	Measurement	Quarter 3	Measurement	Quarter 4	Measurement	TOTAL
90% of all projects are implemented in terms of the approved programmes by 30 June 2007.	Draft Implementation Programme.	10% of all projects implemented	30% of all projects implemented	4	75% of all project implemented	4	90% of all projects implemented in terms of approved programmes by 30 June 2007	4	3.75
Projects implemented as per WSDP	Business Plans approved Service Providers appointed.	15% of projects completed as per WSDP	50% of projects completed as per WSDP	2	75% of all projects completed	4	100% of all projects completed	4	3.25
Budget Sanitation infrastructure provided according to approved WSDP	Approve funds according to WSDP.	Funds approved according to WSDP.		3					3
Increase the number of people with basic health education and access to basic sanitation according to the WSDP.	Monitor Achievements of WSDP.	Monitor according to WSDP roll out	Monitor according to WSDP roll out	4	Monitor according to WSDP roll out	4	WSDP roll out successfully completed	4	3.75
90% of all projects emanating from the IDP and provided for, in the approved budget are successfully completed	Lead, direct and manage the Department's staff so that they are able to meet their objectives.	Staff work programme to be drafted	Monitor progress according to plan	4	Monitor progress according to plan	4	Monitor progress according to plan	4	3.75
Monitor water at selected areas on monthly basis.	Report on monthly basis to EXCO.	Report tabled with Exco on a monthly basis	Report tabled with Exco reflecting some resolutions taken	1	Report tabled with Exco with all previous Quality issues resolved	1	Water Quality improved through actioning of monthly reports	1	1
Approved revised WSDP by 30 June 2007.	Review WSDP.	WSDP Draft review 25% complete	WSDP Draft review 100% complete	3	WSDP review completed and submitted for MM's comments	3	WSDP reviewed and approved by Exco by 30 June 2007	3	2.75
SOCIAL ISSUES									
Ensure the successful implementation of at least 2 youth empowerment programmes that were approved by the Executive Committee by 30 June 2007	Identify two youth empowerment programmes and implement.	At least 2 Youth Empowerment Programmes identified for implementation and submitted for consideration by the Executive Committee	Implementation plan for Youth empowerment programmes submitted to Exco	1	2 Youth Empowerment Programmes identified and 60% implemented	4	At least 2 Youth Empowerment Programmes successfully implemented as per Executive Committee	4	3.25



Submission of draft Gender Equity Plan to EXCO for approval by 30 June 2007.	Draft Equity Plan	Gender Equity Plan drafted to at least 25% completion	2	Gender Equity Plan drafted to at least 50% completion	3	Gender Equity Plan drafted to at least 75% completion	4	Gender Equity Plans submitted to Exco for approval by 30 June 2007	4	3.25
At least 3 HIV/AIDS projects identified and implemented by 31 July 2007.	Identify and Implement HIV/AIDS projects.	At least 3 HIV/AIDS projects identified	2	Implementation Plan on HIV/AIDS Projects submitted for approval by 31 July 2007	2	Implementation Plan on HIV/AIDS Projects approved by Exco and ready for implementation	3	3 HIV/AIDS Projects fully implemented by 30 June 2007	3	2.5
Disaster Management Strategy Implemented by 31 July 2007	Implement plan	25% of ZDM Disaster Management	4	Disaster Management Strategy	4	Disaster Management Strategy Implementation Plan	4	Disaster Management Strategy	4	4
INSTITUTIONAL CAPACITY										
A revised Employment Equity Plan approved by EXCO before 20 November 2006.	Revise Employment Equity Plan.	Employment Equity Plan completed 50% revised.	4	Employment Equity Plan submitted to EXCO for approval.	4					4
Maintain at least 80% of budget spent annually.	Monitor expenditure.	At least 20% of annual budget spent	3	At least 40% of annual budget spent	3	At least 60% of annual budget spent	4	Maintain at least 80% of annual budget spending by 30 June 2007	4	3.5
SCM Policy drafted, SCM Practitioners trained, website and Tender documents.	Draft Supply Chain Management Policy.	Supply chain main policy completed 30 September 2006.	4							4
Maintain the debt coverage ratio above 7, by 30 June 2007.	Debt recovery strategy.	Debt recovery strategy 40% complete	3	Debt recovery strategy completed and implemented	3	Debt coverage ratio maintained above 7%	3	Debt coverage ratio maintained above 7% in line with the	3	3
To increase the payment level of debtors from 70% to 80% by 30 June 2007.	Devise strategy to decrease debtors.	Debtor payment level increased from 70 – 75%	3	Debtor payment level increased from 75 – 78%	3	Debtor payment level increased from 78 – 80%	3	Debtor payment level maintained at 80% by 30 June 2007	3	3
Audit committee monitor internal audits at least 3 times per year.	Appoint internal Auditors. Approve annual Internal Audit Plan. Consider audit report and take corrective steps if required.	Internal Auditors formally appointed and Internal Audit Plan approved	3	Internal Auditors to submit a Report on the first Audit to MM by 31 December 2006	3	Internal Auditors to have monitored at least 2 Audits by 31 March 2007 and report submitted to MM	3	Internal Auditors to have monitored at least 3 Audits by 30 June 2007 and report submitted to MM	3	3
2007/2008 Budget s completed in the prescribed format and submitted to Council for adoption by 31 May 2007.	Prepare Budget					Budget preparation 50% complete and ready for submission	4	Budget prepared and adopted by Council by 31 May 2007	3	3.5



At least 85% of projects identified in the budget appear in the IDP.	Approve budget that complies with target							Budget approved by 31 May 2007 where at least 85% of projects comply.	3	3
IDP completed according to framework plan and approved by EXCO on 31 June 2007.	Draft processes and Framework plan.	Process and framework plan drafted	4	Monitor progress according to plan	4	Monitor progress according to plan		IDP Process and Framework main drafted and adopted by 30 September 2007.	3	3.75
Monitor yearly implementation of plans, and ensure 90% compliance with plans.	Consider annual implementation report by the Municipal Manager.	Draft implementation plan	3	Monitor compliance with implementation plan	3	Implementation Report to be 90% compliant with the Implementation Plans	4	MMs annual Implementation report considered for compliance with Plans	4	3.5
SUSTAINABLE AND ENVIRONMENT										
Business plans for the 2nd phase of implementation of EMP submitted to MM by 30 June 2007.	Draft business plans.	Identify Scope of work	4	Draft business plan	4	Draft business plan	4	Business Plans submitted by 30 June 2007.	3	3.75
ECONOMIC DEVELOPMENT AND TOURISM										
Sector Plans approved by the EXCO before by 30 June 2007.	Review Tourism Plan	Identify scope of work	4	Revision 30% completed	4	Revision 70% completed	4	Revised Tourism plan submitted by 30 June 2007	4	4
Ensure appropriate projects are packaged for various SMME's by 30 June 2007.	Identify Projects Draft business plans.	Projects identified	4	Draft business plans and submit	4	Draft business plans and submit	4	Draft business plans and submit	4	4
									95	88.75
										93.40%

Scoring	
1	No progress
2	Below expectation
3	Meeting expectation
4	Above expectation



Departmental Performance: 2006/07

Performance

In this chapter an overview will be given of the performance of each Department of the Municipality and its achievements during 2006/07

CORPORATE SERVICES DEPARTMENT

Corporate Services Department is the administration nerve center of the Zululand District Municipality. It is charged with the overall management of a range of interrelated administrative subsystems, broken down into divisions and sections of the department.

Our main objective is to be a vision inspired, strategy focused, people centered and result driven department, which strives to be a center for administrative excellence; through optimal utilization of limited resources, thus ensure maximum out put with minimum in put, and value of value to our client departments within the municipality.

The department is mainly structured in to four divisions :-, namely

- Auxiliary Services;
- Management Services; and
- Social Services.
- Disaster Management & Fire Fighting Services

These divisions are managed by a Deputy Director who reports to the HOD Corporate Services.

The main strategic objectives of the department are to serve and assure the community of Zululand, either directly or with the co-operation of others, through:

- Stewardship to use resources effectively and account for them properly;
- Quality Services to provide high quality and specialist services that pass the test of Best Value; and
- Adding Value to enhance the services provided through our contribution and optimise the



resources

CUSTOMER SERVICES SECTION

The Zululand District Municipality is engaged in a process of establishing District Customer Services Center, with a 'one stop shop' state of the art 24 Hour Call Center. A Customer Services Officer has already been appointed.

The Call Center IT Systems which records all call have been sourced and accordingly installed. This Call Center will be a medium through which customer queries ranging from water accounts to disaster reporting, reporting burst pipes and all other municipal services related queries will be reported.

SECRETARIAT SERVICES:

The Secretariat section is charged with the overall administration and secretariat support service to the Council, its Portfolio Committees, as well as other committees of the municipality.

SOCIAL SERVICES

SPORTS

The Zululand District Municipality has been engaged with sports activities where Sportsmen and women from all over the Zululand District Municipality participated in Ward selections that took place in all the Wards of Local Municipalities, viz. Ulundi, Nongoma, eDumbe, AbaQulusi, Uphongolo and Ulundi.

All five Local Municipality's competed amongst each other and all squads selected from these games converged to partake as a District Squad in codes, namely, soccer, netball, volleyball, dance, rugby, golf, cricket, basketball, boxing, athletics etc. to represent the Zululand District Municipality at the SALGA GAMES 2007. During the SALGA Games all 10 District Municipality and 1 Metro compete in the various sport codes. The games took place at Uthungulu District Municipality from the 1st – 4th December 2006. The Zululand District Municipality Soccer boys walked away with Gold!!!!!!



Chapter 8

ZULULAND DISTRICT ULTRA MARATHON

This spectacular annual event is a 56km ultra marathon, rotating annually from Nongoma to Ulundi and vice versa. It also includes a 10km walk, a 10km run, as well as a 5km fun run. The intention is to become a true partner and a forerunner of the annual Comrades Marathon. The Marathon was held on 25 March 2007 starting from Nongoma to Ulundi and the event was successful with participation of over 500 athletes.



YOUTH DEVELOPMENT

The changes that have taken place in our country have thrown new challenges. With youth forming a large percentage of the population, the need to contribute to their development becomes crucial for the future of the country. The Zululand District Municipality acknowledges this and strongly believes in the development of youth. The month of June has been identified as Youth month, with particular emphasis to June 16. Accordingly, the Zululand District Municipality, hosted the Youth Day Celebration on the 27th of June 2007 and more than 5000 Youth from the area of jurisdiction of the council participated.

The council involves youth on a number of programmes such as:

YOUTH COUNCIL

Youth Council's were established in each local municipality within the district as a means of:-

- Informing and sensitizing council and to make proposals for local youth programs and services.
- Creating mechanism for young people to understand the issues of governance at local level.

GENDER

Gender disparities exist in many indicators of human development. These disparities reflect the generally lower status of women compared to men. In ensuring that development is equitable in all possible manners for men, women, youth and disabled the Council embarked on gender equity programmes i.e. The celebration for the month of August by hosting a Women's Summit on the 10 August 2006 where the women were represented by 5 councilors per Local Municipality, female Amakhosi, female izinduna, all Ondlunkulu and Widows from the District. The theme of the Summit was '*Unleashing your Potential*', the Summit was then followed by the celebration of the Women's Day on the 11th August 2006 at Ophongolo Local Municipality where women were given recognition to the timeless efforts to celebrate about change in a non-threatening manner and the type that have institutionalized the transformation agenda in spite of assistance and despondency from our respective societies. Hence, the Zululand District Municipality acknowledges the strong belief of the development of the women as they are forming a large percentage of the population, the need to contribute to their development is becoming more crucial for the future of the Zululand District Municipality.

SIVANANDA PRINCESS MANDISI HEALTH CARE CENTRE

The Sivananda Princess Mandisi Health Care Centre is situated at B North in Ulundi. The centre is established to provide health care services such as

The Princess Mandisi Health Care Centre is fully operational in partnership with *Love Life*, Department of Health and other non government organizations.

People are being encouraged to do voluntary counseling and testing and also to acquire their status on HIV and AIDS and other diseases. Both post and pre-counseling is provided, The centre also works



closely with the Nkonjeni Hospital as a referral hospital for persons that require anti-retroviral and TB treatment respectively.

Two Love life ground breakers, Simanga Khumalo and Phumlane Gama, and izimpinsthi were appointed to do community and school programmes :- i.e.

- motivation
- guide to action
- body wise
- drama
- health education

STRATEGIC OBJECTIVES

The following strategic objectives were adopted for the centre:-

- To create a non discriminatory environment and to equip communities to deal with the realities of HIV/AIDS pandemic;
- To educate and embark on awareness campaigns in ensuring that knowledge is imparted about the diseases;
- To encourage voluntary counseling and testing.

In terms of 2006 statistics women are mostly infected than men and this is due to unequal power relation between men and women particularly when negotiating sexual relations. Lack of economic power often results in women being dependant on their male partners for basic needs for both themselves and their children. Many women fear to lose their partners if they deny them sex, even if it is unsafe, for fear of not being able to survive financially, which indicates that poor women are at greater risk.

INSTITUTIONAL AND SOCIAL DEVELOPMENT

The Skills Development Training Programme is offered in a two week course on food gardening, home based care, care for the aged and children. Approximately 800 community members benefited from this programme (vegetable and crop production) during 2006/2007 financial year. The council continued in 2006/2007 financial year to run learnership programmes funded by Agri-Seta and Nedupola Trust as the service provider where 43 learners benefited from this programme.





INDONSA ARTS AND CRAFT CENTRE

- **Training** in both **Visual Arts and Fashion Design** continues with 15 students in each training project, training started in July 2006 and ended in December 2006 and the second group for 06/07 financial year started in January 2007 and graduated on 21 June 2007. The work produced by the learners is getting better and better each time, people are beginning to understand the importance of these skills in job creation and economic development.
- **Agri-Tourism Skills Capacity Building Project:** a training project organized and housed by Indonsa, provided by THETA (Tourism, Hospitality & Sports Education and training Authority) took place from 23 April 2007 until 04 May 2007 at Indonsa. 25 Members of the Community received training in Guesthouse operation and Tourism development, with an aim of improving the performance of the enterprises and contribute to tourism knowledge in general. Crafters were also included in the training.
- **Umbele Wethu Cultural competitions** the project was for the first time included in the strategic plan for the Zululand District Municipality. The project goes a long way in addressing the performing arts needs of the community of Zululand District Municipality.
- **Capacity building workshop** for staff members: five of Indonsa staff members, Manager, Co-ordinator, Admin Assistant, Visual Arts facilitator and fashion Design Facilitator attended a four-part Capacity building workshop sponsored by the National Department of Arts and Culture, conducted by AMAC. The aim of the workshop was to improve on the way in which community Arts Centres operate on daily bases. The workshop started in October 2006 until February 2007, it also included mentoring through visits by the mentor to the centre on several occasions to assist with on the job training. This training helped a lot in motivating staff and capacity enhancement.
- Indonsa coordinated and facilitated a three day **Performing and non Performing arts workshop** in Nongoma held at Mtashana FET College in August 2006. Seventy youth were in attendance
- Coordinated and facilitated **Siyaziphilisa women's crafts conference and exhibition** at Isikhawini College in July 2006. About 1400 people attended half of which were crafters they came from three District Municipality; Uthungulu, Umkhanyakude, and Zululand municipalities.
- **The Reed Dance 2006** was on 8th, 9th & 10th September at Enyokeni Palace, Indonsa was involved in the organizing of the event, designing invitation cards and putting up of the Exhibition. Indonsa exhibited together with crafters in the Database of Indonsa and the Department of Economic Development.
- **National Isicathamiya Festival-** November 2006 (Playhouse DBN), 7 groups from Zululand District Municipality participated having been identified through Umbele wethu Festival. Indonsa organises transport for the groups.



- Beautiful things crafts exhibition took place on 29 November to 03 December 2006 at Bryntirion Presidential Estate in Pretoria where Artworks selected by Indonsa from the whole of Zululand District Municipality were exhibited and sold. Indonsa manager was there.
- A four-day workshop for the **KZN Community Arts Centres Federation** took place at Esayidi FET College in Portshepston on 11-14 March 2007 to deal or address issues affecting the arts centres. This workshop led to a meeting with the MEC Arts, Culture and Tourism Mrs W Thusi which took place at the Bat Centre on 05 April 2007 where Arts Centres raised their concerns.
More meetings continue to take place in the Clusters with Cluster Managers, Deputy Managers and Community Arts Centres attending. Indonsa holds a position of secretariat in the Zululand Cluster.
- Indonsa Centre Manager represented Zululand District Municipality in all **Provincial Indigenous games 2006** plenary meetings. After a rush of local selections and district eliminations which took place on 23 June 2007 at Ulundi regional stadium, The Provincial Indigenous Games took place at Enseleni stadium on 30 June 2007.

DISASTER MANAGEMENT

The Zululand District Municipality is charged with disaster management responsibilities, where amongst other things, should establish disaster management forum, disaster management committee, disaster management centre and also setting up the unit.

The weather pattern of this district has proved a point that it is during this season of the year where it is mainly affected by the wind storms, veld fires, lightning severe thunderstorms, heavy rains and floods.

During August 2006 the following areas were affected by strong winds; Emondlo under Abaqulusi, Ulundi and Nongoma. The affected communities were in the region of 5000, the relief equipment was distributed accordingly.

The council assisted in burying almost 24 people who struck by lightning and others were drowned in the overflowed rivers. 5 fire fighting trailers were purchased to augment the only 2 multi utility disaster management vehicles and they were distributed to all 5 local municipalities.

The Advisory Forums and Portfolio committee meetings were held as planned.

Management of Service Providers

1. Security Services
This component is outsourced through different providers and is provided at ZDM's main offices, Princess Mandisi Health Care Centre, Indonsa Arts and Craft Centre, Prince Mangosuthu Airport and the Siwananda Computer Centre.
2. Cleaning Services
This function is outsourced



3. Garden and Pest Control
This function is outsourced
4. Canteen
This function is outsourced

PLANNING AND COMMUNITY DEVELOPMENT

The Planning & Community Development Department is headed by Mr C Nel and comprise the following sections:

- Development Planning;
- Water Service Authority;
- Local Economic Development;
- Tourism;
- Municipal Health Services; and
- Municipal Airports

The following functions of Council are performed within the Department.

- Integrated Development Planning;
- Local Economic Development;
- Water Service Authority (planning and regulation of water services);
- Environmental Health Services;
- Solid Waste Services;
- Municipal Airports (District);
- District Cemeteries
- Public Transport
- Tourism
- Performance Management

DEVELOPMENT PLANNING

The Development Planning Section comprises of three staff members, and has absorbed some of the PIMS staff, after the PIMS section was incorporated into the Municipal structure. The section is responsible for the following functions:

- Integrated Development Planning
- GIS
- Performance Management
- Land Reform
- Environmental Management
- Building control

Integrated development Planning



The Zululand District Municipality has progressed significantly with refining strategies , objectives and projects for implementation in the current IDP. A new spatial approach towards services integration is followed, which will ensure adequate participation by all service providers.

The IDP is increasingly becoming the tool for sustainable development within Zululand District Municipality.

Geographic information systems

The ZDM GIS is a powerful tool for spatial planning, and is increasingly used in complex decisions by all municipalities within Zululand.

The GIS is continuously expanding, and data verified on a regular basis to ensure that datasets are current. The ZDM has acquired new aerial photography that will enable the Municipality to make much better population projections, and pick up on various migration trends within the District.

Performance Management

The Municipality is legally obliged to have a system in place to measure the performance of the Municipality, and report to communities on regular intervals.

The Zululand District Municipality has gone to great lengths to ensure that all legislative requirements are met.

The Zululand District Municipality performance management system is currently earmarked by the Department of Provincial and Local Government as a best practice model, to be rolled out to other Municipalities.

The Zululand District Municipality has constantly scored above 93% on their performance during the past two years.

Land Reform

The Zululand District Municipality and more specifically the Abaqulusi Municipality has the highest concentration of redistribution projects within Kwa-Zulu Natal, with more than 2500 unsettled claims. The Zululand District Municipality is working closely with the Department of Land Affairs to ensure the sustainability of these projects. For this purpose a District coordinating forum was established, and meets on a monthly basis to discuss projects and the implementation thereof.



WATER SERVICES AUTHORITY

The core function of the Water Services Authority is to ensure proper water planning, set up appropriate water service provider structures, to monitor water services quality and provision, set tariffs and develop water related policies and bylaws

Water Services Development Plan (WSDP)

The ZDM WSDP revision for 2008/09 has been completed and approved by Council on 28 May 2008. The following key figures have been updated:

- Total new households from new aerial photography is 142 543 households
- Backlogs for water is 68 156 households (460 735 persons)
- Backlogs for sanitation is 82 758 households (559 444 persons)
- Estimated current cost to eradicate water backlogs is R1,84bn
- Estimated current cost to eradicate sanitation backlogs is R0,52bn

Capital Projects

The WSA Division has taken over the project planning function from the Technical Department for all new projects that are identified. This requires the commissioning of the planning phase of a project, once identified and prioritised by the IDP, from the Feasibility Study through to Preliminary Design, Environmental Assessment, Business Plan and Detailed Design, as well as the drafting of tender documents.

The progress can be summarised as follows:

- Detailed planning has been completed for four new Community Halls and a new facility in Ulundi for the House of Traditional Leaders;
- Project planning is well under way for projects allocated under the 2008/09 MIG programme, amounting to more than R135m;
- Project planning is also progressing well with two regional water schemes (Mandlakazi and Usuthu) which have received DWAF funds to the value of R75m.

Water Services Provision

The Natal Spa agreement that was entered into with the LM's in 2004, which appointed them as Water Services Providers on behalf of ZDM for a period of three years, ended in June 2007. ZDM have started to take over the water services in the respective towns. Abaqulusi Municipality requested an extension of the agreement until June 2008 after which the services will also be transferred to ZDM.

The ZDM has commissioned a reporting system whereby financial, customer, operation and maintenance information are being collated monthly with the aim of establishing the actual costs of service delivery in the district. All Water Services Providers (WSP's) in the district are required to report on the above-mentioned information, which implies ZDM itself as a WSP and Abaqulusi Municipality as an external WSP.



Water Quality

Water quality is being monitored on a monthly basis by means of monthly water samples that are taken at all water and sewage works and quality reports that are being submitted to the WSA Division. This information is also forwarded monthly to DWAF for capturing on a Water Quality Management System. Non-compliances that are being reported are then acted on immediately until resolved.

The Water Quality results are within acceptable limits but indications are that refurbishment will be required at all bulk water and sewage plants in the near future to ensure long-term sustainability.

Policies and Bylaws

The Water Services Policy and Bylaws have been revised and approved by Council on 28 May 2008. The documents will be distributed for comments and a public participation process embarked upon. Once all input received have been reviewed and addressed the bylaws will be promulgated as per legislation.

LOCAL ECONOMIC DEVELOPMENT

Local Economic Development Unit is a section within the Planning and Community Development Department. The fundamental focus of this directorate is promoting the social and economic development of the municipality by implementing the Siyaphambili programme which is a strategic document for economic development in the municipality.

Institutional (link with the municipal and IDP processes)

The Local Economic Development Forum forms part of the overarching Institutional structure of the IDP Process. Apart from sharing information on future economic activities, the purpose of the forum is to jointly agree on a direction and guidance with all stakeholders and experts in the field of economic development in the district.

Sub-forums under the Local Economic Development Forum include Tourism and the recently established General Business and Agricultural forums.

Achievements of the LED Directorate

Four key projects that were approved in the previous financial year are all in the implementation stage as reflected in the following table.



Project Name	Approved Budget	Project Status
P700 Local Area Development Plan	R 452 607.00	Implementation
Tourism Training	R 100 000.00	Implementation
LED Awareness Programme	R 298 669.00	Implementation
Cengeni Gate Community Tourism Project	R 627 110.00	Implementation
Total	R 1 478 386.00	

Applications were submitted for further projects which have subsequently been approved. These projects also under implementation are reflected in the following table.

Project Name	Approved Budget
Development of Mona Market and Nguni Cattle	R 375 210.00
Phongola Private Public Partnership	R 660 450.00
Nongoma Poultry Project	R 147 780.00
Louwsberg Agro-processing Initiative	R 516 740.00
Total	R 1 700 180.00



Other projects that were approved include:

Project Name	Approved Budget
District Nursery Expansion	R 667 296
Ulundi Tourism Hub	R 1 400 000
Aloe Processing Facility	R 735 392
Ulundi LED Plan	R 173 891
Spanish Goat Project	
P700 Infrastructure Corridor Development	R 500 000
Cengeni Gate Development Node	R 7 000 000
Total	R 10 476 579

TOURISM

The Zululand local tourism structures are in place with a single exception all local tourism tools are in place and the tourism bolts and nuts are being turned tighter and tighter.

Zululand Tourism sets an example that many local and district authorities can follow.

The Zululand Tourism office

The Zululand Tourism office at the ZDM is operational and the biggest step forward this year is moving the district tourism office to the Prince Mangosuthu Buthelezi Airport. This will not only create more space for Zululand Tourism but will also form part of the major development planned for and around the Prince Mangosuthu Buthelezi Airport.

Tourism Staff

The ZDM has a tourism structure and a linkage with each of its local municipalities which is unique. All 5 the local council structures in Zululand today have a tourism portfolio committee/tourism association and a tourism office, with the exception of Ulundi, in place and operational. Very few districts, even on national level, can sing the same tune.

Tourism Shows.

Zululand Tourism this year was part of all the major national tourism shows in South Africa. The



2007 ABSA Soweto festival was a new addition to the programme and broadened the field of potential tourists targeted. Marketing Zululand to the world around us remains a key task and the better it is done the better it is for the development of Zululand.

The Zulu Royal Reed Dance

The Royal Reed Dance is an annual event growing in numbers and stature every year. The Zululand Tourism Office had an official stand and exhibition at this event and this created a major marketing drive for the Office.

Tourism Gateway

Two of the provincial Tourism Gateways into Kwazulu-Natal enter into Zululand and the new manned Gateway station in Piet Retief is an example for the rest of the province. It is a joint venture between TKZN/Zululand/Swaziland and the local Assegai Tourism structure and has become a major entry point not only into Zululand but also into KZN.

The Gateway station at the Golela Border post will also be upgraded when the new border post at Golela gets in place.

A Zululand Film Production Office is in process of getting off the ground following a feasibility study done by the neighbouring District Municipality covering all four the Districts north of Durban. This is an excellent example of a joint venture done on a wider scale, benefiting each participant.

Battlefields and birding

Battlefields and Birding in Zululand creates routes which have become well known in these particular niche markets in national as well as international circles. These routes are unique and are developing into a tourism plus for Zululand.

Developing support for tourism in the local municipalities remains a key objective. To ensure tourism going forward in all sectors of the communities the Siyaphambili study is a cornerstone.

To achieve this goal will indeed call for commitment on all levels; and this is the target that Zululand Tourism has set itself as a priority for the next year.

MUNICIPAL HEALTH

The environmental health section consists of a staff component of 3 environmental health officers, distributed throughout the District. The main function of this unit is to monitor and ensure compliance with standards on all environmental health issues that range from food safety and hygiene to environmental pollution and disposal of the dead.

The table below reflect duties performed by Environmental Health Practitioners within the Zululand District during the current year



Work Items	No. of Inspections	Action
Vendors – Perishable	45	Health Education
Food Handling Premises	42	Health Education/ Written Notices
Doctors/Dentists surgeries	13	Health Education
Funeral Undertakers	9	Health Education/ Written Notices
Vacant Plot	19	Investigation of illegal Dumping
Crèches	3	Notices Written
Sampling	28	Health Education
Meetings/ Workshop	13	All meetings attended
Certificate of acceptability	5	Issue COA to complying premises
Complaint	31	All reported complaints attended to
Food Condemnation (3288.21 Kg) = (30 Litres)	8	Health Education

Health education and written notices were issued on premises that did not comply with minimum health requirements.

MUNICIPAL AIRPORTS

The Prince Mangosuthu Buthelezi airport was transferred to the Zululand District Municipality in April 2007.

Management Services

There are a total of 6 staff members responsible for the operation and maintenance of the Airport. These officials are charged with the responsibility of ensuring safe, effective, compliant and efficient functioning of the airport. A tender for provision of management support, skills transfer and an operational and marketing plan is awaiting adjudication.

Airport Strategy

The Zululand District Municipality has completed a strategic document that will aim to improve the operational and financial viability of the airport. This document contains a number of projects to ensure the sustainability of the airport



Maintenance Services

This is the key function of everyone working at the airport since Civil Aviation Authority issues the aerodrome license based on confirmed functionality of all airport equipment, which guarantees safety of aircrafts. This is divided into two categories i.e. Technical and General Maintenance. A decision has been made that one tractor and a sweeper will be purchased for grass cutting and runway sweeping. The process of awarding a tender to an eligible service provider that will look after the airport gardens have been initiated. The Zululand District Municipality has an amount of R1.8m available for the refurbishing of the runway and general maintenance and refurbishment of the airport buildings.

Security Services

This component is outsourced, and is responsible for the general security inside the Airport premises.

Technical Services Department

1. BACKGROUND

The Technical Department is divided into three main divisions, viz:

- Project Management Unit (PMU)
- Bulk Water and Wastewater Management
- Rural and Urban Reticulation

2. PROJECT MANAGEMENT UNIT (PMU)

The Project Management Unit is headed by Mr Andre Smit. This division is responsible for the implementation of all the capital projects in the district. The division has a total of four technical officers and two Institutional Development Officers (ISD).

The current total Business Plans approved by the Municipal Infrastructure Grant (MIG) is in excess of R630,000,000 and this makes Zululand District Municipality to be at least having committed projects for more than five years ahead, considering the current rate of MIG fund allocation. In 2006-2007 financial year an allocation of R95 million was received and was successfully spent 100% by the end of March 2007.

About 70% of the capital funds are spent on water, 20% on sanitation and 10% on sporting facilities. The large amount of money is currently spent in the development of bulk infrastructure and as the bulk line passes communities, reticulation networks are installed.

Zululand District Municipality, for convenience of water supply, is divided into ten (10) regional schemes with reliable water sources.

The schemes are as follows:-

- Nkonjeni Regional Water Scheme



- Usuthu Regional Water Scheme
- Mandlakazi Regional Water Scheme
- Mkhuze Regional Water Scheme
- Simdlangentsha East Regional Water Scheme
- Simdlangentsha Central Regional Water Scheme
- Simdlangentsha West Regional Water Scheme
- Khambi Regional Water Scheme
- Coronation/Inyathi Regional Water Scheme
- Hlahlindlela/eMondlo Regional Water Scheme

In 2006-2007 financial year, the following communities within the regional schemes started benefiting:-

Nkonjeni RWSS:

KwaNgilazi
Ehawini
Mbudle

Mandlakazi RWSS:

Obani
Xhoxha
Qondile
Sekane
Mntwanontengayo
Nkalakuthaba (part)
Mkhalantombi
Vungama
Nompheba
Guqu
Nxasengikhona
Mshinini
Bhanganoma
Siwela (part)

Hlahlindlela/eMondlo RWSS:

Engilandi
Pirum
KwaMachanca (part)
Phembukuthula (part)
eMaDresini

Simdlangentsha West RWSS:

Ngwanya
Mazezeni
Bilanyoni-water upgrade

Khambi RWSS:

KwaNgenetsheni area (East and West)



In the areas where the schemes are still to reach in the future, rudimentary water programme is in progress, whereby boreholes are drilled and equipped, hand pumps and windmills are refurbished and repaired and springs are protected.

In Usuthu and Simdlagentsha Central Regional Water Schemes the abstraction points have been completed. The Simdlagentsha Central Bulk comprised of the weir for water abstraction, pump station and raw water bulk pipe starting from Monzana River to Belgrade Dam that feeds the Belgrade Water Treatment Works. ESKOM is currently installing power supply.

Other than the water and sanitation projects, sports facilities like Ulundi Sports Complex, Mona Sports Field and Hlobane Sports Field are being implemented as multi year projects.

Zululand District Municipality has also built quite a number of schools, crèches, school sanitation and crèche sanitation, see the table below.

<i>ZDM CAPEX PROJECTS: 2006-2007</i>			
<i>ITEM</i>	<i>ABAQULUSI LM AREA</i>	<i>R</i>	<i>1,220,000</i>
	<i>Tender Projects</i>	<i>Value</i>	<i>Brief Description</i>
<i>1</i>	<i>Embilane creche</i>	<i>R</i>	<i>160,000</i>
<i>2</i>	<i>Ngcwecwe School</i>	<i>R</i>	<i>200,000</i>
<i>3</i>	<i>Sappikoe Creche Sanitation</i>	<i>R</i>	<i>40,000</i>
<i>4</i>	<i>Evane School</i>	<i>R</i>	<i>260,000</i>
<i>5</i>	<i>Kwa Sithole School</i>	<i>R</i>	<i>200,000</i>
<i>6</i>	<i>Silweni School</i>	<i>R</i>	<i>200,000</i>
<i>ITEM</i>	<i>EDUMBE LM AREA</i>	<i>R</i>	<i>160,000</i>
<i>7</i>	<i>Bhadeni Creche'</i>	<i>R</i>	<i>160,000</i>
<i>ITEM</i>	<i>ULUNDI LM AREA</i>	<i>R</i>	<i>1,760,000</i>
<i>8</i>	<i>Ezimfabeni Creche'</i>	<i>R</i>	<i>200,000</i>
<i>9</i>	<i>Okhukho Creche Fencing</i>	<i>R</i>	<i>80,000</i>
<i>10</i>	<i>Vulingqondo Creche</i>	<i>R</i>	<i>200,000</i>



11	<i>Madaka School</i>	R	400,000	<i>Construction of 3 Classrooms</i>
12	<i>Kwamame School Sanitation</i>	R	80,000	<i>Construction of 8 VIP toilet Seater</i>
13	<i>Inkosi Mlaba Creche</i>	R	200,000	<i>One classroom creche' with the kitchen and storeroom</i>
14	<i>Inkosi Ndebele Creche</i>	R	200,000	<i>One classroom creche' with the kitchen and storeroom</i>
15	<i>Okhalweni Creche</i>	R	200,000	<i>One classroom creche' with the kitchen and storeroom</i>
16	<i>Emakhalathini Creche</i>	R	200,000	<i>One classroom creche' with the kitchen and storeroom</i>
ITEM	NONGOMA LM AREA	R	1,520,000	
17	<i>Sovane II</i>	R	40,000	<i>Construction of four seater VIP Toilet Block</i>
18	<i>Masokaneni II</i>	R	40,000	<i>Construction of four seater VIP Toilet Block</i>
19	<i>Siyawela Creche</i>	R	40,000	<i>Construction of four seater VIP Toilet Block</i>
20	<i>Hlushwane Creche</i>	R	40,000	<i>Construction of four seater VIP Toilet Block</i>
21	<i>Prince Gwavumane School</i>	R	200,000	<i>Construction of two classroom block</i>
22	<i>King Cyprian School</i>	R	200,000	<i>Construction of two classroom block</i>
23	<i>KwaMbongi Creche</i>	R	160,000	<i>One classroom creche' with the kitchen and storeroom</i>
24	<i>Mandlezulu Sanitation</i>	R	80,000	<i>Construction of 8 seater VIP toilet</i>
25	<i>Ndunyeneni Creche</i>	R	160,000	<i>One classroom creche' with the kitchen and storeroom</i>
26	<i>Mbangomuni School</i>	R	400,000	<i>Construction of a three classroom block</i>
27	<i>Thandanani Creche</i>	R	160,000	<i>One classroom creche' with the kitchen and storeroom</i>
ITEM	uPHONGOLO LM AREA	R	418,000	
28	<i>KwaNkundla Creche</i>	R	178,000	<i>One classroom creche' with the kitchen and storeroom</i>
29	<i>Dwaleni School Renovations</i>	R	200,000	<i>Renovations to the existing structure</i>
30	<i>KwaMpondo School Sanitation</i>	R	40,000	<i>Construction of 4 seater VIP toilet</i>

MIG EXPENDITURE 2006-2007 FINANCIAL YEAR

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Final 2006-07
PMU	R -	R -	R 630,675	R -	R -	R 630,675		R -					R 1,261,350
NKONIENI: Reg. Water Supply Scheme Ph 1	R -	R -	R 549,848	R -	R 1,907,262	R 106,100	R 1,288,268	R 49,659	R 566,624	R 1,671,409	R 1,817,090	R 2,208,799	R 10,165,058
NKONIENI: Reg. Water Supply Scheme Ph 2	R -	R -	R -	R -	R -	R -	R -	R -	R 77,185	R -	R -	R -	R 77,185
ZDM Clinic Sanitation	R -	R -	R -	R -	R 244,804	R -	R -	R 80,000	R 80,000	R 80,000	R -	R -	R 484,804
Rudimentary Water Supply Programme Ph 2	R -	R -	R 427,299	R -	R 548,678	R 598,020	R -	R 2,542,686	R 3,412,692	R -	R 1,587,731	R 907,109	R 10,024,216
Mandlaka Reg. Water Scheme Phase 2B	R -	R 52,755	R 121,685	R -	R 254,570	R 101,454	R -	R 259,618	R -	R -	R 167,689	R -	R 957,772
Nkonjeni RWSS: Bulk Water Supply Project I	R 1,850,036	R 360,634	R -	R -	R -	R -	R 152,519	R 41,554	R 39,721	R 26,013	R 17,259	R -	R 2,487,737
Siindlangenisha Central Water Supply Ph 2	R -	R -	R -	R -	R -	R 1,682,659	R -	R 2,759,639	R 5,819,642	R 350,554	R 1,885,463	R 2,143,411	R 14,641,367
Coronation Regional Water Supply - Enyati	R -	R -	R -	R -	R -	R 532,549	R -	R 519,521	R -	R 41,636	R 1,675,000	R 417,735	R 3,186,441
Mandlaka RWSS Ph 2C	R -	R -	R -	R -	R 677,224	R 159,171	R -	R 1,395,705	R 475,592	R -	R 1,237,104	R 1,047,664	R 4,992,461
Hobane Sport Field	R -	R -	R -	R -	R -	R 92,105	R -	R -	R 228,944	R 291,438	R -	R -	R 612,487
Mom Sport Field	R -	R -	R -	R -	R -	R 92,105		R 111,436	R 130,182	R -	R 455,530	R -	R 789,253
Emondo Retreatment							R -		R 2,798,075	R -	R -	R -	R 2,798,075
Siindlangenisha East Water Supply Ph 1	R -	R -	R -	R -	R -	R -	R -	R 47,260	R -	R 60,275	R -	R -	R 107,535
Usuthu Regional Ph4	R -	R -	R -	R -	R -	R 535,572	R -	R 696,335	R 8,489,860	R -	R 5,013,035	R 355,722	R 15,090,524
Hlabhlindle/Emondo (Mondlo-Zwelishu/Nkheslana/Neceni)	R -	R -	R -	R -	R -	R 231,578	R -	R -	R 4,018,688	R 2,962,781	R 3,248,027	R 2,638,321	R 13,099,395
Khaanhi Water Supply	R -	R -	R -	R -	R -	R -	R 232,680	R -	R 1,285,753	R 348,355	R 447,524	R -	R 2,314,311
Siindlangenisha West Ph 2.1	R -	R -	R -	R -	R -	R 176,249	R -	R 271,442	R 4,814,671	R 1,605,589	R 168,005	R 2,678,925	R 9,714,881
Upgrade of Umndi Sports Complex	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 352,171	R -	R -	R 352,171
Sanitation Feasibility	R -	R -	R -	R -	R -	R -	R -	R -	R 2,445,575	R -	R -	R -	R 2,445,575
Monthly Expenditure=	R 1,850,036	R 413,388	R 1,729,507	R -	R 3,632,539	R 4,938,237	R 1,673,467	R 8,774,855	R 34,683,204	R 7,790,221	R 17,719,456	R 12,397,686	R 95,602,596
Accumulated Value=	R 1,850,036	R 2,263,425	R 3,992,931	R 3,992,931	R 7,625,471	R 12,563,708	R 14,237,175	R 23,012,030	R 57,695,233	R 65,485,454	R 83,204,910	R 95,602,596	

Percentage Expenditure=

2%

2%

4%

4%

8%

13%

15%

24%

60%

68%

87%

100%



3. BULK WATER AND WASTEWATER MANAGEMENT

This division is headed by Mr Thabane Xaba.

Section 78 study was completed in the year 2006/2007 and the outcome was that water service provision will be done internally. This study included both bulk and reticulation.

Amongst other functions bulk water supply section is responsible for the management, operation and maintenance of water and wastewater treatment facilities and associated bulk distribution infrastructure.

In 2006/2007 financial year Zululand District Municipality was operating and maintaining 28 water purification plants, 8 wastewater treatment plants and a number of raw water and purified water pump stations.

Since the take over from DWAF and the Dept. of Works, most specialised work for bulk water and wastewater management, operation and maintenance has always been outsourced. Alliance water engineering was managing the bulk infrastructure since June 2003 and their contract expired in July 2007, and they have been replaced by Water and Sanitation South Africa (PTY) LTD (WSSA), with their contract envisaged to end by June 2010.

To ensure clean, affordable and sustainable supply of water to our communities, Zululand District Municipality spent **R 21.8 million** in procuring chemicals, repairs, maintenance to pumps and associated bulk infrastructure, sand replacement and management of the facilities.



3.1 PLANTS UNDER ULUNDI LOCAL MUNICIPALITY

	EXPENDITURE 2006/2007			
WATER TREATMENT PLANTS	GENERAL OPERATIONS	REPAIRS AND MAINTENANCE	SAND REPLACEMENT IN FILTERS	TOTAL EXPENDITURE
Ulundi WTW	R796,071.06	R1,704,628.40		R2,500,699.46
Mpungamhlophe WTW	R457,473.90	R383,024.34		R840,498.24
Thulasizwe Hosp. WTW	R77,875.83	R189,265.73		R267,141.56
Ceza WTW	R137,400.96	R214,884.84		R352,285.80
Nondayana WTW	R20,944.56	R85,340.96		R106,285.52
Nkonjeni WTW	R31,882.22	R17,236.19		R49,118.41
Babanango WTW	R242,005.90	R476,350.41		R718,356.31
Emakhosini WTW	R20,944.56	R93,335.12		R114,279.68
				<u>R4,948,664.98</u>

WASTEWATER TREATMENT PLANTS				
Ulundi STW	R823,161.38	R934,412.85		R1,757,574.23
Thulasizwe STW	R40,770.50	R41,223.03		R81,993.53
Ceza STW	R40,770.49	R35,680.80		R76,451.29
Nkonjeni STW	R40,770.53	R88,007.62		R128,778.15
St Francis STW	R110,690.02	R44,915.30		R155,605.32
James Nxumalo STW	R110,690.03	R48,884.13		R159,574.16
				<u>R2,359,976.68</u>

Total expenditure in water and wastewater treatment plants in Ulundi was **R7 308 641.66**



3.2 WATER PLANTS UNDER NONGOMA LOCAL MUNICIPALITY

WATER TREATMENT PLANTS	EXPENDITURE 2006/2007			TOTAL EXPENDITURE
	GENERAL OPERATIONS	MAINTENANCE	SAND REPLACEMENT IN FILTERS	
Nongoma-Vuna WTW (includes 3 pumpstations)	R1,284,713.11	R2,047,433.32		R3,332,146.43
Enyokeni palace WTW	R46,556.24	R144,844.61		R191,400.85
Imbile WTW	R46,145.00	R52,515.58		R98,660.58
Khangela WTW	R83,911.60	R267,445.06		R351,356.66
Kwakhetha pumpstaion	R16,343.36	R8,526.82		R24,870.18
Kombuzi WTW	R20,944.56	R508,774.62		R529,719.18
Mandlakazi WTW	R46,556.24	R144,844.61		R191,400.85
Sidinsi WTW	R20,944.56	R191,221.97	R176,378.95	R388,545.48
Osingisingini WTW	R22,202.66	R154,772.82		R176,975.48
				<u>R5,285,075.69</u>



Total expenditure in water treatment plants in Nongoma was **R5 285075.11**

3.3 WATER AND WASTEWATER PLANTS UNDER UPHONGOLO LOCAL MUNICIPALITY

WATER TREATMENT PLANTS	EXPENDITURE 2006/2007			TOTAL EXPENDITURE
	GENERAL OPERATIONS	MAINTENANCE	SAND REPLACEMENT IN FILTERS	
Belgrade WTW	R551,170.72	R385,632.68		R936,803.40
Simdlangetsha scheme (Includes Uphongolo treatment works and 7 pumpstations)	R231,850.87	R3,574,487.54	R79,004.51	R3,885,342.92
Itshelejuba WTW	R46,007.05	R150,150.96		R196,158.01
Msibi WTW	R22,202.65	R218,755.16	R267,432.87	R508,390.68
Nkosetsha WTW	R22,202.65	R11,123.68	R100,015.89	R133,342.22
Siyaphambili WTW	R20,944.56	R590,638.74	R508,817.61	R1,120,400.91
				<u>R6,780,438.14</u>

WASTEWATER TREATMENT PLANTS				
Itshelejuba STW	R41,206.93	R50,491.33		R91,698.26
Uphongolo STW	R 41,206.93			R41,206.93
				<u>R132,905.19</u>

Total expenditure in water treatment plants in Phongolo was **R6 913 343.33**



3.4 PLANTS UNDER EDUMBE LOCAL MUNICIPALITY

	EXPENDITURE 2006/2007			
WATER TREATMENT PLANTS	GENERAL OPERATIONS	MAINTENANCE	SAND REPLACEMENT IN FILTERS	TOTAL EXPENDITURE
Frischewaagd WTW	R383,051.98	R681,672.89		R1,064,724.87
Bivane WTW	R32,151.19	R85,340.96		R117,492.15
Ophuzane WTW	R22,202.65	R154,786.18		R176,988.83
Tholakele WTW	R20,944.56	R393,833.18	R254,409.51	R669,187.25
				R2,028,393.10

Total expenditure in water treatment plants in Edumbe was **R2 028 393.10**

3.5 PLANTS UNDER ABAQULUSI LOCAL MUNICIPALITY

	EXPENDITURE 2006/2007			
WATER TREATMENT PLANTS	GENERAL OPERATIONS	MAINTENANCE	SAND REPLACEMENT IN FILTERS	TOTAL EXPENDITURE
Mountain View	R22,202.65	R138,867.40		R161,070.05
Mvuzini WTW	R22,202.65	R133,728.10		R155,930.75
				R317,000.80

Total expenditure in water treatment plants in Abaqulusi was **R317 000.80**



3.6 POWER SUPPLY

Zululand District Municipality spent **R4 353 089.91** on power supply from ESKOM in water plants, sewage plants, raw water pumps, booster pumps and borehole pumps etc throughout the entire district.

LOCAL MUNICIPALITY	EXPENDITURE 2006/2007
Ulundi Municipal Area	R 1 597 485.91
Nongoma Municipal Area	R 1 227 317.36
Phongolo Municipal Area	R 909 462.06
Edumbe Municipal Area	R 618 824.58
TOTAL	R 4 353 089.91

4. URBAN AND RURAL RETICULATION

This division is run by two heads, Mr Mthandeni Siwela in the South (Ulundi and Nongoma) and Mr Sizwe Khumalo in the North (Phongola, eDumbe and Abaqulusi). The main function of this division is to operate and maintain the water and sanitation reticulation networks both in urban and in rural areas. They are also responsible for borehole maintenance of electrical pumps and hand pumps.

Within the ten (10) regional water schemes there are small stand alone schemes that will be eventually be connected to regional water distribution network, see table below.

<u>No.</u>	<u>Regional Water Scheme</u>	<u>Number of rural schemes</u>	<u>Expenditure</u>
1	Hlahlindlela/Emondlo	15	R176 000.00
2	Simdlangentsha West	16	R57,980.80
3	Nkonjeni	44	R421,736.00
4	Usuthu	33	R553,463.00
5	Mandlakazi	21	R143,200.00
6	Simdlangentsha Central	31	R137,600.00
7	Simdlangentsha East	18	R76,420.00
8	Coronation/Enyathi/Khambi	8	R161,600.00
	TOTAL	186	R 3,901,120.00



In the year 2006/2007, **R 3 901 120.43** was spent in the operations, repairs and maintenance to rural water schemes throughout Zululand District Municipality.

5. EMERGENCY WATER

Due to the prevailing drought conditions in Zululand District Municipality, a further **R 9, 388, 095.65** was spent in providing communities with potable water by using water tankers. The expenditure per local municipality is tabled as follows:-

<u>LOCAL MUNICIPALITY</u>	<u>NUMBER OF TANKER</u>	<u>AMOUNT SPENT</u>
Nongoma	10	R6,292,771.96
Ulundi	3	R968,499.34
Abaqulusi	1	R531,706.09
Edumbe	1	R531,706.09
Uphongolo	2	R1,063,412.17



Zulu Rock Creche with VIP & fencing



Gcinuxolo school 2 classrooms



Reservoir constructed at Simdlangetsha west regional scheme



Ulundi Swimming pool change rooms



ZULULAND DISTRICT MUNICIPALITY CHIEF FINANCIAL OFFICER'S REPORT

1. Financial Position

The overall financial position has improved substantially. The net current assets increased from R87.9 million to R109.2million.

2. Cash Position

The cash position also improved from R1 04,6 million to R119. 2m.

3. OPERATING RESULTS

The major revenue streams for the 2006/07 financial year were: -

- Government grants
- Water and sanitation service charges
- Interest earned

The operating results are discussed below.

4. Total results

Details of the operating results per department and the classification of income and expenditure are included in appendices D and E. The overall operating results for the year ended 30 June 2007 are as follows:

	Actual 2007	Actual 2006	Variance 2006/2007	Budget 2007	Variance Actual/ Budget
	R	R	%	R	%
INCOME					
Grants, Contrib. & commitments	230,114,276	228,827,536	1	209,526,001	10
Other interest received	10,448,116	2,056,486	408	3,900,000	168
Miscellaneous income	17,458,558	16,288,342	7	28,220,704	(38)
Levy income	-	19,156,805	(100)	-	-
	258,020,950	266,329,169	-3	241,646,705	7
EXPENDITURE					
Contributions to Project Funds	1 45,443,204	167,245,268	-13	102,877,365	41
Operating Expenditure	104,032,276	92,871,463	12	138,769,340	(25)
Closing Surplus /(Deficit)	8,545,470	6,212,438	38	-	-
	258,020,950	266,329,169	-3	241,646,705	7

During the year under review the operating income exceeded the operating expenses.

5. Income and Expenditure

5.1 Total income

Details of the income classification are included in appendix D

	Actual 2007	Budget 2007	Variance Actual/Budget 2006
	R	R	%
Income			
Grants and Subsidies	230,114,276	209,526,001	10
Sundry income	17,458,558	28,220,704	-38
Interest received	10,448,116	3,900,000	168
	258,020,950	241,646,705	7

5.2 Total expenditure

Details of expenditure classification are included in appendix D

	Actual 2007	Budget 2007	Variance Actual/budget 2006
	R	R	%
Expenditure			
Contributions to Project Funds	145,443,204	102,877,365	41
Administration	104,032,276	138,769,340	-25
Operating Surplus/(Deficit)	8545470	-	-
	258,020,950	241,646,705	7



5.2.1 Administration expenditure

Administration expenditure includes :

Expenditure per category	2007 Actual R	2006 Actual R	Variance %
Salaries, wages & allowances	45,216,145	36,712,728	23
General expenses	39,388,184	42,078,741	-6
Repairs and maintenance	8,634,461	4,197,882	106
Contributions :			
Fixed assets	4,004,078	822,562	387
Funds	145,443,204	167,245,268	-13
Grants and Subsidies Paid	5,026,530	7,296,674	-31
Capital Charges	1,762,878	1,762,878	-
	249,475,480	260,116,732	-4
Less : Amounts recharged	-	-	-
	249,475,480	260,116,732	-4

Administration expenditure includes contributions to fixed assets and will fluctuate with capital requirements annually. In addition, Capital Charges external (interest and redemption) were incurred as a result of the external loan obtained for the municipal offices.

6. Project Expenditure and Financing

The Expenditure on Community Projects consists of the following:

Funds	ACTUAL 2007	ACTUAL 2006	Variance %
PROJECT DEVELOPMENT FUNDS	25,335,113	27,196,731	-6.85
FINANCE MANAGEMENT GRANT	2,324,283	1,832,134	26.86
MUNICIPAL INFRASTRUCTURE GRANT	107,529,536	106,054,370	1.39
TRANSITIONAL FUND	23,176	-	-
FLEMISH GOVERNMENT	111,667	226,701	-50.74
KIDEKO GRANT	198,876	90,051	120.85
TRANSFORMATION MNGNT GRANT	11,971	60,018	-80.05
MUNICIPAL MONITORING SYS.GRANT	112,684	-	-
BUILDINGS FOR SPORT & RECREATION	500,108	2,997,412	-83.32
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	1,314,906	986,017	33.36
GRANT: DIMS	-	559,432	100.00
GRANT: DISASTER MANAGEMNT ADVISORY	-	22,153	100.00
GRANT: DISASTER MANAGEMNT CENTRE	-	106,650	100.00
GRANT: DISASTER MANAGEMENT UNIT	-	27,210	100.00
GRANT: INFRASTRUCTURE BACKLOG STUDIES	1,546,943	894,756	72.89
GRANT :TRANSPORT PLAN	-	97,582	-100.00
GRANT: SERV. IN TRAD. AUTH. AREAS	31,816	-	-
GRANT: MNGNT. ASS. PROGRAME	-	129,116	-100.00
GRANT:GIS CAPACITY	-	189,894	-100.00
FACILITATE WSDP	-	179,311	100.00
DROUGHT RELIEF	2,078,626	6,187,374	100.00
LAND AFFAIRS PROJECTS	-	182,041	-100.00
ISRDS (PIMMS)	367,492	712,004	-48.39
INDONSA	169,810	396,485	-57.17
DBSA GIS GRANT	500,361	-	-
LGSETA	100,179	-	-
MANAGEMENT AUDIT	16,554	-	-
GIJIMA KZN	379,109	-	-
ULUNDI AIRPORT	476,898	-	-
SHARED SERVICES	16,781	-	-
TOTAL EXPENDITURE	143,146,889	149,127,442	-4.01



Resources used to finance Project

Source of Finance	ACTUAL 2007	ACTUAL 2006	Variance %
Funds & Reserves	143,146,889	149,138,044	-4.02
	143,146,889	149,138,044	-4.02

The amount spent on projects signifies that Zululand District Municipality has an increased capacity to implement projects in excess of R100 million per annum. Unutilised project funds during the year are transferred to respective funds to be utilised during subsequent years on committed projects.

7. Investments and Cash

Surplus cash is invested in registered deposit - taking institutions in terms of the Investment Policy. For the year ended 30 June 2007 all investments were invested with commercial banks. Investment balances at 30 June 2007 amounted to R 120 426 057 (2006: R 94 887 523). Cash Resources at 30 June 2007 was -R1 239 337 (2006: -R9 839 337).

8. Capital outlay and Financing

Capital expenditure was as follows:

EXPENDITURE	2007 ACTUAL	2007 BUDGET	2006 ACTUAL
Property ,Plant & Equipment	141,944,749	107,811,745	233,665,266
	141,944,749	107,811,745	233,665,266
Sources of finance:			
Contributions from revenue	3,919,695	4,934,380	822,562
External loan			
Sundry Funds and Donations	138,025,055	102,877,365	232,842,703
	141,944,749	107,811,745	233,665,266

9. Funds and Reserves

Full details of Funds and Reserves are included in Appendix A to the financial statements.

Expression of Appreciation

I wish to thank the Honorable Mayor, Speaker, Deputy Mayor, Members of EXCO and Councilors for their support and the Municipal Manager and the members of staff who assisted in the preparation of the financial statements.

S.B. NKOSI
CHIEF FINANCIAL OFFICER
ZULULAND DISTRICT MUNICIPALITY



As indicated earlier the Zululand District Municipality received an unqualified report from the Auditor-General for the year ending 30 June 2007. In the report a number of matters of non-compliance with laws and regulations were however raised by the Auditor-General.

The full report from the Auditor-General is attached as annexure “A”.



Annexure A

Auditor-Generals

Report 2006/07





REPORT OF THE AUDITOR-GENERAL TO THE MUNICIPAL COUNCIL AND KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE ZULULAND DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Zululand District Municipality which comprise the balance sheet as at 30 June 2007, income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 2 to 17.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the entity-specific basis of accounting, as set out in accounting policy 1.1 to the financial statements and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996, read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004)(PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.



7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The municipality's policy is to prepare financial statements on the entity-specific basis of accounting, as set out in accounting policy 1.1.

Opinion

9. In my opinion the financial statements of Zululand District Municipality as at 30 June 2007 and its financial performance and cash flows for the year then ended have been prepared, in all material respects, in accordance with the basis of accounting as set out in accounting policy 1.1 and in the manner required by the MFMA.

OTHER MATTERS

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

Matters of governance

10. Effectiveness of internal audit and audit committee

The following shortcomings came to light regarding the effectiveness of internal audit and the audit committee:

- 10.1 The district municipality did not have a functioning audit committee during the year under review, as required by section 166(1) of the MFMA.
- 10.2 The annual internal audit plan for 2006-07 had not been approved.
- 10.3 The last available internal audit reports were for the 2004-05 financial year.

Material corrections made to the financial statements submitted for audit

11. The financial statements, approved by the accounting officer and submitted for audit on 31 August 2007, have been significantly revised and corrected in respect of the following misstatements identified during the audit:
- 11.1 Retention moneys of R5,5 million in respect of project expenditure as disclosed in note 12 to the financial statements was not recognised in the accounting records. This resulted in the carrying value of property, plant and equipment as well as retention moneys (creditors) being increased by the aforesaid amount.



- 11.2 Property, plant and equipment as disclosed in note 4 to the financial statements was overstated and accumulated surplus understated by R198 021, due to assets disposal, which were not recognised. This misstatement was subsequently corrected.
- 11.3 Prior year levy income of R1,8 million was included in the current year's operating income instead of being accounted for in the appropriation account. This resulted in income being overstated and the prior year adjustment account being understated by the aforesaid amount, which was subsequently adjusted.
- 11.4 Trade creditors amounting to R1,8 million as disclosed in note 12 to the financial statements were erroneously raised at year-end. This resulted in the overstatement of creditors by the aforesaid amount and understatement of the accumulated surplus at year-end. This misstatement was subsequently corrected.
- 11.5 Community project expenditure of R21,7 million was understated and general expenditure was overstated by the same amount, due to misclassifications made during the year. This misclassification was subsequently corrected.

Internal control

12. Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes of the matters indicated, as they relate to the five components of internal control.

Reporting item	Control environment	Assessment of risks	Control activities	Information and communication	Monitoring
Other matters					
Matters of governance					
Effectiveness of internal audit and audit committee					✓
Material corrections to the financial statements					✓

Unaudited supplementary schedules

13. The supplementary information as set out on pages 18 to 23 do not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly, I do not express an opinion on them.



OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

14. I was engaged to audit the performance information.

Responsibility of the accounting officer for the performance information

15. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

Responsibility of the Auditor-General

16. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 646 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007* and section 45 of the MSA.
17. In terms of the foregoing, my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
18. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

Non-compliance with regulatory requirements

19. **No reporting of performance information**

The district municipality did not include its performance information with the submission of its financial statements to audit on 31 August 2007, as required by *General Notice 646 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007* and section 45 of the MSA.

20. **No quarterly reporting by internal auditors**

No quarterly reports were prepared, submitted and tabled by the district municipality's internal auditors to the municipal manager and the performance audit committee on the progress made in achieving measurable objectives and targets to facilitate effective performance monitoring, evaluation and corrective action as required by regulation 14(1)(c) of the Local Government: Municipal Planning and Performance Management regulations.



21. **Existence and functioning of a performance audit committee**

During the 2006-07 financial year, the district municipality did not have a performance audit committee in place as required by regulation 14(2)(a) of the Local Government: Municipal Planning and Performance Management regulations.

APPRECIATION

22. The assistance rendered by the staff of the Zululand District Municipality during the audit is sincerely appreciated.

Auditor General.
Pietermaritzburg

5 December 2007



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



The audited financial statements of the Zululand District Municipality for the 2006/07 financial statements is attached as annexure “B”.



Annexure B

Audited Financial

Statements 2006/07





Index

Declaration by the Municipal Manager

Accounting Policies

Balance Sheet

Income Statement

Cash Flow Statement

Notes to the Financial Statements

Appendices:

A. Funds, Reserves and Provisions

B. External Loans and Internal Advances

C. Analysis of Fixed Assets

D. Analysis of Income Statement

E. Detailed Income Statement

F. Statistical Information

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**ZULULAND DISTRICT MUNICIPALITY****ANNUAL FINANCIAL STATEMENTS****for the year ended****30 June 2007**

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 24, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 12 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act.



J H DE KLERK
Municipal Manager



Date



ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

- 1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Finance Officers (IMFO) in its code of accounting practice(1997) and report on published annual financial statements (second edition – 1996).
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in accounting policy note 2. The accounting policies are consistent with those of the prior years except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis as stated:

- * Expenditure is accrued in the year it is incurred.
- * Income is accrued when measurable and available to finance operations. Levy income is accrued when received and/or when the amount can be measured with certainty such as when declarations have been received from the levy payers

2. FIXED ASSETS

Fixed assets are resources owned by Council from which future economic benefits are expected to flow. All assets are capitalised.

2.1 Fixed assets are stated

- * At historical cost
- * At valuation (based on market price or insured value at date of acquisition) where assets have been acquired by grant or donation, whilst they are in existence and fit for use.

2.2 Depreciation

The balance shown against the heading "loans redeemed and other capital receipts" in the notes is tantamount to a provision for depreciation, however, structural differences do exist. By way of this "Provision" assets are written down over their useful life.

Apart from advances from the various Council funds, assets may also be acquired through:

- * Appropriations from income where full cost of the asset forms an immediate and direct charge against the operating income, and therefore it is unnecessary to make any further provision for depreciation.
- * Grant or donation, where the amount representing the value of such grant or donation is immediately credited to "loans redeemed and other capital receipts" account.

2.3 All net proceeds from the sale of fixed assets are credited to the Project Development Fund.

2.4 Fixed Assets are financed from operating income, grants and donations and external loans.

3. INVENTORY

Inventory is valued at lower of cost or net realisable value. Stationery is expensed in the year in which it is acquired.



4. **FUNDS, RESERVES AND PROVISIONS**

4.1 **Project Development Fund**

The annual budget allocation to projects is a contribution to the Project Development Fund with the objective of providing funds for project development. Project expenditure is financed from this fund. Funds received as equitable share are not contributed to Project Development Fund.

4.2 **Accrued Leave Fund**

This provision was established to provide for accrued leave payments to employees who could be resigning or retiring from service as well as accumulation of leave accruals during the year. A provision equal to the actual leave credit at 30 June is maintained to provide for leave payments on request. Contributions are charged against the department concerned.

4.3 **Bursary Fund**

The bursary provision is established to assist employees for studies at a tertiary educational institution. The contribution based on anticipated commitments is charged against income.

5. **TRUST FUNDS**

2007: No Trust Funds as defined were accounted for.

6. **RESERVES**

All funds in reserves are utilised for the purposes for which funds were reserved. For details of reserves see Appendix A.

7. **RETIREMENT BENEFITS**

Zululand District Municipality and its employees contribute to the Natal Joint Municipal Pension Fund, which provides retirement benefits to the employees. Current pension contributions are charged against operating income on the basis of current service costs. The retirement benefit plan is subject to the rules and regulations prescribed by the Local Government Superannuation Ordinance (no. 24 of 1973) and in accordance with the Pension Funds Act, 1956. Full actuarial valuations are performed at least every three years. Some Councillors belong to the Councillors' Pension Fund.

8. **SURPLUS AND DEFICITS**

Any surpluses / deficits are retained within the Council for its use.

9. **ADMINISTRATIVE EXPENSES RECHARGED**

9.1 **PIMMS, INDONSA, FMG, LGSETA, AIRPORT AND PLANNING**

100% of PIMMS operating expenditure is recharged to the MSIG fund.

100% of INDONSA operating expenditure is recharged to the INDONSA fund.

100% of Finance Management Grant operating expenditure is recharged to the Finance Management grant fund.

100% of LGSETA operating expenditure is recharged to the LGSETA fund.

100% of Planning operating expenditure is recharged to the Development Planning fund.

100% of Airport operating expenditure is recharged to the Ulundi Airport fund.



10. **LEASED ASSETS**

Leases are operating leases and relevant rentals are charged to the operating account in a systematic manner related to the period of use of the asset concerned.

11. **INVESTMENTS**

Investments are valued at lower of cost or market value if a permanent decline in value occurred. No investments were written off in the current year. The Council only invests in call and fixed deposits at registered commercial banks.

12. **INCOME RECOGNITION**

12.1 **Levy Income**

A fixed rate as approved by the National Minister of Finance is used to calculate the establishment and services levies. Declaration forms are issued on a monthly basis except where it is issued in intervals as allowed for in KwaZulu-Natal Joint Services Board Act, 1990 (Act No. 84 of 1990). Levy income is recognised to the extent that cash has been received and / or when the tax returns (RC4 forms) have been received to enable the determination of accrual amount. The levying of levies has been discontinued by the Minister of Finance with effect from 01 July 2006. The lost income has been replaced by the Levies Replacement Grant that has been included in the Equitable Share however, the District continues to collect prior years' levies.

12.2 **Investment interest**

The interest on investment has been allocated to Operating Account. This represents a change in a policy where portion of interest income was allocated to funds.

12.3 **Grants and Subsidies**

Equitable share is contributed to the operating income.

12.4 **Other income**

All other income is recognised on the accrual basis.



ZULULAND DISTRICT MUNICIPALITY

BALANCE SHEET AT 30 JUNE 2007

	Note	2007 R	2006 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		68 104 872	55 260 800
Reserves	1	68 104 872	55 260 800
ACCUMULATED SURPLUS	21	41 392 933	32 963 704
		<u>109 497 804</u>	<u>88 224 504</u>
LONG-TERM LIABILITIES	2	6 278 328	7 185 951
CONSUMER DEPOSITS	3	1 548 191	706 872
		<u>117 324 323</u>	<u>96 117 327</u>
EMPLOYMENT OF CAPITAL			
PROPERTY, PLANT AND EQUIPMENT	4	7 185 951	7 988 959
LONG-TERM DEBTORS	6	<u>853 535</u>	<u>201 381</u>
		8 039 487	8 190 340
NET CURRENT ASSETS		109 284 836	87 926 987
CURRENT ASSETS		143 189 050	116 476 099
Inventory	7	1,175,245	-
Levy debtors	8	-	2,031,832.26
Water debtors	9	9 255 585	5 298 982
Sundry debtors	10	12 125 366	3 974 465
Short Term Investments	5	120 426 057	94 887 523
Short-term portion of long-term debtors	6	206 797	438 960
Cash resources	25	-	9 844 337
CURRENT LIABILITIES		33 904 214	28 549 111
Provisions	11	2 157 798	2 043 943
Creditors	12	29 604 456	25 702 162
Bank overdraft	26	1,234,337	-
Short-term portion of long-term liabilities	2	907 623	803 007
		<u>117 324 323</u>	<u>96 117 327</u>



ZULULAND DISTRICT MUNICIPALITY INCOME STATEMENT FOR THE YEAR ENDED 30th June 2007

Budget			Actual	
2006	2007		2007	2006
R	R		R	R
REVENUE				
19,933,004	14,363,226	Service charges	13,829,238	13,796,353
7,000,000	-	Regional Services Levies - turnover	-	9,916,594
6,300,000	-	Regional Services Levies - remuneration	-	9,240,211
73,500	77,910	Rental of facilities and equipment	-	104,604
3,550,000	3,900,000	Interest earned - external investments	10,448,116	2,056,486
509,339	85,000	Interest earned - outstanding debtors	48,854	367,126
225,017,712	209,526,001	Government grants and subsidies	230,119,756	228,827,536
448,434	13,694,568	Other income	3,574,985	2,020,260
		Gains on disposal of property, plant and equipment	-	-
262,831,989	241,646,705	Total Revenue	258,020,950	266,329,169
EXPENDITURE				
32,685,168	40,337,672	Employee related costs	40,114,590	33,280,305
3,142,655	6,040,951	Remuneration of Councillors	5,101,555	3,432,423
5,110,258	-	Bad debts	-	2,972,163
214,340	86,452	Collection costs	543,751	456,319
95,024	95,024	Depreciation	-	-
5,946,848	12,096,369	Repairs and maintenance	8,634,461	4,197,882
1,091,753	911,974	Interest on external borrowings	959,871	1,054,300
733,738	766,587	Redemption	803,007	708,577
22,484,000	21,714,042	Bulk purchases	19,627,258	20,037,686
8,312,369	5,056,530	Grants and subsidies paid	5,026,530	7,296,674
22,180,686	46,729,359	General expenses - other (including abnormal expenses)	19,217,175	18,612,571
	4,934,380	Contribution from operating income to capital outlay	4,004,078	822,562
160,835,150	102,877,365	Contributions to/(transfers from) provisions and reserves	142,363,204	167,245,268
262,831,989	241,646,705	Total Expenditure	246,395,480	260,116,732
		Less: Amounts charged out	-	-
0	-	NET SURPLUS/(DEFICIT) FOR THE YEAR	11,625,470	6,212,438

(Note : The income statement has been prepared in accordance with GRAP 1 and the budget formats)



**ZULULAND DISTRICT MUNICIPALITY
INCOME STATEMENT FOR THE YEAR ENDED 30th JUNE 2007**

2006	2006	2006		2007	2,007	2007	2007
Actual income	Actual Expenditure	Surplus/ deficit		Actual income	Actual Expenditure	Surplus/ deficit	Budget Surplus (deficit)
R	R	R		R	R	R	R
127 421 820	84 202 175	43 219 644	RATES AND GENERAL SERVICES	135 780 330	101,210,891	34 569 439	-621,778
127 421 820	84 202 175	43 219 644	Community services	135 780 330	101,210,891	34 569 439	(621 778)
138 907 350	175 914 556	(37 007 206)	TRADING SERVICES	122 240 620	148,264,589	(26 023 969)	621 778
138 907 350	175 914 556	(37 007 206)		122 240 620	148,264,589	(26 023 969)	621 778
<u>266 329 169</u>	<u>260 116 732</u>	<u>6 212 438</u>	TOTAL	<u>258 020 950</u>	<u>249 475 480</u>	<u>8 545 470</u>	<u>0</u>
		5 386 450	Appropriations for the year (refer to note 21)			(116 242)	
		11 598 888	Net surplus / (deficit) for the year			8 429 229	
		21 364 816	Accumulated surplus / (deficit): Beginning of the year			32 963 704	
		<u>32 963 704</u>	ACCUMULATED SURPLUS / (DEFICIT) : END OF THE YEAR			<u>41 392 933</u>	

(Refer to appendices D and E for more details)



**ZULULAND DISTRICT MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 R	2006 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated by operations	22	(256 010)	9 522 970
Investment income		10 448 116	2 056 486
(Increase) / decrease in working capital	23	(6 897 989)	10 468 652
		<u>3 294 117</u>	<u>22 048 108</u>
Less: external interest and redemption paid	15	(1 762 878)	(1 762 878)
NET CASH FROM OPERATING ACTIVITIES		<u>1 531 240</u>	<u>20 285 230</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase/(Decrease) in Property Plant and Equipment		803 007	708 577
(Increase) Decrease in long-term debtors	6	(652 154)	380 020
NET CASH FLOW		<u><u>1 682 092</u></u>	<u><u>21 373 827</u></u>
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase / (Decrease) in Reserves	1	12 844 071	4 957 839
Increase / (Decrease) in Consumer Deposits	32	841 319	706 872
(Increase) in cash investments	24	(25 538 534)	(2 388 756)
(Increase) in cash resources	25	9 844 337	(9 839 337)
Increase (Decrease) in Bank overdraft	26	1 234 337	(14 007 437)
Decrease in Long-term liabilities	30	(907 622)	(803 008)
NET CASH (GENERATED) /UTILISED		<u><u>(1 682 092)</u></u>	<u><u>(21 373 827)</u></u>



ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2 007	2 006
	R	R
1 RESERVES		
Project Development Fund	9 723 898	(251 467)
Finance Management Grant	130,090.30	1 793 995
Municipal Infrastructural Grant	35 394 785	45 832 612
Transitional Fund	1,716.78	21 460
Flemish Government Grant	25,064.29	86 603
KIDEKO Grant	323 414	13 969
Grant:Transformation Management	5,332.51	6 638
Grant:Municipal Monitoring System	8,346.97	104 337
DBSA GIS	6,134.00	494 227
Building for sport & recreation	2 586 246	750 149
Municipal Systems Improvement Grant	726 081	1 816 765
LGSETA	245 821	-
Grant: Infrastructural Backlog studies	1 935 470	696 532
Grant: Transport Plan	427 418	427 418
Grant: IDP	80 000	80 000
Grant: Serv. in Traditional Authority Areas	2,356.73	29 459
MAP	1,226.21	(9 546)
GIS Capacity	-	(14 084)
Grant: Management Audit	-	15 328
Drought Relief	-	2 078 626
KZN Infrastructure grant	450 000	450 000
Gijima KZN	849 185	-
ISRDS (PIMMS)	79,962.64	287 529
Indonsa	910 652	550 252
Ulundi Airport Grant	5 708 452	-
Nongoma Project consolidate grant	3 000 000	-
Ulundi Project consolidate grant	1 000 000	-
Shared service grant	1 483 219	-
Cengeni Development	3 000 000	-
Total Reserves - Restated 30 .06.2007	68 104 872	55 260 800

Reserves has been restated as a result of a change in accounting policy for comparative reasons

(Refer to Appendix "A" for more details)

All funds in reserves are utilised for the purposes for which they were reserved and represent government grants, subsidies and other contributions. These amounts are invested until utilised for the purpose intended (See note 5)

2 LONG-TERM LIABILITIES

External Loan from INCA	7 185 951	7 988 958
Total External Loans	7 185 951	7 988 958
Less : Short term portion of long term loans	(907 623)	(803 007)
	6 278 328	7 185 951

Refer to Appendix B for more detail on long-term liabilities.

The loan is granted by Infrastructure Finance Corporation Limited (INCA) bare a fixed interest at a rate of 12.91% (Nominal Annual Compounded Monthly) and will be fully redeemed in 31 March 2013.

The loan is not secured by any asset of the Municipality.



ZULULAND DISTRICT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2 007 R	2 006 R
3 TOTAL CONSUMER DEPOSITS - (Reclassified amount 30 June 2006)		
Reclassified Water and sewer deposit	-	-
TOTAL CONSUMER DEPOSITS - (Reclassified amount 30 June 2007)		
Water and sewerage	1 548 191	706 872
Guarantees in lieu of water and sewer deposits	-	-
4 PROPERTY, PLANT AND EQUIPMENT		
Fixed assets at the beginning of the year	608 106 866	378 404 009
Capital expenditure during the year	141 944 749	229 702 858
	750 051 615	608 106 866
Less: Assets disposed during the year	-366,142.00	-
Fixed assets at the end of the year	749 685 473	608 106 866
Less : Loans Redeemed and other Capital Receipts	(742 499 521)	(600 117 907)
Net Fixed Assets	7 185 951	7 988 959
(Refer to appendix "C" for more details)		
Fixed assets were disposed during the current financial year. Some of the assets disposed, which included those transferred from Ulundi municipality, were not recorded on the fixed assets register as their values could not be determined and their condition did not justify inclusion on the Fixed Assets Register. The total consideration realised on the disposal of the fixed assets is R 203 984.		
5 SHORT TERM INVESTMENTS		
Unlisted		
Call Deposits	8 075 281	7 536 747
Short Term Deposits	112 350 775	87 350 775
Total Long Term Investments	120 426 057	94 887 523
Council's valuation of unlisted investments		
Call Deposits	8 075 281	7 536 747
Short Term Deposits	112 350 775	87 350 775
	120 426 057	94 887 523
Allocation of external investments		
In terms of legislation, surplus cash is invested until used for specific purposes. Investments are allocated on the following basis:-		
Reserves	68 104 872	59 285 037
Accumulated Surplus	28 301 569	27 157 158
Sundry creditors	15 285 474	456 370
Water deposits	1 548 191	-
External Loans	7 185 951	7 988 958
Total	120 426 057	94 887 523
No investments have been written off during the year.		
Average rate of return on investments	9%	8%



ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2 007 R	2 006 R
6 LONG-TERM DEBTORS		
Vehicle loan	189 557	552 566
Bursary Debtors	43 377	34 708
Fuel Deposit	14 980	14 980
Eskom Deposit	788 264	
Property Rental Deposit 165 President St VHD	6 044	6 044
Ondini motors	18 111	18 794
	<u>1 060 332</u>	<u>627 092</u>
Less : Short-term portion transferred to current assets	206 797	438 960
Vehicle loan	138 329	400 114
Bursary Debtors	59 690	34 708
Ondini motors	8 778	4 138
	<u>206 797</u>	<u>479 960</u>
TOTAL LONG-TERM DEBTORS- (Reclassified amount 30 June 2006)		188 132
Reclassified ESKOM Deposit	-	13 249
TOTAL LONG-TERM DEBTORS - (Reclassified amount 30 June 2007)	853 535	201 381

CAR LOANS

2007: Senior staff were entitled to car loans which attract interest at 8% per annum and which were repayable over a maximum period of 6 years. However, senior staff appointed in terms of s57 of the Municipal Systems Act 2000 are excluded from the scheme but existing loans at date of appointment attract interest at the official rate of interest. 2006: With effect from 1 July 2004 the Municipal Finance Management act prohibited the granting of loans to staff members. Existing loans at the time of discontinuance are payable over the remaining contract periods.

7 INVENTORY

Inventory represents water meters. Where necessary specific provision is made for obsolete stock.

1 175 245	-
-----------	---

8 LEVY DEBTORS

Levy Debtors	267 128	2 306 566
Less : Provision for doubtful debts	(267 128)	(274 734)
Total	-	2,031,832.26

The ageing of debtors is as follows:-

Levies

Current	-	-
30 - 60 Days	237 393	2 049 817
60 - 90 Days	2 470	21 329
90 - 120 Days	1 460	12 610
+ 120 Days	25 804	222 810
Total	267 128	2 306 567



ZULULAND DISTRICT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2 007 R	2 006 R
9 WATER DEBTORS		
Water Debtors	13 091 363	11 812 212
Less : Provision for doubtful debts	(3 835 778)	(6 513 230)
Total	9 255 585	5 298 982
The ageing of debtors is as follows:-		
<u>Water</u>		
Current	1 633 075	1 494 697
30 Days	1 509 558	1 709 289
60 Days	1 043 006	871 489
+ 90 Days	8 905 778	7 736 737
Total	13 091 417	11 812 212
Bad Debt Provision		
The estimate for the provision of doubtful debts is calculated by reviewing each debtor on the outstanding amount at year-end		
10 OTHER DEBTORS		
Accrued Interest (Investment)	611 417	353 294
Nkonjeni hospital	82 924	-
Independent Electoral Commission	16 576	14 990
Alliance Water Engineering	2 934	9 679
Sundry Salary Debtors	3 081	3 081
Sundry Salary Debtors	13 342	-
Environmental Health	35 200	-
Nongoma Municipality:project consolidate	1 500 000	-
Ulundi Municipality Project consolidate	1 000 000	-
Debtor-SABC	964	964
SARS-VAT	7 219 525	438 873
Year- end VAT Claim	1 178 483	1 805 032
Debtors: Advance salaries	-	6 300
Land Affairs	141 557	51 674
Land Use Management System	-	175 439
DPLG: GIS capacity	-14,066.22	155 819
Medical Aid	852	-
Pension	6 001	-
Water Account recoveries-Staff	400	-
Under/over	1 425	-
ESKOM Deposit	-	13 249
Ceza Hospital	13 712	-
National Lottery	311 040	959 320
TOTAL DEBTORS- (Reclassified amount 30 June 2006)		3 987 714
Reclassified ESKOM Deposit		(13 249)
TOTAL DEBTORS - (Reclassified amount 30 June 2007)	12 125 366	3 974 465
11 PROVISIONS		
Audit Fees	-	-
Accrued leave Fund	1 992 721	1 862 552
Bursary Fund	165 077	181 391
Working Capital Reserves	-	-
Total	2 157 798	2 043 943



ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2 007 R	2 006 R
12 CREDITORS		
Sundry Creditors	17 359	63 494
Sundry Creditor-Estate Late: M S Buthelezi	-	6 120
Sundry Creditors	85 214	-
Creditor-Medical Aid	-	15 931
Creditor-Pension	-	290 830
Sundry Creditors-Bonds	-	64 799
Sundry Creditors-Company 04 Salaries	4 148	47 110
Sundry Creditors-Staff Refunds	3 171	18 002
Credit Card	9 485	2 169
Retention	10 747 245	6 067 440
Guarantees	120 200	100 000
Year-end Sundry Creditors	18 614 322	18 878 460
Consumer deposits	-	706 872
Water Account recoveries-Staff	-	900
Sundry creditor - INCA	-	146 906
Legal Suspence	3 313	-
Total Creditors (Reclassified amount 30 June 2006)	29 604 456	26 409 034
Less: Consumer Deposits	-	(706 872)
Total Creditors (Reclassified amount 30 June 2007)	29 604 456	25 702 162

13 COUNCILLORS' REMUNERATION

Mayor's allowance	538 760	425 648
Deputy Mayor's allowance	455 119	329 418
Speaker's allowance	418 450	249 403
Executive Committee members	1 157 344	1 124 965
Councillor's allowances	2 789 343	1 358 286
Pension Fund contribution for Councillors	227 250	144 040
Total Councillors' Remuneration	5 586 267	3 631 760

In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor has use of a Council owned vehicles for official duties.

The Executive Mayor has six full-time bodyguards.

14 AUDITORS' REMUNERATION

Audit fees		
-Paid during the year	907 970	875 388
	907 970	875 388

15 FINANCE TRANSACTIONS

Total external interest earned or paid		
- Interest earned	10 448 116	2 056 486
-Interest paid	959 871	1 137 625
Capital Charges debited to operating account:		
Interest external	959 871	1 054 300
Redemption (external)	803 007	708 577
	1 762 878	1 762 878



ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2 007 R	2 006 R
16 INVESTMENT INCOME		
Total Investment Interest received	10 448 116	6 378 848
Less: Interest recharged to Funds	-	-
Restated total 30.6.2006	10 448 116	6 378 848
Less: Interest allocated funds and reserves		(4 024 237)
Restated total 30.6.2006		2 354 611
17 CONTRIBUTION TO PROVISIONS		
Audit Fee Fund	-	-
Accrued leave Fund	896 660	1 601 005
Bursary Fund	-	-
	896 660	1 601 005
18 PROVINCIAL AND NATIONAL GOVERNMENT GRANT		
Inter-governmental Grants	230 114 276	228 827 536
Total	230 114 276	228 827 536
19 REVENUE		
Levies	-	19 156 805
Government Grants and Subsidies	230 114 276	228 827 536
Interest	10 448 116	2 056 486
Water sales	13 829 238	13 796 353
Other Income	3 629 319	2 491 989
Total	258 020 950	266 329 169
20 LEVIES		
<i>Actual</i>		
Regional Services Levy	-	9 916 594
Regional Establishment Levy	-	9 240 211
Total	-	19 156 805



ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2 007 R	2 006 R
21 APPROPRIATIONS		
Net Appropriations:		
Accumulated surplus (deficit) at the beginning of the year	32 963 704	21 364 816
Operating surplus (deficit) for the year	8 545 470	6 212 438
Appropriations for the year:	(116 242)	5 386 450
- Contribution from Leave Accumulated Provision	896 660	1 601 005
- Contribution to bad debt provision	-	2 972 163
- Prior years' and other adjustments (see note 33)	(1 012 901)	813 282
Accumulated Surplus/ (Deficit) at the end of the year	<u>41 392 933</u>	<u>32 963 704</u>
Operating account:		
Capital expenditure	4 004 078	822 562
Contributions to :		
-Projects and Funds	35,310,477.76	16 222 256
-Leave Stabilisation Fund	896 660	1 601 005
	<u>40 211 216</u>	<u>18 645 823</u>
22 CASH GENERATED BY OPERATIONS		
Net surplus/(Deficit) for the year	8 545 470	6 212 438
Adjustment for:-		
Appropriations for the year	(116 242)	3 604 140
Capital Charges:Interest paid on external funds	959 871	1 054 300
Redemption of external funds	803 007	708 577
Investment income	(10 448 116)	(2 056 486)
Provision for Doubtful debts		
Operating surplus before working capital changes:	<u>(256 010)</u>	<u>9 522 970</u>
23 (INCREASE)/ DECREASE IN WORKING CAPITAL		
Increase in short-term portion of long-term liabilities.	104 616	94 430
Increase in inventory	(1 175 245)	-
Increase in levy debtors	2,031,832.26	169 856
(Increase) in water debtors	(3 956 603)	(4 794 517)
Decrease in Sundry debtors	(8 150 901)	7 132 419
Increase in short-term portion of long-term debtors	232 163	214 285
Increase in provisions	113 856	177 580
Increase in creditors	3 902 293	7 474 598
	<u>(6 897 989)</u>	<u>10 468 652</u>
24 INCREASE IN EXTERNAL CASH INVESTMENTS		
Balance at the end of the year	120 426 057	94 887 523
Balance at the beginning of the year	94 887 523	92 498 767
	<u>25 538 534</u>	<u>2 388 756</u>
25 DECREASE IN CASH ON HAND		
Balance at the end of the year	0	9 844 337
Balance at the beginning of the year	9 844 337	5 000
	<u>(9 844 337)</u>	<u>9 839 337</u>



ZULULAND DISTRICT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2 007 R	2 006 R
26 INCREASE IN BANK OVERDRAFT		
Balance at the end of the year	1 234 337	-
Balance at the beginning of the year	-	14 007 437
	<u>1 234 337</u>	<u>(14 007 437)</u>
27 CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
- Approved and contracted for	68 090 805	61 348 058
	<u>68 090 805</u>	<u>61 348 058</u>
This expenditure will be financed from:		
Project Development Fund	9 723 898	(251 467)
Municipal Infrastructural Grant	35 394 785	45 832 612
Transitional Fund	1,717	21 460
Building for sport & recreation	2 586 246	750 149
Transformation Management Grant	5,333	6 638
Municipal Monitoring System Grant	8,347	104 337
ISRDS (PIMS)	79,963	287 529
Indonsa Grant	910 652	550 252
Grant: Serv. in Traditional Authority Areas	2,357	29 459
Grant: Management Audit	-	15 328
DBSA GIS Capacity	6,134.00	494 227
Grant: Municipal Systems Improvement	726 081	1 816 765
LGSETA	245 821	-
Grant: Infrastructural Backlog studies	1 935 470	696 532
Grant: Transport Plan	427 418	427 418
Grant: IDP	80 000	80 000
Drought Relief	-	2 078 626
Finance Management Grant	130,090	1 793 995
Kideko Grant	323 414	13 969
Flemish Government	25,064	86 603
KZN Infrastructure Grant	450 000	450 000
Gijima KZN	849 185	-
DPLG GIS Capacity	(14 066)	-14,084.00
Ulundi Airport Grant	5 708 452	-
Nongoma Project consolidate grant	3 000 000	-
Cengeni Development	3 000 000	-
MAP	1 226	-9,546.00
Ulundi Project consolidate grant	1 000 000	-
Shared service grant	1 483 219	-
	<u>68 090 805</u>	<u>55 260 802</u>
28 BANK,CASH AND OVERDRAFT BALANCES		
The Municipality has the following bank account:-		
<u>Current Account (Primary Bank Account)</u>		
ABSA- Newcastle Branch Account Number 4047162045		
Cash book balance at the beginning of the year	9 839 337	(14 007 437)
Cash book balance at the end of the year -(overdrawn)	<u>(1 239 337)</u>	<u>9 839 337</u>
Bank statement balance at the beginning of the year	21 017 714	9 675 213
Bank statement balance at the end of the year	<u>16 308 671</u>	<u>21 017 714</u>



ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2 007 R	2 006 R
29 EMPLOYEE RELATED COSTS		
Employee related costs – Salaries and Wages	28 600 801	23 514 392
Employee related costs –Contributions for UIF, pensions and medical aids	5 885 103	4 800 536
Travel, motor car, accommodation, subsistence and other allowances	3 913 002	3 429 134
Housing benefits and allowances	281 352	276 018
Overtime payments	1 349 333	1 161 892
Performance bonus	85 000	98 333
Total Employee Related Costs	40 114 590	33 280 305

There were no advances to employees.

Remuneration of the Municipal Manager

Annual Remuneration	376 200	376 200
Performance Bonuses	25 000	25 000
Car Allowance	180 576	180 576
Non-pensionable allowance	128 220	86 526
Phone allowance	11 400	11 400
Contributions to UIF, Medical and Pension Funds	124 150	116 387
Total	845 546	796 089

Remuneration of the Chief Finance Officer

Annual Remuneration	250 800	255 372
Performance Bonuses	20 000	20 000
Car Allowance	183 369	180 737
Non-pensionable allowance	152 177	117 980
Phone allowance	6 600	6 600
Housing allowance	3 000	3 000
Contributions to UIF, Medical and Pension Funds	92 205	84 959
Total	708 151	668 648

Remuneration of Executive Directors

	<u>Technical services</u>	<u>Corporate Services</u>	<u>Planning & Community Development Services</u>
2007	R	R	R
Annual Remuneration	250 800	212 077	250 800
Performance Bonuses		20 000	20 000
Car Allowance	133 566	164 216	167 657
Non-pensionable allowance	224 571	216 881	165 677
Phone allowance	11 400	7 154	11 400
Housing allowance	3 000	5 546	3 000
Contributions to UIF, Medical and Pension Funds	66 442	80 800	86 037
Total	689 779	706 675	704 571

	<u>Technical services</u>	<u>Corporate Services</u>	<u>Planning & Community Development Services</u>
2006	R	R	R
Annual Remuneration	247 200	209 033	247 200
Performance Bonuses	13 333	20 000	20 000
Car Allowance	131 649	161 778	165 250
Non-pensionable allowance	186 939	179 429	129 198
Phone allowance	11 400	6 600	11 400
Housing allowance	3 000	5 142	3 000
Contributions to UIF, Medical and Pension Funds	60 414	73 875	82 302
Total	653 935	655 857	658 350

30 (DECREASE) IN LONG TERM LOANS (EXTERNAL)

Balance at the end of the year	7 185 951	7 988 958
Balance at the beginning of the year	7 988 958	8 697 535
	(803 007)	(708 577)



ZULULAND DISTRICT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2 007 R	2 006 R
31 FRUITLESS AND WASTEFUL EXPENDITURE		
Reconciliation of fruitless and wasteful expenditure		
Opening balance		-
Fruitless and wasteful expenditure current year		41,346.92
	<u>-</u>	<u>-</u>
32 CONSUMER DEPOSITS		
Balance at the end of the year	1 548 191	
Balance at the beginning of the year	706 872	
	<u>841 319</u>	
33 PRIOR YEAR ADJUSTMENT		
Levies were discontinued by the Minister of Finance with effect from 01 July 2006. However, during the year, levypayers who had not declared as at the date of discontinuance paid the amounts due. Levy income was erroneously recorded as income in 06/07 instead of 05/06.		
Interest that was previously capitalised, but for the 06/07 financial year a change in accounting policy was effected such that interest is no longer capitalised to funds and reserves and is recognized in the income statement as operating income. Prior year results had to be adjusted accordingly.		
The effect of these prior year adjustments is as follows:		
Original Levy Debtors' balance per 05/06 Financial Statements		-
Prior Year Adjustment in respect of levies received in 06/07		2 031 832
Restated 05/06 opening balance		<u>2 031 832</u>
Appropriations Account as per 05/06 Financial Statements		(420 096)
Prior year adjustment-interest adjustment		4 024 237
Prior year adjustment-levies received in 06/07		1 782 309
Restated 05/06 Appropriations Account		<u>5 386 450</u>
Original Vat Control Account as per 05/06 Financial Statement		688 397
Prior year adjustment in respect of levies received in 06/07		(249 523)
Restated Vat Control Account opening balance		<u>438 874</u>
Funds and Reserves original opening balances		59 285 037
Interest adjustment		(4 024 237)
Funds and Reserves restated opening balances		<u>55 260 800</u>



APPENDIX A
FUNDS, PROVISIONS, RESERVES AND TRUST FUNDS

	Balance At 30/06/2006	Contributions During The Year	Interest On Investments	Other Income	Expenditure During The Year	Balance At 30/06/2007
RESERVES						
PROJECT DEVELOPMENT FUNDS	(251 467)	35 310 478			25 335 113	9,723,898
FINANCE MANAGEMENT GRANT	1 793 995	660 378			2 324 283	130,090
MUNICIPAL INFRASTRUCTURE GRANT	45 832 612	97 091 710			107 529 536	35,394,785
TRANSITIONAL FUND	21 460	3 434			23 176	1,717
FLEMISH GOVERNMENT	86 603	50 129			111 667	25,064
KIDEKO GRANT	13 969	508 321			198 876	323,414
TRANSFORMATION MNGNT GRANT	6 638	10 665			11 971	5,333
MUNICIPAL MONITORING SYS.GRANT	104 337	16 694			112 684	8,347
DBSA GIS GRANT	494 227	12 268			500 361	6,134
BUILDINGS FOR SPORT & RECREATION	750 149	2 336 205			500 108	2,586,246
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	1 816 765	224 223			1 314 906	726,081
LGSETA		346 000			100 179	245,821
GRANT: DIMS	(0)	0				-0
GRANT: DISASTER MANAGEMNT ADVISORY	(0)	0				-0
GRANT: DISASTER MANAGEMNT CENTRE	(0)	0				-0
GRANT: DISASTER MANAGEMENT UNIT	0	0				0
GRANT: INFRASTRUCTURE BACKLOG STUDIES	696 532	2 785 881			1 546 943	1,935,470
GRANT :TRANSPORT PLAN	427 418					427,418
GRANT: IDP	80 000				-	80,000
GRANT: SERV. IN TRAD. AUTH. AREAS	29 459	4 713			31 816	2,357
GRANT: MNGNT. ASS. PROGRAME	0	0				-
MAP	(9 546)	10 772				1,226
GRANT: MNGNT AUDIT	15 328	1 226			16 554	-
GIS CAPACITY	(14 084)	14 084				-
DROUGHT RELIEF	2 078 626				2 078 626	-
KZN INFRASTRUCTURE GRANT	450 000				-	450,000
GIJIMA KZN		1 228 294			379 109	849,185
ISRDS (PIMMS)	287 529	159 926			367 492	79,963
INDONSA	550 252	530 210			169 810	910,652
ULUNDI AIRPORT		6 185 350			476 898	5,708,452
NONGOMA PFOJECT CONCOLIDATE		3 000 000				3,000,000
ULUNDI PROJECT CONCOLIDATE		1 000 000				1,000,000
SHARED SERVICES		1 500 000			16 781	1,483,219
CENGENI DEVELOPMENT		3 000 000				3,000,000
	55 260 800	155 990 960	-	-	143 146 889	68,104,871
PROVISIONS						
Accrued Leave Fund	1 862 552	896 660			766 491	1 992 721
Bursary Fund	181 391				16 313	165 078
	2 043 943	896 660	0	0	782 804	2 157 799



**APPENDIX B
SCHEDULE OF EXTERNAL LOANS**

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 2006/07/01	Received during the period	Redeemed written off during the period	Balance at 2007/06/30
LONG-TERM LOANS			R	R	R	R
INCA @12.58% Fixed	1	yr 2013	7 988 958		803 007	7 185 951
Total long-term loans			7 988 958	-	803 007	7 185 951
TOTAL EXTERNAL LOANS			7 988 958	-	803 007	7 185 951



APPENDIX C
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
30 JUNE 2007

2006 Expenditure	Service	2007 BUDGET	2006 Balance at 30/6/2005	2007 Expenditure	2007 Written off Transferred or Disposed	2007 Balance at 30/6/2006
R		R	R			R
948 750	RATE AND GENERAL SERVICES	10,306,380	36 116 166	2 634 292	366,142	38 384 316
948 750	Community Services	10,306,380	36 116 166	2 634 292	366,142.0	38 384 316
182,192	Executive & Council	2,267,300	1 997 536	2 193 407	366 142	3 824 801
245,059	Financial Services	519,080	2 699 588	81 470		2 781 058
-	Human Resources	20,000	-	-		-
-	Planning	-	427 163	-		427 163
49,256	Environmental	-	6,966.00	-		6,966.00
368,642	Community and Social Service	7,500,000	315 507	-		315 507
-	Project Management Unit	-	18 885	-		18 885
103,601	Disaster Management	-	1,814,372.11	359 415		2,173,786.71
-	LED & Tourism	-	5 382	-		5 382
-	Technical services	-	163 547	-		163 547
-	PIMS	-	346 445	-		346 445
-	ISRDS	-	613 110	-		613 110
-	Municipal offices	-	27 707 666	-		27 707 666
232 716 516	TRADING SERVICES	92,446,000	571 990 700	139 310 457	-	711 301 157
151 000	Water	-	1 506 954	-	-	1 506 954
126 511 146	WSA	-	482 316	14 224	-	496 539
106,054,370	WSP :Reticulation	92,446,000	570,001,429	139 296 234		709,297,663
	WSP :Bulk					
233 665 266	TOTAL FIXED ASSETS	102,752,380	608 106 866	141 944 749	366,142.00	749 685 473

LOANS REDEEMED AND OTHER CAPITAL RECEIPTS

2006 Expenditure	Service	2007 BUDGET	2006 Balance at 30/6/2005	2007 Expenditure	2007 Written off Transferred or Disposed	2007 Balance at 30/6/2006
R		R	R			R
234 373 843	RATE AND GENERAL SERVICES	102,752,380.00	600 117 907	142 747 756	366,142.00	742 499 521
234 373 843	Community Services	102,752,380.00	600 117 907	142 747 756	366,142.00	742 499 521
822 562	Contributions from operating income	7,434,380.00	23 416 578	3 919 695	366,142.00	26 970 131
23 2 842 703	Contributions from Donations & Funds	95,318,000.00	574 690 287	138 025 055		712 715 342
708 577	External Loan redeemed		2 011 042	803 007		2 814 049
234 373 843	TOTAL	102,752,380.00	600 117 907	142 747 756	366,142.00	742 499 521
708 577	NET FIXED ASSETS		7,988,958	803 007	-	7 185 951



APPENDIX D
ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR
THE YEAR ENDED 30 JUNE 2007

2006 Actual R		2007 Actual R	2007 Budget R
INCOME			
228 827 536	National and Provincial Grants and Subsidies	230 114 276	209 526 001
19 156 805	Levy Income	-	-
16 288 342	Other Income	17 458 558	28 220 704
2 056 486	Interest	10 448 116	3 900 000
266 329 169		258 020 950	241 646 705
EXPENSES			
36 712 728	Salaries, wages and allowances	45 216 145	46 378 623
2 972 163	Bad Debts	-	-
39 106 577	General expenses	39 388 184	68 624 877
4 197 882	Repairs and maintenance	8 634 461	12 096 369
822 562	Contribution to fixed assets	4 004 078	4,934,380
7 296 674	Grants and Subsidies Paid	5 026 530	5 056 530
1 762 878	Capital Charges	1 762 878	1 678 561
167 245 268	Contributions to Funds	145 443 204	102 877 365
260 116 732	Gross Expenditure	249 475 480	241 646 705
-	Less: Amounts charged out	-	-
260 116 732	Net expenditure	249 475 480	241 646 705
6 212 438	Operating Surplus(Deficit)	8 545 470	-



APPENDIX E
SEGMENTAL INCOME STATEMENT FOR THE YEAR ENDED
30 JUNE 2007

2006 Actual	2006 Actual	2006 Surplus/ (Deficit) R		2007 Actual	2007 Actual	2007 Surplus/ (Deficit) R	2007 Budget Surplus (deficit) R
Income R	Expenditure R			Income R	Expenditure R		
127 421 820	84 202 175	43 219 644	RATE AND GENERAL SERVICES	135 780 330	101 210 891	34 569 439	(621 778)
127 421 820	84 202 175	43 219 644	Community Services	135 780 330	101 210 891	34 569 439	(621 778)
1 006,700	29,303,734	(28 297 034)	Executive and Council	0	29 446 003	(29 446 003)	(29 517 241)
114,942,650	40,888,934	74 053 716	Finance	112 157 338	11 389 511	100 767 827	60 275 182
-	764,264	(764 264)	Human Resource	-	1 069 317	(1 069 317)	(1 412 509)
1,812,416	3,944,854	(2 132 439)	Planning	12 811 236	16 440 036	(3 628 799)	(3 648 586)
-	1,102,312	-1,102,312.08	Environmental Health	-	1 236 006	(1 236 006)	(2 208 603)
4,010,869	4,262,229	(251 360)	Community and Social	4 623 760	36 948 292	(32 324 532)	(14 240 716)
-	-	-	Project Management Unit	-	-	-	-
-	645,206	(645 206)	Disaster Management	1,100,000.00	562 883	537 117	(1 307 646)
500,000	1,419,611	(919 611)	LED and Tourism	-	1 149 489	(1 149 489)	(1 895 372)
5,149,185	1,871,031	3 278 153	Technical services	5,087,996	2 969 354	2 118 642	(6 666 287)
-	-	0	PIMMS	-	-	-	-
			TRADING SERVICES				
138 907 350	175 914 556	(37 007 206)	WATER	122 240 620	148 264 589	(26 023 969)	621 778
115 247 851	140 042 333	(24 794 481)	WSA	94 710 966	104 399 040	(9 688 075)	130 118
7 123 022	12 981 008	(5 857 986)	WSP	10 036 657	17 554 201	(7 517 544)	14 345 944
16 536 476	22 891 216	(6 354 740)	WSP: Bulk	17 492 997	26 311 347	(8 818 350)	(13 854 284)
266 329 169	260 116 732	6 212 438	TOTAL	258 020 950	249 475 480	8 545 470	-
		5 386 450	Appropriations for the year (refer to note 21)			(116 242)	
		11 598 888	Net surplus / (deficit) for the year			8 429 229	
		21 364 816	Accumulated surplus / (deficit): Beginning of the year			32 963 704	
		<u>32 963 704</u>	ACCUMULATED SURPLUS / (DEFICIT): END OF THE YEAR			<u>41 392 933</u>	



**APPENDIX F
STATISTICAL INFORMATION
30 JUNE 2007**

	<u>2007</u>	<u>2006</u>	<u>2005</u>
A. GENERAL STATISTICS			
1. Population (approximate)	957 700	957 700	956 200
2. District Area Per Km	15 307	15 307	15 307
3. Local Municipalities forming the District			
(i) Ulundi Municipality			
(ii) Nongoma Municipality			
(iii) uPhongolo Municipality			
(iv) AbaQulusi Municipality			
(v) eDumbe Municipality			
4. Levy Statistics			
Tarrifs			
Establishment services levy (% of Turnover excluding VAT)		0.012	0.012
Regional service levy (% of Salaries, Wages and Drawing)		0.030	0.030
Registered Levy payers		6 100	6 100
Levy income		19 156 805	16 915 699
5. Number of employees	569	378	285